

Agriculture Commissioner
Budget No. 602
Senate Bill No. 2009; House Bill Nos. 1276, 1437, and 1519

| | FTE Positions | General Fund | Other Funds | Total |
|--|----------------------|---------------------|---------------------|---------------------|
| 2023-25 legislative appropriations | 80.00 | \$47,519,573 | \$32,454,618 | \$79,974,191 |
| 2023-25 base budget | 79.00 | 13,459,712 | 24,110,775 | 37,570,487 |
| Legislative increase (decrease) to base budget | 1.00 | \$34,059,861 | \$8,343,843 | \$42,403,704 |

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

| | Ongoing General Fund Appropriation | One-Time General Fund Appropriation | Total General Fund Appropriation |
|---|---|--|---|
| 2023-25 legislative appropriations | \$14,519,573 | \$33,000,000 | \$47,519,573 |
| 2021-23 legislative appropriations ¹ | 13,459,712 | 12,200,000 | 25,659,712 |
| 2023-25 legislative increase (decrease) to 2021-23 appropriations | \$1,059,861 | \$20,800,000 | \$21,859,861 |
| Percentage increase (decrease) to 2021-23 appropriations | 7.9% | 170.5% | 85.2% |

¹The 2021-23 biennium general fund appropriation for the Agriculture Commissioner includes a \$1.7 million one-time deficiency appropriation provided by the 2023 Legislative Assembly in Senate Bill No. 2025 for the purpose of repaying a loan authorized in a special meeting of the Emergency Commission in August 2021 for the emergency feed transportation program during the 2021-23 biennium.

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS
Changes to Base Budget

| | FTE Positions | General Fund | Other Funds | Total |
|---|----------------------|---------------------|--------------------|--------------|
| The legislative action: | | | | |
| Adjusted funding for base payroll changes | | \$65,314 | \$49,755 | \$115,069 |
| Added funding to provide employee salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024 | | 595,220 | 412,980 | 1,008,200 |
| Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,643 per month | | 228,779 | 183,910 | 412,689 |
| Added an FTE marketing specialist position, of which \$214,930 is for salaries and wages and \$101,300 is for operating expenses | 1.00 | 316,230 | | 316,230 |
| Transferred funding for new FTE positions and estimated savings from vacant FTE positions to a new and vacant FTE funding pool in the Office of Management and Budget | | (608,727) | (268,273) | (877,000) |

| | | | |
|--|----------|-----------|-----------|
| Added funding for information technology rate increases, including \$6,599 from federal funds and \$5,969 from special funds | 17,565 | 12,568 | 30,133 |
| Added funding for information technology data processing, communications, and services, including \$4,442 from federal funds and \$210,617 from special funds | 10,078 | 215,059 | 225,137 |
| Adjusted funding for travel, operating fees and services, and other operating expenses, including a reduction of \$563,265 from federal funds and \$96,586 from special funds | 47,266 | (659,851) | (612,585) |
| Added funding for a new Capitol space rent model | 198,136 | | 198,136 |
| Added funding from the abandoned oil and gas well plugging and site reclamation fund for a postproduction royalty oversight program. The program was established in Senate Bill No. 2194 (2023), which will allow the Agriculture Commissioner to contract for an ombudsmen to assist individuals and companies with mineral royalty payment issues. | | 500,000 | 500,000 |
| Added federal funds for the plant and potato cyst nematode program | | 26,000 | 26,000 |
| Added federal funding for the local food purchase assistance program for local underserved producers, including \$110,000 for operating expenses and \$868,000 for grants | | 978,000 | 978,000 |
| Adjusted funding for capital assets to provide a total of \$7,000 for capital assets from the environment and rangeland protection fund | (10,000) | 2,000 | (8,000) |
| Added funding for noxious weeds grants, of which \$80,000 is from federal funds and \$118,695 is from the environment and rangeland protection fund to provide a total of \$1,623,969, of which \$170,000 is from federal funds and \$1,453,969 is from the environment and rangeland protection fund | | 198,695 | 198,695 |
| Reduced funding for the waterbank program to provide a total of \$100,000 from the North Dakota outdoor heritage fund | | (200,000) | (200,000) |
| Added federal funding for the specialty crop block grant program to provide a total of \$7,094,805 from federal funds. This amount does not include funding for the program from COVID-19 federal funds. A section is added to the bill to provide the Agriculture Commissioner an exemption to continue COVID-19 funding appropriated for the program for the 2019-21 biennium and continued into the 2021-23 biennium during the 2021 legislative session into the 2023-25 biennium. | | 1,055,500 | 1,055,500 |

