

AGRICULTURE

CHAPTER 61

SENATE BILL NO. 2026

(Legislative Management)
(Agriculture and Natural Resources Committee)

AN ACT to create and enact chapters 4.1-01, 4.1-15, 4.1-19, 4.1-54, 4.1-55, 11-38, 11-39, and 15-12.1, a new section to chapter 19-02.1, and chapter 54-60.3 of the North Dakota Century Code, relating to revisions of agriculture laws regarding the agriculture commissioner, the northern crops institute, eggs, miscellaneous agriculture laws, the state fair association, county extension agents, the county fair association, agricultural experiment stations, and the agricultural products utilization commission; to amend and reenact subsection 2 of section 57-15-06.7 of the North Dakota Century Code, relating to counties levying taxes to fund extension agents; to authorize the legislative council to make certain statutory redesignations; to repeal chapters 4-01, 4-02, 4-02.1, 4-05.1, 4-08, 4-11.1, 4-13.2, 4-14, 4-14.1, 4-14.2, 4-19, 4-21.1, 4-21.2, 4-22, 4-23, 4-24, 4-30, 4-32, 4-33, 4-35, 4-35.1, 4-35.2, 4-36, 4-37, 4-40, 4-41, 4-43, and 19-07 of the North Dakota Century Code, relating to the agriculture commissioner, agricultural fair associations, the state fair association, agricultural experiment stations, county agents, potato production contracts, the poultry division, unfair discrimination in the purchase of farm products, the agriculturally derived fuel tax fund, the northern crops institute, forestry and tree distribution, nurseries and nursery stock, the trees for North Dakota program, soil conservation districts, agricultural conservation and adjustment, miscellaneous agriculture laws, dairy products regulations, the interstate pest control compact, plant pests, the pesticide act, chemigation regulation, pesticide and pesticide container disposal, the agricultural development act, agriculture in the classroom, crop production products, industrial hemp, meatpacking plant assistance, and eggs; to provide a penalty; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. Chapter 4.1-01 of the North Dakota Century Code is created and enacted as follows:

4.1-01-01. Definitions.

As used in this title, unless otherwise provided:

1. "Commissioner" means the agriculture commissioner or the designee or authorized representative of the commissioner.
2. "Department" means the North Dakota department of agriculture.

4.1-01-02. Salary of agriculture commissioner.

The annual salary of the agriculture commissioner is one hundred five thousand four hundred ninety-one dollars through June 30, 2016, and one hundred eight thousand six hundred fifty-six dollars after that date.

4.1-01-03. Compelling attendance of witnesses and production of books and papers.

The commissioner may compel the attendance of persons at hearings before the commissioner, and the production of books and papers. The commissioner may examine witnesses under oath and may administer oaths. The commissioner's office must file and preserve any testimony taken by the commissioner.

4.1-01-04. Exhibits at fairs.

The commissioner shall have charge of the exhibits of products or resources of the state which are shown at any fair or exposition in the United States. The commissioner shall cooperate with any railroad company doing business in the state, and with any person interested in securing an exhibit at any fair or exposition in the United States.

4.1-01-05. Cooperation with federal agencies in destruction of predatory animals, destructive birds, and injurious field rodents.

1. The commissioner may cooperate with the United States department of agriculture, animal and plant health inspection service, or other appropriate federal agency, in the control and destruction of:
 - a. Fur-bearers and field rodents that are injurious to:
 - (1) Livestock;
 - (2) Poultry; or
 - (3) Big and small game.
 - b. Big game threatening human health or domestic livestock; and
 - c. Birds causing crop damage or substantial economic loss or threatening human health.
2. The control and destruction of animals must be approved by the director of the game and fish department. The commissioner may enter written agreements with the animal and plant health inspection service or other appropriate federal agency, and the director of the game and fish department to determine:
 - a. The methods and procedures for the control and destruction of the birds and animals;
 - b. The extent of supervision required by the commissioner and the animal and plant health inspection service or other appropriate federal agency; and
 - c. The use and expenditure of the funds appropriated by the legislative assembly for the control and destruction of the animals.

3. The commissioner, in cooperation with the animal and plant health inspection service or other appropriate federal agency, may enter agreements with other governmental agencies and with counties, associations, corporations, limited liability companies, or individuals for control and destruction of birds and animals under this section.

4.1-01-06. Expenditures authorized - Who to approve vouchers - Qualifications of hunters and trappers hired - When bounties not payable.

The commissioner may authorize expenditures from funds available for equipment, supplies, and other expenses, including expenditures for personal services of hunters and trappers, as may be necessary to execute the functions of the commissioner under section 4.1-01-05. Hunters and trappers employed under section 4.1-01-05 must be state residents. Hunters and trappers employed under section 4.1-01-05 are not entitled to bounty provided by state laws for the killing or extermination of birds and animals under that section. All vouchers for expenditures made by the commissioner under this section must be approved by the duly authorized agent of the animal and plant health inspection service or other appropriate federal agency.

4.1-01-07. Disposition of proceeds of furs, skins, and specimens taken.

All furs, skins, and specimens taken by hunters and trappers paid out of funds appropriated to carry out section 4.1-01-05 must be disposed of in a manner the commissioner determines is in the best interest of the state. If furs, skins, or specimens are sold, the net proceeds of the sales, up to fifteen thousand dollars per biennium, must be used by the United States department of agriculture wildlife services to fund program activities benefiting the state's livestock producers.

4.1-01-08. Marketing bureau.

The commissioner shall establish and maintain a marketing bureau to gather and disseminate statistical information on any agricultural marketing problems of the state and to engage in marketing services of agricultural products. Any moneys received or generated by the pride of Dakota program must be deposited in the agriculture department operating fund in the state treasury.

4.1-01-09. Certified beef program.

The commissioner may collaborate with the state board of animal health, the North Dakota stockmen's association, North Dakota state university beef systems, and the United States secretary of agriculture to develop a source-verified and process-verified beef marketing program known as the certified beef program.

4.1-01-10. Sustainably grown in North Dakota - Application - Logo - Promotion of commodities.

1. The commissioner may implement a program to promote agricultural commodities sustainably grown in North Dakota.
2. If a program under subsection 1 is implemented, the program must require a producer to file an application with the commissioner. If a producer demonstrates the producer's growing practices with respect to a particular commodity meet the commissioner's established criteria for sustainability, the commissioner shall authorize the producer to label and market the commodity as being sustainably grown in North Dakota.

3. The commissioner may develop, and make available for use by authorized producers, a logo indicating the commodity is sustainably grown in North Dakota. The commissioner may actively support and promote the sale and use of products identified as sustainably grown in North Dakota.
4. The commissioner may establish and charge producers a fee for participating in the program. The commissioner shall forward all fees collected under this section to the state treasurer for deposit in the general fund.
5. The commissioner may engage in research and educate members of the public regarding agricultural commodities that are sustainably grown in this state.
6. For purposes of this section, "sustainably grown" means a crop grown using research-based practices resulting in:
 - a. Increased efficiencies in soil and nutrient preservation;
 - b. Decreased reliance on tillage and other soil-depleting practices;
 - c. Increased efficiencies in the use of water;
 - d. Increased efficiencies in the use of other necessary and measurable agricultural inputs;
 - e. Increased yield efficiencies; and
 - f. Greater economic benefit to producers.

4.1-01-11. Advisory committee on sustainable agriculture - Creation - Duties - Powers - Compensation - Report to legislative management - Continuing appropriation.

1. The commissioner shall appoint an advisory committee on sustainable agriculture.
 - a. The committee must include:
 - (1) The chairman of the house agriculture committee or the chairman's designee;
 - (2) The chairman of the senate agriculture committee or the chairman's designee;
 - (3) The commissioner of the department of commerce or the commissioner's designee;
 - (4) The director of the North Dakota state university agricultural experiment station;
 - (5) An agricultural producer who utilizes innovative research-based technologies in farming operations;
 - (6) A representative of an international agricultural corporation; and

- (7) An individual specializing in the domestic and international marketing of agricultural products.
- b. If both houses of the legislative assembly are controlled by the same party, the committee also must include one member of the legislative assembly from the minority party, appointed by the chairman of the legislative management.
2. The committee shall:
- a. Examine sustainability with respect to conventional farming practices and modern technology-based production practices;
- b. Examine production practices that are efficient and able to meet current and future global food and nutritional needs;
- c. Examine production practices that promote increased efficiencies in resource use, improve human health through access to safe and nutritious food, and enhance economic opportunities for individual producers;
- d. Explore metric evaluations to measure the attainment, maintenance, and certification of sustainability;
- e. Advise the commissioner regarding the development of a sustainability certification program and the marketing and packaging of products containing the certification;
- f. Explore the standards held by international private sector certifying groups which have the potential to increase sales of North Dakota products; and
- g. Report to the legislative management on the status of committee activities.
3. The committee may accept gifts, grants, and donations of money, property, and services. All moneys received as gifts, grants, or donations are appropriated on a continuing basis to the commissioner for the purpose of carrying out this section.
4. Each legislative member of the committee is entitled to receive per diem compensation in the amount established by subsection 1 of section 54-03-20 plus reimbursement for expenses as provided by law for state officers if the member is attending meetings or performing duties directed by the committee.