| | | | |
|--|-------------|---------------------|---------------------|
| Added funding for aerial contract services for the Wildlife Services program to provide a total of \$1,657,400 for the Wildlife Services program | 200,000 | | 200,000 |
| Increased funding from the Agricultural Products Utilization Commission (APUC) fund for the APUC program to provide ongoing funding of \$2,110,417 from the agricultural products utilization fund | | 350,000 | 350,000 |
| Added one-time funding from Bank of North Dakota profits for the APUC program to provide a total of \$5,110,417 for the program | | 3,000,000 | 3,000,000 |
| Added one-time funding for bioscience innovation grants which are transferred to the bioscience innovation grant fund. In addition, Section 3 provides for a \$5.5 million transfer from the strategic investment and improvements fund (SIIF) to the bioscience innovation grant fund to provide a total of \$12 million for bioscience innovation grants. | 6,500,000 | | 6,500,000 |
| Added one-time funding for the North Dakota Trade Office to provide a total of \$2.1 million from the general fund | 500,000 | | 500,000 |
| Added one-time funding from SIIF for grasslands grazing grants | | 1,000,000 | 1,000,000 |
| Added one-time funding for a food distribution grant program | 1,000,000 | | 1,000,000 |
| Added one-time funding for the agriculture infrastructure grant program to be transferred to the agriculture diversification and development fund. Of this amount, \$10 million is available for agriculture infrastructure grants to political subdivisions. (House Bill No. 1276) | 25,000,000 | | 25,000,000 |
| Added one-time funding from the environment and rangeland protection fund for a regional livestock development and planning grant program (House Bill No. 1437) | | 1,200,000 | 1,200,000 |
| Added one-time funding for uncrewed aircraft system, autonomous vehicle, and other autonomous technology grants. Of this amount, \$275,000 is from the federal State Fiscal Recovery Fund for grants and \$12,500 is from SIIF for administration of the program. (House Bill No. 1519) | | 287,500 | 287,500 |
| Total | <u>1.00</u> | <u>\$34,059,861</u> | <u>\$8,343,843</u> |
| | | | <u>\$42,403,704</u> |

FTE Changes

The Legislative Assembly approved 80 FTE positions for the Agriculture Commissioner for the 2023-25 biennium, an increase of 1 FTE position from the 2021-23 biennium level of 79 FTE positions. The Legislative Assembly added 1 FTE marketing specialist position.

One-Time Funding

The Legislative Assembly approved \$38.5 million of one-time funding for the Agriculture Commissioner for the 2023-25 biennium as follows:

| | General Fund | Other Funds | Total Funds |
|---|---------------------|--------------------|---------------------|
| APUC ¹ | | \$3,000,000 | \$3,000,000 |
| Bioscience innovation grants ² | \$6,500,000 | | 6,500,000 |
| North Dakota Trade Office | 500,000 | | 500,000 |
| Grasslands grazing grants ³ | | 1,000,000 | 1,000,000 |
| Food distribution grant program | 1,000,000 | | 1,000,000 |
| Agriculture infrastructure grant program (House Bill No. 1276) ⁴ | 25,000,000 | | 25,000,000 |
| Regional livestock development and planning grant program (House Bill No. 1437) ⁵ | | 1,200,000 | 1,200,000 |
| Uncrewed aircraft system, autonomous vehicle, and other autonomous technology grants (House Bill No. 1519) ⁶ | | 287,500 | 287,500 |
| Total | \$33,000,000 | \$5,487,500 | \$38,487,500 |

¹One-time funding for the APUC program is from Bank of North Dakota profits.