4.1-01-12. Commodity groups - Agriculture commissioner - Meetings.

1. The commissioner may participate, as a nonvoting member, in any regular or special meeting of a commodity group, including any executive session held by a commodity group.
2. Annually, the commissioner shall call a meeting of representatives from each commodity group to engage in collaborative efforts to promote and market agricultural commodities.
3. For purposes of this section, "commodity group" means the:
- a. North Dakota barley council;

- b. North Dakota beef commission;
- c. North Dakota beekeepers association;
- d. North Dakota corn utilization council;
- e. North Dakota dairy promotion commission;
- f. North Dakota dry bean council;
- g. North Dakota dry pea and lentil council;
- h. North Dakota oilseed council;
- i. North Dakota potato council;
- j. North Dakota soybean council;
- k. North Dakota turkey federation; and
- l. North Dakota wheat commission.

4.1-01-13. Publicly owned land - Noxious weed control or eradication.

1. The commissioner shall arrange a noxious weed control or eradication program with all state and federal agencies owning, controlling, or having jurisdiction over land within the state.
2. Each weed control officer shall arrange a noxious weed control or eradication program with political subdivisions owning or controlling public land within the weed control officer's jurisdiction.
3. If a federal agency does not control or eradicate noxious weeds on land under its jurisdiction and does not develop a management plan for controlling or eradicating the noxious weeds, the appropriate weed control office shall notify the agency of the failure to control or eradicate the noxious weeds. The federal agency shall provide a report to the weed control authorities detailing the methods used by the federal agency and showing cause why the federal agency is not controlling or eradicating the noxious weeds. The commissioner may specify the forms on which the federal agency report must be submitted.
4. Upon being notified by a weed board of the federal agency's failure to control or eradicate noxious weeds, the commissioner may hold a public hearing to determine the reason for the failure.

4.1-01-14. Equine slaughter - Establishments.

The commissioner shall monitor federal statutory and regulatory actions related to the slaughter of horses, mules, and other equines, and in particular, actions pertaining to the establishments in which the slaughter and preparation of the carcasses may take place. The commissioner may pursue or support federal legislative, regulatory, or contractual avenues allowing for the slaughter and processing of horses, mules, and other equines in this state, without the restriction that the slaughter or product preparation be conducted in establishments separate from any in which cattle, sheep, swine, or goats are slaughtered or their products are prepared.

4.1-01-15. Agricultural wetland credits - Database.

The commissioner shall create and maintain an electronic database of wetland credits available for purchase by an agricultural landowner.

4.1-01-16. Grape and wine advisory committee - Membership.

The commissioner shall appoint a grape and wine advisory committee. The committee must include:

1. Two individuals who are grape producers;
2. One individual who is the producer of a fruit, other than grapes, used in vinification;
3. Two individuals who own wineries located in this state; and
4. One representative of the North Dakota grape and wine association.

4.1-01-17. Pipeline restoration and reclamation oversight pilot program - Generally.

1. The commissioner shall establish a pilot program providing technical assistance and support to surface owners and surface tenants on pipeline restoration and followup support to surface owners and surface tenants on pipeline reclamation.
2. The commissioner may contract for ombudsmen to be a resource for technical assistance and followup on pipeline issues. The ombudsmen may not investigate or assist with any pipeline installed before January 1, 2006, or regulated by the public service commission under title 49, and may not assist in easement negotiations.
3. The pilot program may provide technical education, support, and outreach on pipeline-related matters in coordination with other entities.
4. The commissioner may contract with local individuals, deemed trustworthy by the surface owners and surface tenants, to be ombudsmen. The commissioner is not subject to the provisions of chapter 54-44.4 when contracting for the services of ombudsmen.

4.1-01-18. Federal environmental law impact review committee.

1. The federal environmental law impact review committee consists of:
 - a. The commissioner, who shall serve as the chairman;
 - b. The governor or the governor's designee;
 - c. The majority leader of the house of representatives, or the leader's designee;
 - d. The majority leader of the senate, or the leader's designee;
 - e. One member of the legislative assembly from the minority party, selected by the chairman of the legislative management;

- f. One individual appointed by the lignite energy council;
 - g. One individual appointed by the North Dakota corn growers association;
 - h. One individual appointed by the North Dakota grain growers association;
 - i. One individual appointed by the North Dakota petroleum council;
 - j. One individual appointed by the North Dakota soybean growers association; and
 - k. One individual appointed by the North Dakota stockmen's association.
2. The committee shall review federal environmental legislation and regulations detrimentally impacting or potentially detrimentally impacting the state's agricultural, energy, or oil production sectors. The committee shall confer with the attorney general with respect to participation in administrative or judicial processes pertaining to the legislation or regulations.
 3. a. Any member of the legislative assembly serving on the committee is entitled to compensation at the rate provided for attendance at interim committee meetings and reimbursement for expenses, as provided by law for state officers, if the member is attending meetings of the committee or performing duties directed by the committee.
 - b. The compensation and reimbursement of expenses, as provided for in this subsection, are payable by the legislative council.

4.1-01-19. Environmental impact - Cost of participation.

1. Any expenses incurred by the commissioner or by the federal environmental law impact review committee in meeting the requirements of section 4.1-01-18 must be paid by the commissioner from the federal environmental law impact fund.
2. If the attorney general elects to participate in an administrative or judicial process pertaining to federal environmental legislation or regulations, which detrimentally impact or potentially detrimentally impact the state's agricultural, energy, or oil production sectors, any expenses incurred by the attorney general in the participation must be paid by the commissioner from the federal environmental law impact review fund.
3. For purposes of this section, "expenses" include administrative costs, consulting fees, research costs, expert witness fees, attorney fees, and travel costs.

4.1-01-20. Gifts - Grants - Donations.

The commissioner may accept gifts, grants, and donations for the purposes set forth in section 4.1-01-19, provided the commissioner posts the amount and source of any gifts, grants, and donations on the department's website. Any moneys received in accordance with this section must be deposited in the federal environmental law impact review fund.

4.1-01-21. Federal environmental law impact review fund - Continuing appropriation.

1. The federal environmental law impact review fund consists of:
 - a. Any moneys appropriated or transferred for the purposes set forth in section 4.1-01-19; and
 - b. Any gifts, grants, and donations forwarded to the commissioner for the purposes set forth in section 4.1-01-19.
2. All moneys in the federal environmental law impact review fund are appropriated to the commissioner on a continuing basis for the purposes set forth in section 4.1-01-19.

4.1-01-22. Agriculture in the classroom program.

1. The agriculture commissioner shall administer an agriculture in the classroom program with the advice of the agriculture in the classroom council.
2. The agriculture in the classroom council consists of seven individuals. The agriculture commissioner shall appoint six council members. The seventh council member is the superintendent of public instruction or the superintendent's designee. Annually, the council shall elect one of its members to serve as the chairman.
3. At the call of the chairman, the council shall meet at least twice each year, to confer with and advise the agriculture commissioner regarding issues related to the agriculture in the classroom program.
4. The agriculture commissioner may award grants and contract with any person for the provision of an agriculture in the classroom program, the development of agricultural curriculum activities applicable to students from kindergarten through grade twelve, and the training of teachers in agricultural curriculum activities.
5. The agriculture commissioner may:
 - a. Consult and work with the superintendent of public instruction, the department of career and technical education, the United States department of agriculture, and any other public or nonpublic entities to provide and promote an agriculture in the classroom program;
 - b. Prepare instructional, informational, and reference publications on the North Dakota agricultural economy and rural lifestyles;
 - c. Provide training programs for public school teachers in agricultural curriculum activities;
 - d. Encourage research on and identification of new instructional, informational, and reference publications relating to this state's agricultural economy and rural lifestyles; and
 - e. Monitor the quality and condition of the agriculture in the classroom program.

6. The agriculture commissioner may accept and expend gifts, grants, and donations in support of the agriculture in the classroom program. If any gifts, grants, or donations are designated for a specific purpose, the commissioner shall honor the purpose provided the purpose is consistent with this chapter.
7. Members of the agriculture in the classroom council may not receive any compensation for their services on the council, but are entitled to be reimbursed for their expenses incurred in performing their duties in the amounts provided by law for state employees.

SECTION 2. Chapter 4.1-15 of the North Dakota Century Code is created and enacted as follows:

4.1-15-01. Northern crops institute - Northern crops council - Powers and duties - Gifts and grants - Continuing appropriation.

1. The northern crops institute is administered by and in conjunction with North Dakota state university.
2. The northern crops council, in consultation with the president of North Dakota state university, shall appoint the director of the northern crops institute and may remove the director for cause. The director shall manage the institute, hire and compensate necessary personnel within the limits of legislative appropriations, prepare a biennial budget, and serve as executive secretary to the northern crops council. The council shall fix the salary of the director, within the limits of legislative appropriations, in consultation with the president of North Dakota state university.
3. The president of North Dakota state university may participate in the hiring of a director for the institute, including serving on search committees, advertising, and interviewing and negotiating with candidates.
4. Funds appropriated to the northern crops institute may not be commingled with funds appropriated to North Dakota state university. Appropriation requests of the northern crops institute must be separate from appropriation requests of North Dakota state university.

4.1-15-02. Northern crops council - Duties - Chairman - Meetings.

The northern crops council shall establish policies for the operation of the northern crops institute.

1. The council consists of:
 - a. The agriculture commissioner or the commissioner's designee;
 - b. The president of North Dakota state university of agriculture and applied science or the president's designee;
 - c. The president and general manager of the North Dakota mill and elevator association;
 - d. An individual selected by the North Dakota barley council;
 - e. An individual selected by the North Dakota oilseed council;

- f. An individual selected by the North Dakota soybean council;
 - g. An individual selected by the North Dakota wheat commission;
 - h. No fewer than five nor more than seven individuals who produce northern crops, selected by the members referenced in subdivisions a through g; and
 - i. No more than four representatives of industries that process northern crops, selected by the members designated in subdivisions a through g.
2. a. The term of office for each member of the council referenced in subdivisions d through i of subsection 1 is three years, and those members are limited to two 3-year terms.
 - b. Each term of office begins with the first meeting after the member's appointment.
3. Annually, the council members shall select one of the individuals referenced in subdivisions d through i of subsection 1 to serve as the chairman.
 4. The council shall meet at least three times annually at the times and places as determined by the council and may meet in special meeting upon the call and notice as may be prescribed by rules adopted by the council.
 5. If a member is unable to attend a meeting of the council, the member may be represented by an individual who has a written proxy from the member.

4.1-15-03. Purpose - Powers and duties.

The northern crops institute shall provide technical and marketing assistance through specialized training courses and technical services that facilitate domestic and market development and expanded sales of northern grown crops. The institute shall render services including:

1. In-plant consultations regarding crop quality problems, product manufacturing, and possible purchasing methods and standards.
2. Short courses in product milling and processing, plant management, county elevator management, grain grading, and marketing of crops.
3. Educational and career and technical education training programs in milling, processing, manufacturing, purchasing methods, marketing procedures, product sales techniques, and other related subjects to be conducted for users of northern crops.
4. Short-term investigations, consultation, evaluation, and research to solve technical problems involved in the maintenance of quality and utilization of northern crops.
5. Annual surveys and quality analyses of new northern crops and monitoring of the quality and condition of commodities in market channels.
6. Research on northern crop damage problems and solutions.
7. Identification of problem areas in marketing northern crops abroad.

8. Preparation of instructional, informational, and reference publications on the end use, technical aspects of marketing, and utilization of northern crops for distribution domestically and abroad.

4.1-15-04. Gifts and grants - Continuing appropriation.

The northern crops institute may contract for and accept private contributions and gifts and grants-in-aid from the federal government, private industry, and other sources. Those funds may be spent only for the purposes of this chapter and for any purposes designated in the gift, grant, or donation and those funds are appropriated on a continuing basis to the northern crops institute for those purposes.

SECTION 3. Chapter 4.1-19 of the North Dakota Century Code is created and enacted as follows:

4.1-19-01. Definitions.

As used in this chapter:

1. "Eggs" means eggs in the shell which are the product of a domesticated chicken.
2. "Poultry" means domesticated fowl bred for the primary purpose of producing eggs, meat, or both, including chickens, turkeys, ostriches, emus, rheas, cassowaries, waterfowl, and game birds, but excluding doves and pigeons.

4.1-19-02. Administration - Enforcement.

The agriculture commissioner shall administer and enforce this chapter.

4.1-19-03. Purposes - Duties.

The agriculture commissioner shall:

1. Promote improved poultry breeding practices and cooperate with the board of animal health in controlling and eradicating contagious or infectious diseases of poultry.
2. Act as the official state agency for North Dakota in cooperation with the veterinary services, animal plant health inspection service, United States department of agriculture, for the purpose of furthering the objectives and supervising the state's participation in the national poultry improvement plan.
3. Act as the state agency to cooperate with the United States department of agriculture to provide federal-state grading service for poultry and poultry products offered for sale at the retail level, to supervise the federal-state poultry grading service, and to enforce regulations at the retail level as to identification by grade of all poultry sold.
4. Promote the welfare and improvement of the poultry industry and the marketing of poultry and poultry products within the state.
5. Adopt rules under chapter 28-32 as necessary to effectuate the purposes of this chapter.

4.1-19-04. Licensing - Fees - Bonding.

A person must be licensed by the agriculture commissioner to engage in the business of poultry buyer, processor, packer, hatchery operator, or salesperson. Licenses issued under this chapter expire on July first and must be issued or renewed only upon payment to the commissioner of the license fee of five dollars for each business activity subject to licensing and the furnishing of the bond required by rules adopted by the agriculture commissioner. Engaging in a business activity subject to licensing under this chapter without a valid license or failure to pay any license fee or to furnish the required bond within ten days after it becomes due or required is a violation of this chapter.

4.1-19-05. Penalty.

1. Any person who violates any provision of this chapter or rule adopted under this chapter is guilty of a class A misdemeanor.
2. Any person who violates any provision of this chapter or rule adopted under this chapter may be subject to a civil penalty not to exceed one thousand dollars for each violation. This penalty may be adjudicated by the courts or by the agriculture commissioner through an administrative hearing conducted by an independent hearing officer pursuant to chapter 28-32.
3. The agriculture commissioner may maintain an appropriate civil action in the name of the state against any person violating this chapter or rule adopted under this chapter.
4. Any person who knowingly makes a false statement, representation, or certification in any application, record, report, or other document is guilty of a class A misdemeanor.
5. For purposes of this section, "person" means an individual, partnership, corporation, limited liability company, association, cooperative, or any business entity.

4.1-19-06. Eggs to be graded - Exemption.

1. All eggs sold or offered for sale to an ultimate consumer in this state must be candled, graded, and labeled with the correct grade designation.
2. The agriculture commissioner may adopt appropriate rules under chapter 28-32 to provide for registration of egg dealers and standards for candling, grading, and inspecting eggs as to size, quality, purity, strength, holding requirements, transportation, labeling, and sanitation in conformity with United States department of agriculture regulations governing the grading and inspecting of eggs.

SECTION 4. Chapter 4.1-54 of the North Dakota Century Code is created and enacted as follows:

4.1-54-01. Sale of chemically treated grain - Misdemeanor.

A person may not sell grain for the purpose of human or animal consumption which has been chemically treated for insect or fungus control, without informing the purchaser of the treatment. Any person selling chemically treated grain without informing the purchaser of the treatment is guilty of a class B misdemeanor.

4.1-54-02. North Dakota winter show - Official site of the North Dakota agricultural hall of fame.

The North Dakota winter show, an annual exhibition, shall be held in Valley City. No other event may be designated as, nor call itself, the North Dakota winter show, or any similar name designed to confuse the public with the exhibition sponsored every year in Valley City by the North Dakota winter show. The North Dakota winter show is a nonprofit corporation organized under the laws of this state. The North Dakota winter show is the official site of the North Dakota agricultural hall of fame.

4.1-54-03. 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. The honey fund;
 - i. The turkey fund;
 - j. The milk marketing fund;
 - k. The dairy promotion commission fund;
 - l. The state wheat commission fund;
 - m. The ethanol fund; and
 - n. 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.

4.1-54-04. Agricultural commodity promotion groups to report to the legislative assembly - Report contents.

1. From the first to the tenth legislative day of each regular legislative session, the following entities must file a uniform report at a public hearing before the standing agriculture committee of each house of the legislative assembly:
 - a. The North Dakota ethanol council;
 - b. The North Dakota potato council;
 - c. The North Dakota oilseed council;
 - d. The North Dakota dry bean council;
 - e. The North Dakota dry pea and lentil council;
 - f. The North Dakota barley council;
 - g. The North Dakota soybean council;
 - h. The North Dakota corn utilization council;
 - i. The North Dakota beekeepers association;
 - j. The North Dakota turkey federation;
 - k. The North Dakota milk marketing board;
 - l. The North Dakota dairy promotion commission;
 - m. The North Dakota state wheat commission; and
 - n. The North Dakota beef commission.
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 state auditor's report on the commodity group's single-page uniform statement of revenues and expenditures for the previous two fiscal years.