²The \$6.5 million appropriated from the general fund in Section 1 of Senate Bill No. 2009 for bioscience innovation grants is transferred to the bioscience innovation grant fund in Section 4 of the bill. In Section 3, the Legislative Assembly provided for a \$5.5 million transfer from SIIF to the bioscience innovation grant fund to provide a total of \$12 million for bioscience innovation grants.

³Funding for the grasslands grazing grants program is from SIIF.

⁴Funding appropriated from the general fund for the agriculture infrastructure grant program is transferred to the agriculture diversification and development fund.

⁵Funding appropriated for the regional livestock development and planning grant program is from the environment and rangeland protection fund.

⁶Of the \$287,500 appropriated for uncrewed aircraft system, autonomous vehicle, and other autonomous technology grants, \$275,000 is from the federal State Fiscal Recovery Fund for grants and \$12,500 is from SIIF for administration of the program.

Deficiency Appropriation - 2021-23 Biennium

Senate Bill No. 2025 - Emergency feed transportation program loan repayment - Section 1 of this bill provides a \$1.7 million deficiency appropriation from the general fund to the Agriculture Commissioner for the purpose of repaying a loan authorized in a special meeting of the Emergency Commission in August 2021 for the emergency feed transportation program during the 2021-23 biennium.

Environment and Rangeland Protection Fund

The environment and rangeland protection fund was established by the 1991 Legislative Assembly in Senate Bill No. 2451 and enacted as North Dakota Century Code Section 19-18-02.1 then amended and reenacted by the 2017 Legislative Assembly as Section 4.1-39-07 as part of the agriculture law rewrite. The fund contains collections from pesticide registration fees, fertilizer registration, inspection, and tonnage fees, and weed seed free forage fees. Prior to the 2009-11 biennium, the biennial fee was \$350 per pesticide product registered in the state. Of this amount, \$300 was deposited in the environment and rangeland protection fund and \$50 in the general fund. Beginning with the 2009-11 biennium, the entire pesticide registration fee is deposited in the environment and rangeland protection fund rather than a portion in the general fund. Funding in the environment and rangeland protection fund is utilized for various Agriculture Commissioner programs. Please refer to the **TRUST FUND ANALYSES** section of this report for an analysis of the environment and rangeland protection fund.

Minor use pesticide fund transfer - Section 7 of Senate Bill No. 2009 transfers \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the 2023-25 biennium, the same as the 2021-23 biennium.

Environment and rangeland protection fund - Section 8 of Senate Bill No. 2009 identifies \$7,351,547 of funding from the environment and rangeland protection fund for Agriculture Commissioner programs, an increase of \$452,152 from the 2021-23 biennium.

Agricultural Products Utilization Commission

In Senate Bill Nos. 2009 and 2328 and House Bill No. 1018, the 2019 Legislative Assembly approved the transfer of the APUC program from the Department of Commerce to the Agriculture Commissioner beginning in the 2019-21 biennium. The following is a summary of recent funding for APUC in the Department of Commerce (2013-15 through 2017-19 bienniums) and Agriculture Commissioner (2019-21 through 2023-25 bienniums):

| Biennium | General Fund | APUC Fund ¹ | Bank of North Dakota Profits | Federal Funds | Total ² |
|---|--------------|------------------------|------------------------------|---------------|--------------------|
| 2013-15 | \$1,202,210 | 1,738,284 | 0 | 300,000 | \$3,240,494 |
| 2015-17 (adjusted) ^{3,4} | \$1,022,983 | 2,095,628 | 0 | 0 | \$3,118,611 |
| 2017-19 ^{5,6} | \$0 | 3,152,915 | 0 | 0 | \$3,152,915 |
| 2019-21 ⁷ | \$0 | 1,760,417 | 2,000,000 | 0 | \$3,760,417 |
| 2021-23 | \$0 | \$1,760,417 | \$2,700,000 | \$0 | \$4,460,417 |
| 2023-25 | \$0 | 2,110,417 | 3,000,000 | 0 | \$5,110,417 |
| Increase (decrease) from 2021-23 biennium | \$0 | \$350,000 | \$300,000 | \$0 | \$650,000 |