4.1-54-05. North Dakota agricultural hall of fame - Establishment - Induction.

The North Dakota agricultural hall of fame is established at the North Dakota winter show.

1. To be eligible for induction into the North Dakota agricultural hall of fame, an individual must:
 - a. Have reached the age of forty-five;

2. The committee, by a two-thirds majority, may add a new agricultural organization to select a representative on the North Dakota agricultural hall of fame committee. The committee, by a majority vote, may remove the name of an organization that no longer exists from the North Dakota agricultural hall of fame committee.
3. The representative of the North Dakota winter show shall serve as the chairman of the committee and the secretary of the North Dakota winter show shall serve as the secretary of the committee. The chairman shall determine the time and location of all committee meetings.
4. The committee shall determine the number of nominees to be inducted into the North Dakota agricultural hall of fame each year. Any person who is nominated for induction into the North Dakota agricultural hall of fame and fails to receive the requisite votes for induction but receives at least one vote is automatically carried over for consideration for induction the following year. The nominee may provide the committee with updated or additional information to be considered.
5. The committee shall select the inductees by secret ballot and shall announce the selection at the North Dakota agricultural hall of fame banquet, to be held each year during the North Dakota winter show. Inductees must receive a plaque and have their photographs displayed at the North Dakota agricultural hall of fame.

4.1-54-07. Purple coneflowers (Echinacea purpurea or Echinacea angustifolia) - Unauthorized removal - Penalty.

1. It is a class A misdemeanor for any person to willfully enter upon state-owned land or land owned by another and remove or attempt to remove a purple coneflower, Echinacea purpurea or Echinacea angustifolia, from the land without the express written consent of the landowner. A person in violation of this section is subject to court-ordered restitution to the landowner, and is also subject to a civil penalty of up to ten thousand dollars.
2. It is a class A misdemeanor for any person to willfully possess a purple coneflower removed from land in violation of this section. A person in violation of this section is also subject to a civil penalty of up to ten thousand dollars.
3. Any vehicle used to transport a purple coneflower removed or possessed in violation of this section is forfeitable property under chapter 29-31.1.

4.1-54-08. Genetically modified seed - Patent infringement - Sampling - Mediation.

1. For purposes of this section, "farmer" means the person responsible for planting a crop on, managing the crop, and harvesting the crop from land on which a patent infringement is alleged to have occurred.
2. a. Before a person holding a patent on a genetically modified seed may enter upon any land farmed by another for the purpose of obtaining crop samples to determine whether patent infringement has occurred, the person holding the patent shall:

- (1) Provide written notice to the agriculture commissioner of the person's belief that a patent infringement has occurred and include facts supporting the allegation;
 - (2) Provide written notice to the farmer of the allegation that a patent infringement has occurred and request written permission to enter upon the farmer's land; and
 - (3) Obtain the written permission of the farmer.
- b. If the farmer withholds written permission, the person holding a patent may petition the district court of the judicial district in which the property is located for an order granting permission to enter upon the farmer's land.
3. The farmer may accompany the person holding the patent at the time any samples are taken.
4. If requested by the farmer or the person holding the patent, the state seed commissioner shall accompany the person holding the patent at the time any sample is taken. The state seed commissioner may impose a fee for providing that service. The patent holder and the farmer shall each pay one-half of the fee charged by the commissioner.
5. If the person holding a patent believes that the crop from which samples are to be taken may be subject to intentional damage or destruction, the person may seek a protection order from the district court. The protection order may not interrupt or interfere with normal farming practices, including harvest and tillage.
6. The person holding the patent may take samples from a standing crop, from representative standing plants in the field, or from crops remaining in the field after harvest.
7. The person holding the patent may not obtain more samples than are reasonably necessary to make a determination regarding patent infringement. An equal number of samples must remain in the custody of the state seed commissioner or the farmer for future comparison and verification purposes. All samples taken must be placed in containers labeled as to the date, time, and location from which they were taken. The labels must be signed by the farmer, the person who took the samples, and the state seed commissioner if the commissioner was present at the time the samples were taken. The patent holder and the farmer shall share equally the cost of the containers needed for the second set of samples that are retained by the state seed commissioner or the farmer. The farmer and the person holding the patent shall share equally the cost of the containers and the cost of obtaining the samples.
8. Within sixty days from the date the samples are taken, an independent laboratory shall conduct all tests to determine whether patent infringement has occurred. The person holding the patent shall notify the farmer of the test results, by certified mail or by any other method of delivery for which a signature is required, within twenty-one days from the date the results were reported to the person holding the patent.
9. The parties may participate in mediation at any time. The mediation must be conducted by a mediator jointly selected by the farmer and the person holding

the patent. If the farmer and the person holding the patent are unable to select a mediator, the mediation must be conducted by an independent mediation service.

10. If the case is not settled after mediation, either party may file a claim for relief with the federal district court having jurisdiction over the claim. Unless otherwise specified in a contract between the farmer and the person holding the patent, the appropriate state district court is the one that has jurisdiction over that portion of this state in which the farmer's land is located.

SECTION 5. Chapter 4.1-55 of the North Dakota Century Code is created and enacted as follows:

4.1-55-01. State fair association - North Dakota state fair.

The North Dakota state fair association shall conduct an annual North Dakota state fair, including exhibition of the agricultural, stockbreeding, horticultural, mining, mechanical, industrial, and other products and resources of this state. The North Dakota state fair must be held at Minot, North Dakota, at a site to be selected by the state fair association. No other fair in the state may include in its name the words "state fair".

4.1-55-02. State fair association members.

1. The state fair association membership must be selected in the following manner:
 - a. Three members must be chosen annually from each county, who are residents of the county. From each county, one member must be selected by the county fair board, one member selected by the board of county commissioners, and one member selected by the county agent. In a county in which there is no county fair board or county agent, or neither, the board of county commissioners shall select the members for which there is no other appointing authority under this subsection. A majority of the members must be selected under this subsection.
 - b. By a two-thirds vote of the board of directors, the directors may elect individuals as nonvoting honorary life members in recognition of eminent services in agriculture, horticulture, or associated arts and sciences; long and faithful service in the association; or benefits conferred upon the association.
2. The election and selection of members must be made and certified to the state fair association on or before each annual meeting. The term of each member, except honorary life members, begins at the opening of the annual meeting after being chosen under subsection 1 and continues until the opening of the succeeding annual meeting. Each member holds office until that member's successor is chosen and qualified. A member who is a director remains a member through that member's term of office as director. Any member may resign from membership by filing a written resignation with the secretary of the association but memberships are not transferable or assignable. By majority vote of all members of the board, the board of directors may suspend or expel a member for cause.

4.1-55-03. Meetings of the association - Time and place - Notice.

1. The annual meeting of the state fair association must be held as provided in the bylaws of the association. The annual meeting must include election of directors and the transaction of other business of the association. If the election of directors is not held on the day designated for the annual meeting or at an adjournment of the annual meeting, the board of directors shall cause the election to be held at a special meeting as soon thereafter as convenient. The failure to hold the annual meeting at the designated time does not result in a forfeiture or dissolution of the association.
2. A special meeting may be held upon the call of the president or by order of the board of directors. The president shall call a special meeting upon request by ten percent or more of the association members.
3. The president or board of directors, whichever calls the meeting, may designate any place within the state as the place of an annual or special meeting.
4. At least ten but not more than fifty days before an association meeting, written or printed notice stating the place, day, and hour of any meeting of the association must be delivered to each member entitled to vote at the meeting, personally or by mail or by any form of digital communication directed with verification of receipt to a digital communication address at which the member has consented to receive notice. Delivery of notice must be done by, or at the direction of, the president or the secretary or the officers or persons calling the meeting. For a special meeting, or when required by law or the bylaws, the purpose for which the meeting is called must be stated in the notice. If mailed, the notice of the meeting is deemed to be delivered when deposited in the United States mail, addressed to the member at the member's address as it appears on the records of the association with prepaid postage.

4.1-55-04. Compensation and expenses of members.

Each member of the board of directors is entitled to receive compensation in the amount of one hundred thirty-five dollars per day plus reimbursement of expenses as provided by law for state officers while attending meetings or performing duties directed by the board. The board of directors may pay to members rendering unusual or special services to the association special compensation appropriate to the value of the services.

4.1-55-05. Board of directors - Terms.

The affairs of the state fair association must be managed by its board of directors, which must consist of nine members unless otherwise provided in the association bylaws. A decrease in the number of directors may not affect the term of any incumbent director. Each director shall hold office for a term of three years, and until that director's successor has been elected and qualified. The terms of the directors must be staggered so three directors are elected annually. The directors must be members of the state fair association and residents of the state.

4.1-55-06. Annual meeting of the board of directors - Special meetings - Notice.

1. A regular annual meeting of the board of directors must be held immediately after and at the same place as the annual meeting of the association. Notice

of the regular annual meeting of the board of directors must be included in the notice of the annual meeting of the state fair association. The board of directors may provide by resolution the time and place for the holding of additional regular meetings of the board without other notice than that resolution.

2. Special meetings of the board of directors may be called by the president or upon the written request of two of the directors. The president shall fix the time and place for the holding of any special meeting of the board of directors.
3. Notice of any special meeting of the board must be given to each director at least three days before the meeting by written notice delivered personally, sent by mail, or by any form of digital communication directed with verification of receipt to a digital communication address at which the director has consented to receive notice. Any director may waive notice of any meeting. The attendance of a director at any meeting constitutes a waiver of notice of that meeting, except when a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted, nor the purpose of any regular or special meeting of the board of directors, need be specified in the notice or waiver of notice of such meeting.

4.1-55-07. Quorum of board of directors to transact business.

A majority of the board of directors constitutes a quorum for the transaction of business at any meeting of the board. If less than a majority of the directors are present at a meeting, a majority of those present may adjourn the meeting from time to time without further notice. The act of a majority of the directors present at a meeting at which a quorum is present is the act of the board of directors unless the act of a greater number is required by law or by the bylaws. A director participating in a meeting through an electronic communication medium may be considered to be present at the meeting for purposes of this chapter.

4.1-55-08. Vacancies and special compensation of board members.

Any vacancy occurring on the board of directors must be filled by the board of directors for the unexpired term of the vacancy. The board of directors may contract for and pay directors rendering unusual or exceptional services to the association special compensation appropriate to the value of those services.

4.1-55-09. Officers - Removal - Vacancies.

The officers of the association must be a president, vice president, secretary, treasurer, and such other officers as may be created by the board of directors. An officer of the association shall perform the duties of the office as prescribed by law, the bylaws, or the board of directors. Any two or more offices may be held by the same individual except the offices of president and secretary. The president, vice president, secretary, and treasurer must be elected annually by the board of directors. Any office created by the board may be filled by appointment at any meeting of the board. Each elected officer holds office until that officer's successor has been duly elected and qualified. Any officer elected or appointed may be removed by the board. The removal of any officer is without prejudice to any contractual rights of the officer. Election or appointment of an officer or agent does not create contractual rights. A vacancy in any office may be filled by the board of directors for the unexpired portion of the term.

4.1-55-10. Officers - Duties.

1. The president is the principal executive officer of the association and shall supervise and control the business and affairs of the association and preside at all meetings of the association and the board of directors. The president may sign, with the secretary or any other officer of the association authorized by the board of directors, any deeds, mortgages, bonds, contracts, or other instruments the board of directors has authorized to be executed, except when the signing is expressly delegated by the board of directors, the bylaws, or law to some other officer or agent of the association. The president shall perform all duties incident to the office of president and duties as may be prescribed by the board of directors.
2. In the absence, inability, or refusal to act of the president, the vice president shall perform the duties of the president and when so acting has all the power of and is subject to all the restrictions upon the president. If there is more than one vice president, the vice president elected or appointed earliest in time shall perform the duties of the president. A vice president shall perform such duties as assigned by the president or board of directors.
3. If required by the board of directors, the treasurer shall give a bond for the faithful discharge of the treasurer's duties in a sum with that surety as determined by the board. The treasurer shall perform or supervise the performance of all the duties incident to the office of the treasurer and shall:
 - a. Keep accurate financial records for the association;
 - b. Deposit all money, drafts, and checks in the name of and to the credit of the association in the depositories designated by the board;
 - c. Endorse for deposit all notes, checks, and drafts received by the association as directed by the board, making proper vouchers;
 - d. Disburse association funds and issue checks and drafts in the name of the association, as directed by the board;
 - e. Give to the president and the board, when requested, an account of all transactions by the treasurer and of the financial condition of the association; and
 - f. Perform other duties assigned by the board or the president.
4. The secretary shall keep the minutes of the meetings of the board of directors; see that all notices are duly given in accordance with the bylaws or as required by law; be custodian of the association records; keep a register of the post-office address of each member as furnished to the secretary by the member; and, in general, perform or supervise the performance of all duties incident to the office of secretary and other duties as assigned by the president or by the board of directors.
5. Any other officers created by the board of directors may be required to give bonds for the faithful discharge of their duties in such sum and with such sureties as determined by the board of directors and shall perform duties assigned to them by the treasurer, secretary, president, or board of directors.

4.1-55-11. Director's liability limited.

The individual members of the board of directors of the state fair association are not liable for the negligence of any person, firm, corporation, or limited liability company staging any show, race, or other amusement at the state fair, nor for the negligence of any person employed by them.

4.1-55-12. Bylaws, rules, and regulations.

The state fair association may make all bylaws, rules, and regulations, not inconsistent with law, which it deems necessary or proper to carry out its responsibilities under this chapter and for the government of the state fair grounds, and for all activities on the state fair grounds, and for the protection, health, safety, and comfort of the public. The bylaws, rules, and regulations are in effect from the time of filing with the secretary of the association.

4.1-55-13. Appointment of necessary employees.

The president, or any other person delegated the authority by the board of directors, shall appoint and employ deputies and other subordinates; contractors, architects, builders, clerks, accountants, and other experts; and agents and servants as required to carry out the functions of the state fair association. Salaries and other compensation must be set by the president and board of directors and any expenses incurred in the performance of employment must be reimbursed in the same manner and for the same amounts as is provided for officials and employees of the state.

4.1-55-14. State fair operating fund - Continuing appropriation.

A special fund for the North Dakota state fair association to be known as the state fair operating fund must be maintained in the state treasury. All income, fees, rents, interest, and any other moneys, from any source derived by the state fair association, must be deposited in that fund for the use of the North Dakota state fair association. Moneys credited to the fund are appropriated as a standing appropriation for the purposes provided in this chapter. The fund is not subject to section 54-44.1-11.

4.1-55-15. Organization under corporation laws - Real property transactions - Contracts.

The state fair association has the rights, privileges, and liabilities of a corporation under the corporation laws of this state except as provided by this chapter. The association may purchase, hold, lease, exchange, trade, or sell real estate for the purpose of promoting and conducting a state fair. Real estate controlled by the state fair association may be leased, subleased, rented, or used for other than fair purposes when the property is not needed for fair purposes. The state fair association may contract in its own name, but as an agency of the state, and shall make all of its purchases under the purchasing laws of the state, except as exempted by the director of the office of management and budget.

4.1-55-16. Name in which business conducted and titles taken - Execution of written instruments.

All business of the association must be conducted under the name of "North Dakota state fair association". Title to property obtained in regard to the operation of the association must be obtained and conveyed in the name of the state of North Dakota, doing business as the North Dakota state fair association. Written instruments must be executed in the name of the state of North Dakota.

4.1-55-17. Certified audit of state fair association.

The state fair association shall submit annually to the governor and the legislative audit and fiscal review committee an audit report prepared by a certified public accountant based upon an audit of all records and accounts of the association.

4.1-55-18. Attorney general to act as legal adviser.

The attorney general shall appoint an assistant attorney general or a special assistant attorney general to provide legal assistance to the state fair association. The appointment is revocable at the pleasure of the attorney general. This section does not prohibit the state fair association from employing any other attorney to carry out the legal functions of the association or provide additional legal services, other than those provided through the office of the attorney general, necessary for the proper administration of the state fair association.

4.1-55-19. Law enforcement - Arrangements with local law enforcement agencies.

The state fair association shall make arrangements with local law enforcement agencies for the provision of law enforcement personnel. For the purpose of enforcing any state and local laws, rules, regulations, bylaws, and ordinances of the state fair association, negotiations may be entered with local law enforcement agencies for the use of law enforcement personnel or the deputizing of employees of the state fair association. The cost of providing law enforcement personnel is the responsibility of the state fair association, except in the case of law enforcement officials who are functioning in their normal capacity as agents of the state or its political subdivisions. Law enforcement personnel shall wear appropriate badges of office while acting as such.

4.1-55-20. Service of process.

In any action or proceeding upon a claim arising out of the conduct of the state fair, service of process may be made as provided in section 53-05-04.

4.1-55-21. Regulation and licensing.

The state fair association shall regulate all shows, exhibitions, performances, establishments, and privileges carried on during the state fair and ensure those enterprises are properly licensed according to local and state laws. The state fair association may license any enterprises not required to be licensed by state or local laws. The state fair association shall ensure that shows, exhibitions, performances, establishments, and exercise of fair privileges are conducted in compliance with all state and local laws and all rules and regulations of the state fair association.

4.1-55-22. Nonliability of state for debts - Exception.

The state is not liable for any of the debts or liabilities of the state fair association except as appropriations are made for that purpose by the legislative assembly.

4.1-55-23. Annual report.

The secretary or other officer charged with compiling an annual report of the proceedings of the state fair association and its financial condition for the preceding fiscal year by the annual meeting shall file a copy in the office of the agriculture commissioner. The commissioner shall include it, in whole or in part, in the commissioner's biennial report to the governor and the secretary of state.

4.1-55-24. The Iverson grandstand.

The grandstand constructed by the state fair association on the state fairgrounds during the 2009-11 biennium is designated the Iverson grandstand.

SECTION 6. Chapter 11-38 of the North Dakota Century Code is created and enacted as follows:

11-38-01. County extension agent - Petition to authorize or discontinue levy - Election - Levy limitations.

1. Upon the filing with the county auditor at least sixty-four days before the date of a general election of a petition to authorize or discontinue a tax levy for extension work, containing the names of twenty percent of the qualified electors of the county as determined by the votes cast for governor in the county in the most recent gubernatorial election, the board of county commissioners shall submit to the qualified electors at the next general election the question of authorizing or discontinuing a tax levy for extension work. Upon approval by a majority of qualified electors of the county voting on the question of authorizing a tax levy for extension work, the board of county commissioners may levy a tax of up to two mills as provided in subsection 2 of section 57-15-06.7. Upon approval by a majority of qualified electors of the county voting on the question of discontinuing a tax levy for extension work, the board of county commissioners shall terminate any levy or additional levy previously authorized under this chapter and may terminate county expenditures for extension work.
2. The board of county commissioners may submit to the electors at a primary or general election the question of approval of voter-approved additional levy authority for extension work for a period not exceeding ten years and if approved by a majority of the electors voting on the question, the board of county commissioners may levy an additional tax not exceeding the limitation in subsection 2 of section 57-15-06.7. Voter-approved additional levy authority authorized by electors of a county before January 1, 2015, remains in effect through taxable year 2024 or for the time period authorized by the electors, whichever expires first. After January 1, 2015, approval or reauthorization by electors of voter-approved additional levy authority under this section may not be effective for more than ten taxable years.
3. The board of county commissioners may appropriate funds out of the county general fund to cover any unanticipated deficiency in funding for extension work. All funds raised by levies under this chapter must be appropriated by the board of county commissioners for the purposes set forth in this chapter.

11-38-02. Form of petitions.

The petitions provided for in section 11-38-01 must be in substantially the following form:

PETITION REGARDING LEVY FOR EXTENSION WORK

We, the undersigned, qualified electors of _____ County, North Dakota, petition the board of county commissioners that it [levy or discontinue the levy of] a tax not to exceed two mills to employ an extension agent for the purpose of carrying on extension work in cooperation with the North Dakota state university extension service.

11-38-03. Form of ballot.

The question to be voted upon as provided in section 11-38-01 must be submitted on a separate ballot and must be worded as follows:

1. For a petition to authorize a levy:

For extension work _____

Against extension work _____

2. For a petition to discontinue a levy:

For discontinuing the extension work levy _____

Against discontinuing the extension work levy _____

11-38-04. Extension agent selection.

When a majority of the votes are cast to authorize a tax levy for extension work, by the following July first the North Dakota state university extension service shall conduct interviews and select a candidate for extension agent.

If a vacancy occurs in the extension agent position, the North Dakota state university extension service, with approval of the board of county commissioners, shall conduct interviews and select a candidate for extension agent.

11-38-05. Discontinuance of extension work levy - Transfer of unobligated funds.

If a majority of the votes cast at an election to discontinue authority for a tax levy under section 11-38-01 are in favor of discontinuing authority for the levy for extension work, the tax levy and the services of the extension agent must be discontinued on the thirty-first day of December following the date of election. Upon the discontinuance of extension work, accumulated and unobligated funds remaining in the special fund for that purpose must be transferred to the county general fund and the special fund must be closed out.

11-38-06. Budgeting for extension work.

1. When the board of county commissioners is authorized to make a levy for the employment of an extension agent, the board shall provide an annual budget that stipulates the salary of the agent, field and office expenses, and allowance for staff.
2. The budget must be revised annually to account for changes in agent and staff salaries and operating expenses. The board of county commissioners annually shall provide the North Dakota state university extension service input on the extension agent's performance. The extension agent's annual salary adjustment must be agreed upon by the board of county commissioners and the extension service based on the agent's annual performance and consideration of county and extension service budget limitations.
3. After agreeing upon a budget and after deducting the amount of funds contributed from federal and state funds, the board of county commissioners shall levy within the authorization under this chapter or appropriate funds out of the county general fund, or both, to cover the county's share of the budget.

11-38-07. Extension agent to submit monthly account of expenditures.

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 and consistent with the approved budget, expenditures must be covered by a subvoucher or receipt according to county policy for reimbursement. 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. Charges made for transportation expenses 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 of travel, verified by affidavit. The account must be transmitted and recommended for payment by the North Dakota state university extension service which shall audit and approve or disallow any expense item.

11-38-08. Achievement days - Premiums - Report of extension agent.

In July of each year the office of management and budget shall pay from funds appropriated for boys' and girls' clubwork a sum not to exceed five hundred dollars to the extension agent of each county within the state conducting boys' and girls' achievement days, to be used exclusively for the payment of premiums at the boys' and girls' achievement days. Within thirty days following the boys' and girls' achievement days, the extension agent shall refund to the office of management and budget any balance not expended, which must be remitted to the state treasurer and placed to the credit of the general fund.

11-38-09. Direction and supervision of extension agent.

The North Dakota state university extension service shall actively direct and supervise the work of the extension agent. The extension agent regularly shall request feedback from the board of county commissioners on county programs, based on local and state needs considerations. The work of the county agent may not conflict with state or federal laws or regulations governing appropriations for extension work.

11-38-10. Report to board of county commissioners.

An extension agent shall file a statement of the agent's work with the board of county commissioners either monthly or within a mutually agreed upon timeframe not to exceed one year.

11-38-11. Dissatisfaction with extension agent - Meeting to be arranged.

If the North Dakota state university extension service or the board of county commissioners becomes dissatisfied with the performance of an extension agent or the level of funding support required, the dissatisfied entity shall arrange a joint meeting at which detailed information as to the dissatisfaction with the performance of the agent or the level of funding support required must be presented and such joint action taken as is justified by the evidence.

11-38-12. Administration - Position adjustments - Budget section report.

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 or part-time equivalent positions to carry out the mission of the extension service. All full-time 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 under this section.

SECTION 7. Chapter 11-39 of the North Dakota Century Code is created and enacted as follows:

11-39-01. County fair association organization as nonprofit corporation.

A county fair association must be organized under the nonprofit corporation laws of this state. In addition to the powers and duties of nonprofit corporations under the laws of this state, a county fair association has the powers and duties specified in this chapter.

11-39-02. Fair association - County funding.

1. A fair association may be organized in any county. The officers and directors must be residents of the county or, if the association is to conduct a multicounty fair, residents of one of the participating counties. The association may make written application to the board of county commissioners for a grant to aid in the erection of buildings and other improvements suitable to conduct the fair and to pay premiums and expenses that may be awarded on fair exhibits. An application must include evidence that the association is incorporated in this state as a nonprofit corporation, the names and places of residence of all its officers and directors, and evidence of ownership or right to use of sufficient real property in the county to conduct the fair.
2. The board of county commissioners may not provide county funding or official county fair authorization under this chapter to more than one fair association or to any association organized for profit.
3. If the board of county commissioners is satisfied the statements in the application are true and the association intends in good faith to annually hold a fair within the county for the exhibition of agricultural, livestock, horticultural, mining, mechanical, industrial, and manufactured products of the county, and of those articles as are usually exhibited at fairs, and other public displays of human art, industry, and skill, the board may provide the association official county fair authorization and funding from revenues derived from the county general fund levy authority. If the funding is approved, the county treasurer shall pay to the secretary of the association, by the following July thirty-first, the amount of funding approved and shall take the receipt of the association for the payment.
4. Any amount received by the county fair association must be deposited by the secretary of the association in a special fund.
5. To promote holding a county fair, the board of county commissioners may purchase or lease in the name of the county not to exceed two hundred forty

If the county fair association fails to hold a fair within the county for two consecutive years, the board of county commissioners may direct that any county property on hand be sold and the proceeds of the sale and any unexpended balance in the county fair fund be transferred to the county general fund.

11-39-06. County funding to cease when fair not held - Misappropriation of funds.

The board of county commissioners shall refuse to provide funding for a county fair association that failed to hold a fair within the county in any year for which it has received funding from the county. In such a case, the board of county commissioners shall inquire into the disposition of moneys paid by the county to the association after its last annual report, and if there has been any misappropriation it shall institute proceedings at once to recover the sum misappropriated. For any such misappropriation, the officers, trustees, or directors of the association shall be liable personally to the county.

11-39-07. Power to make regulations governing premises.

Fair associations may make rules, regulations, and provisions necessary and proper for the government, management, and control of the premises used by them for the holding of fairs and expositions and for the regulation of the use of the premises.

11-39-08. Director's civil immunity.

The individual members of the board of directors of any fair association are immune from civil liability for any act or omission relating to service as a director for the negligence of any person, firm, corporation, or limited liability company staging any show, race, or other amusement at any county or municipal fair and are immune from civil liability for any negligence of any person employed by the board of directors or the association conducting such fair.

11-39-09. Treasurer to give bond - Duty of officers and directors.

The officers and directors of any fair association shall require the treasurer of the association to give a sufficient bond to those officers and directors, conditioned for the faithful keeping of that money as may come into the treasurer's hands as the treasurer. The treasurer may not receive funds of a fair association until the treasurer is properly bonded.

11-39-10. Nonliability of state for debts - Exception.

The state is not liable for any of the debts or liabilities of a fair association except to the extent appropriations are made for that purpose by the legislative assembly.

SECTION 8. Chapter 15-12.1 of the North Dakota Century Code is created and enacted as follows:

15-12.1-01. Definitions.

In this chapter, unless the context otherwise requires:

1. "Agricultural experiment station" means the North Dakota state university main research center, the Dickinson research extension center, the Williston research extension center, the Langdon research extension center, the central grasslands research extension center, the Carrington research extension center, the Hettinger research extension center, the north central research

extension center, the agronomy seed farm, and any other department or agency designated by the state board of higher education.

2. "Center director" means the administrator in charge of a research or research extension center.
3. "Station director" means the administrator of the agricultural experiment station.

15-12.1-02. Agricultural experiment station.

The state board of agricultural research and education and the president of North Dakota state university shall control and administer the North Dakota agricultural experiment station subject to the supervision of the state board of higher education. Funds appropriated to the agricultural experiment station may not be commingled with funds appropriated to North Dakota state university. Appropriation requests to defray expenses of the agricultural experiment station must be separate from appropriation requests to defray expenses of North Dakota state university.

15-12.1-03. Center directors - Research and research extension centers - Records and information.

The station director has jurisdiction over the research and research extension centers of the agricultural experiment station. The center director shall administer each research or research extension center. The center director shall report to the station director. Each research or research extension center shall keep detailed records of all research activities. The research or research extension center shall publish and disseminate research results and information for the benefit of this state.

15-12.1-04. Reports.

Each center director shall submit an annual report to the station director. Each report must set forth in detail the investigations and experiments made during the preceding year, recommendations for the welfare of the center, the financial condition of the center, how all moneys have been expended during the preceding year, and the results of all experiments that have been completed during the preceding year. By September first of each year, the station director shall submit these reports, with a report of the North Dakota state university main research center, to the state board of agricultural research and education and the state board of higher education.

15-12.1-05. 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 the enhancement of quality of life, sustainability of production, and protection of the environment. The station director may adjust or increase full-time equivalent positions to carry out activities to accomplish the mission of the agricultural experiment station, subject to the availability of funds. All full or partial positions must be separate from North Dakota state university. The station director shall report annually to the office of management and budget and to the budget section any adjustments or increases made under 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.

15-12.1-06. Dickinson research extension center.

The Dickinson research extension center must be located in or near Dickinson in Stark County. The center shall conduct research:

1. On increasing the carrying capacity of native rangeland, with emphasis on conservation and preservation for future generations;
2. On grass production to determine how to best compensate for the vagaries of the weather as it influences forage production in the agriculture of western North Dakota;
3. At the ranch location in Dunn County with beef cattle and swine on breeding, feeding, management, and disease control for the benefit of livestock producers of western North Dakota and the entire state; and
4. Designed to increase productivity of all agricultural products of the soil by maintaining or improving the soil resource base in the agricultural region of southwestern North Dakota by:
 - a. The identification of adapted crop species and superior crop cultivars;
 - b. Propagation and distribution of selected seed stock; and
 - c. Development of profitable cropping systems that achieve the necessary balance between profitability and conservation of all natural resources.

15-12.1-07. Williston research extension center.

The Williston research extension center must be located in or near Williston in Williams County. The center shall conduct research designed to increase productivity of all agricultural products of the soil while maintaining or improving the soil resource base in the agricultural region of northwestern North Dakota by:

1. The identification of adapted crop species and superior crop cultivars;
2. Propagation and distribution of selected seed stocks; and
3. Development of profitable cropping systems that achieve the necessary balance between profitability and conservation of all natural resources.

15-12.1-08. Langdon research extension center.

The Langdon research extension center must be located in or near Langdon in Cavalier County. The center shall conduct research designed to increase productivity of all agricultural products of the soil while maintaining or improving the soil resource base in the agricultural region of northeastern North Dakota by:

1. The identification of adapted crop species and superior crop cultivars;

2. Propagation and distribution of selected seed stocks; and
3. Development of profitable cropping systems that achieve the necessary balance between profitability and conservation of all natural resources.

15-12.1-09. Central grasslands research extension center.

The central grasslands research extension center must be located within an area bounded by the Missouri River on the west and the James River on the east. The center shall conduct research:

1. Designed to fulfill needs within an area bounded by the Missouri River on the west and the James River on the east; and
2. To increase the range-carrying capacity of native range, with emphasis on:
 - a. The conservation and preservation for future generations;
 - b. The stabilization of grass production to discover how to best compensate for the vagaries of the weather and precipitation as it influences forage production in agriculture;
 - c. The identification of the impact of different management systems upon beef production in the central region of the state; and
 - d. The exploration of increased use of crop residues and byproducts for the maintenance of the cowherd.

15-12.1-10. Carrington research extension center.

The Carrington research extension center must be located in or near Carrington in Foster County. The center shall conduct research designed to:

1. Determine the potential of irrigated agriculture in the region proposed for irrigation development in the state which must be related to both crop and livestock production; and
2. Increase productivity of all agricultural products of the soil while maintaining or improving the soil resource base in the agricultural region of east central North Dakota by:
 - a. The identification of adapted crop species and superior crop cultivars;
 - b. Propagation and distribution of selected seed stocks; and
 - c. Development of profitable cropping and integrated crop and livestock systems that achieve the necessary balance between profitability and conservation of all natural resources.

15-12.1-11. Hettinger research extension center.

The Hettinger research extension center must be located in or near Hettinger in Adams County. The center shall develop the best available technology in breeding, feeding, management, and disease control pertinent to the production of sheep in the state. The center shall conduct research designed to increase productivity of all

agricultural products of the soil while maintaining or improving the soil resource base in southwestern North Dakota by:

1. The identification of adapted crop species and superior crop cultivars;
2. Propagation and distribution of selected seed stocks; and
3. Development of profitable cropping systems that achieve the necessary balance between profitability and conservation of all natural resources.

15-12.1-12. North central research extension center.

The north central research extension center must be located in or near Minot in Ward County. The center shall conduct research designed to increase productivity of all agricultural products of the soil while maintaining or improving the soil resource base in the agricultural region of north central North Dakota by:

1. The identification of adapted crop species and superior crop cultivars;
2. Propagation and distribution of selected seed stocks; and
3. Development of profitable cropping systems which achieve the necessary balance between profitability and conservation of all natural resources.

15-12.1-13. Agronomy seed farm - Investment of reserve income fund.

At the direction of the center director of the agronomy seed farm with the approval of the station director, the state treasurer shall provide for the investment of available moneys in the agronomy seed farm reserve income fund. The state treasurer shall credit the investment income to the agronomy seed farm reserve income fund. The moneys in the fund may be spent only within the limits of legislative appropriation.

15-12.1-14. State board of agricultural research and education - Membership - Terms.

1. The state board of agricultural research and education consists of:
 - a. The president of North Dakota state university or the president's designee;
 - b. The vice president of agricultural affairs at North Dakota state university, who serves in an ex officio nonvoting capacity;
 - c. The administrator of the agricultural experiment station, who serves in an ex officio nonvoting capacity;
 - d. The five persons appointed to the state board of agricultural research and education by the ag coalition;
 - e. The five persons appointed to the state board of agricultural research and education by the extension service's multicounty program units;
 - f. The agriculture commissioner, who serves in an ex officio nonvoting capacity;
 - g. The director of the North Dakota state university extension service, who serves in an ex officio nonvoting capacity; and

15-12.1-17. State board of agricultural research and education - Duties.

Within the policies of the state board of higher education, the state board of agricultural research and education is responsible for budgeting and policymaking associated with the agricultural experiment station and the North Dakota state university extension service. The state board of agricultural research and education shall:

1. Determine the causes of any adverse economic impacts on crops and livestock produced in this state;
2. Develop ongoing strategies for the provision of research solutions and resources to negate adverse economic impacts on crops and livestock produced in this state;
3. Develop proactive strategies for the extension service to fulfill the mission of improving the lives and livelihood of the citizens of North Dakota by providing research-based education;
4. Implement the strategies developed under subsections 2 and 3, subject to approval by the state board of higher education;
5. Develop, with the agricultural experiment station and the North Dakota state university extension service, an annual budget for the operations of these entities;
6. Develop a biennial budget request based on its prioritized needs list and submit that request to the president of North Dakota state university and the state board of higher education, and forward its prioritized needs list and request without modification to the office of management and budget and the appropriations committees of the legislative assembly;
7. Maximize the use of existing financial resources, equipment, and facilities to generate the greatest economic benefit from research and extension efforts and to promote efficiency;
8. Annually evaluate the results of research and extension activities and expenditures and report the findings to the legislative management and the state board of higher education;
9. Advise the president of North Dakota state university regarding the recruitment, selection, and performance of the vice president of agricultural affairs, the extension service director, and the station director; and
10. Provide a status report to the budget section of the legislative management.

15-12.1-18. Agricultural research fund - Continuing appropriation.

The agricultural research fund is a special fund in the state treasury. Moneys in the fund are appropriated to the state board of agricultural research and education for purposes of agricultural research. Any interest earned by the fund must be returned to the fund.

15-12.1-19. State board of agricultural research and education - Apportionment of research funds.

1. The state board of agricultural research and education may use up to ten percent of the moneys in the agricultural research fund, not to exceed fifty thousand dollars per year, for administrative expenses and annually shall apportion the remaining proceeds of the agricultural research fund as follows:
 - a. Seventy percent to research activities affecting North Dakota agricultural commodities that account for at least two percent of the gross sales of all agricultural commodities grown or produced in the state. The percentage of the dollars available for each agricultural commodity under this section may not exceed the percentage that the gross sales of the agricultural commodity bear to the North Dakota gross sales of all agricultural commodities grown or produced during the previous year, as determined by the agricultural statistics service;
 - b. Eighteen percent to research activities affecting North Dakota animal agriculture; and
 - c. Twelve percent to research activities affecting new and emerging crops in North Dakota.
2. The state board of agricultural research and education shall solicit proposals for research from the public and private sectors and shall appoint committees to review the proposals and award the agricultural research grants on a competitive basis. Each committee must consist of a majority of agricultural producers selected in consultation with the agricultural commodity groups representing commodities that are the subjects of the proposed research and may include researchers and other individuals knowledgeable about the proposed area of research. Whenever possible, the committees shall require a grant recipient commit matching funds.
3. The state board of agricultural research and education shall develop policies regarding the award of research grants, including requirements for matching funds, cooperation with other in-state and out-of-state researchers, and coordination with other in-state and out-of-state proposed or ongoing research projects.

SECTION 9. A new section to chapter 19-02.1 of the North Dakota Century Code is created and enacted as follows:

Eggs - Labeling and temperature rules.

The state department of health may adopt appropriate rules under chapter 28-32 to establish standards for proper labeling and temperature during the retail storage and sale of shell eggs. As used in this section, "eggs" means eggs in the shell which are the product of a domesticated chicken.

SECTION 10. Chapter 54-60.3 of the North Dakota Century Code is created and enacted as follows:

54-60.3-01. Agricultural products utilization commission - Composition - Appointment.

The agricultural products utilization commission shall administer the agricultural products utilization fund. The commission shall consist of nine members, five of whom must be appointed by the governor for terms of two years each, arranged so that two terms expire in odd-numbered years and three terms expire in even-numbered years. Three members appointed by the governor must be actively engaged in farming in this state and two members appointed by the governor must be actively engaged in business in this state. The agriculture commissioner shall appoint one member for a term of two years which expires in odd-numbered years. The member appointed by the commissioner must be actively engaged in farming in this state. Commission members may be reappointed. Terms of commissioners commence on the first day of July. The commissioner of commerce, the president of North Dakota state university, and the agriculture commissioner, or their designees, are members of the commission. The commission shall elect one of its members as chairman.

54-60.3-02. Agricultural products utilization commission - Authority.

1. The North Dakota agricultural products utilization commission may apply for, accept, and expend any appropriation, grant, gift, or service made available from public or private sources.
2. The commission may administer grant programs including:
 - a. A basic and applied research grant program;
 - b. A utilization and marketing grant program;
 - c. A cooperative marketing grant program;
 - d. A nature-based tourism grant program;
 - e. A technical assistance grant program for value-added businesses;
 - f. A farm diversification grant program;
 - g. An agricultural prototype development grant program;
 - h. An agricultural technologies grant program; and
 - i. A North American marketing grant program.
3. As a condition of any grant administered by the commission, the commission may require the recipient repay some or all of the grant if the recipient does not fulfill the conditions of the grant. Repayment may be monetary or any other type or method determined by the commission.

54-60.3-03. Agricultural products utilization commission - Meetings - Personnel - Reports.

The agricultural products utilization commission, an office of the department of commerce division of economic development and finance, shall meet as necessary and shall report to each session of the legislative assembly. The commission may secure office space, employ required personnel for the performance of its duties, hire

consultants, spend any funds appropriated to the commission, and contract with public entities or private parties for services.

54-60.3-04. Agricultural products utilization commission - Reimbursement - Compensation.

Members of the agricultural products utilization commission are entitled to be reimbursed for expenses incurred in the performance of their duties, in the same manner as other state officials are reimbursed, according to sections 44-08-04 and 54-06-09. If not otherwise employed by the state of North Dakota, members of the commission are entitled to receive per diem compensation of one hundred thirty-five dollars for each day of attending meetings and performing other duties relating to official business of the commission. The commission chairman, if not otherwise employed by the state of North Dakota, may receive an additional one hundred dollars for each day of a regular meeting attended as payment for reviewing and evaluating grant proposals.

54-60.3-05. Agricultural products utilization commission - Administrative expenses.

Administrative expenses of the agricultural products utilization commission, including expenses of members of the commission, employment of required personnel, hiring of consultants, and contracting with public or private entities for services may not exceed ten percent of the funds appropriated to the commission by the legislative assembly each biennium, excluding federal funds.

54-60.3-06. Agricultural products utilization fund - Purposes.

The agricultural products utilization fund in the state treasury must be used to fund programs for agricultural research, development, processing, technology, and marketing. The fund must be used to defray the expenses of the North Dakota agricultural products utilization commission. Interest earned on moneys in the fund must be credited to the fund.

²⁴ **SECTION 11. AMENDMENT.** Subsection 2 of section 57-15-06.7 of the North Dakota Century Code is amended and reenacted as follows:

2. A county levying a tax for extension work as provided in section ~~4-08-1511-38-01~~ may levy a tax not exceeding two mills and if a majority of the electors of the county have approved additional levy authority under section ~~4-08-1511-38-01~~, the county may levy a voter-approved additional tax not exceeding ~~an additional tax~~ of two mills.

SECTION 12. LEGISLATIVE COUNCIL TO REDESIGNATE CHAPTERS IN TITLE 4.1 OF THE NORTH DAKOTA CENTURY CODE. The legislative council shall redesignate chapter 4.1-47 as chapter 4.1-24, chapter 4.1-83 as chapter 4.1-29, chapter 4.1-52 as chapter 4.1-42, chapter 4.1-53 as chapter 4.1-43, chapter 4.1-54 as chapter 4.1-44, chapter 4.1-55 as chapter 4.1-45, chapter 4.1-56 as chapter 4.1-46, chapter 4.1-57 as chapter 4.1-47, chapter 4.1-73 as chapter 4.1-49, chapter 4.1-74 as chapter 4.1-50, chapter 4.1-75 as chapter 4.1-51, chapter 4.1-72 as chapter 4.1-52, and chapter 4.1-88 as chapter 4.1-56.

SECTION 13. REPEAL. Chapters 4-01, 4-02, 4-02.1, 4-05.1, 4-08, 4-11.1, 4-13.2, 4-14, 4-14.1, 4-14.2, 4-19, 4-21.1, 4-21.2, 4-22, 4-23, 4-24, 4-30, 4-32, 4-33, 4-35,

²⁴ Section 57-15-06.7 was also amended by section 11 of Senate Bill No. 2206, chapter 341.

4-35.1, 4-35.2, 4-36, 4-37, 4-40, 4-41, 4-43, and 19-07 of the North Dakota Century Code are repealed.

SECTION 14. EFFECTIVE DATE. Section 11 of this Act is effective for taxable years beginning after December 31, 2016.

Approved April 5, 2017

Filed April 5, 2017