¹The 2013 Legislative Assembly renamed the agricultural fuel tax fund the agricultural products utilization fund. Section 19 of Senate Bill No. 2018 (2013) removed the requirement that two cents per gallon of the motor vehicle fuel tax refund for agricultural purposes be deposited in the agricultural products utilization fund, resulting in the remaining ongoing funding sources for the agricultural products utilization fund be an annual transfer of 5 percent of the Mill and Elevator Association profits and one-half cent per gallon of the motor vehicle fuel tax refund for industrial purposes. In Section 2 of House Bill No. 1099 (2023), the Legislative Assembly amended Section 57-43.1-03 to remove the requirement to deposit one-half cent per gallon of the motor vehicle fuel tax refund in the agricultural products utilization fund, resulting in the annual transfer of 5 percent of the Mill and Elevator Association profits being the only ongoing funding source for the agricultural products utilization fund.

²These amounts do not include carryover authority.

³The 2015-17 general fund appropriation for APUC reflects a \$200,000 reduction made during the August 2016 special legislative session reductions.

⁴The 2015 Legislative Assembly provided an exemption for APUC in Section 17 of House Bill No. 1018 allowing unexpended funds from the 2013-15 biennium to continue during the 2015-17 biennium.

⁵Of the amount appropriated to the Department of Commerce through the agricultural products utilization fund for the 2017-19 biennium, approximately \$1.3 million was from the Mill and Elevator Association profits and approximately \$1,000 was from motor vehicle fuel tax refunds. The remaining amount was additional special fund spending authority from the agricultural products utilization fund if additional Mill and Elevator Association profits become available.

⁶The 2017 Legislative Assembly provided an exemption for APUC in Section 4 of Senate Bill No. 2018 allowing unexpended funds from the 2015-17 biennium to continue during the 2017-19 biennium.

⁷In addition to the funding provided to the Agriculture Commissioner in the APUC line item, funding for 1 FTE position is included from the general fund in the salaries and wages line item for the APUC program.

North Dakota Trade Office

The North Dakota Trade Office creates global partnerships to expand trade opportunities for North Dakota businesses through advocacy, education, and expertise. In Section 13 of Senate Bill No. 2009 (2023), the Legislative Assembly identified \$2.1 million appropriated in Section 1 from the general fund for the North Dakota Trade Office. The Legislative Assembly transferred the North Dakota Trade Office program from the Department of Commerce to the Agriculture Commissioner in Senate Bill No. 2018 (2021).

The following is a summary of funding for the North Dakota Trade Office in the Department of Commerce (2003-05 through 2019-21 bienniums) and Agriculture Commissioner (2021-23 biennium and 2023-25 biennium):

| Biennium | General Fund | Other Funds | Total |
|---|--------------|-------------|-------------|
| 2003-05 ¹ | \$75,000 | 0 | \$75,000 |
| 2005-07 ² | \$0 | 700,000 | \$700,000 |
| 2007-09 ³ | \$1,500,000 | 0 | \$1,500,000 |
| 2009-11 ⁴ | \$2,064,000 | 0 | \$2,064,000 |
| 2011-13 ⁵ | \$2,613,400 | 0 | \$2,613,400 |
| 2013-15 ⁵ | \$2,613,400 | 0 | \$2,613,400 |
| 2015-17 (adjusted) ^{5,6} | \$2,556,694 | 0 | \$2,556,694 |
| 2017-19 ⁷ | \$2,000,000 | 0 | \$2,000,000 |
| 2019-21 ⁷ | \$1,600,000 | 0 | \$1,600,000 |
| 2021-23 ⁷ | \$1,600,000 | \$0 | \$1,600,000 |
| 2023-25 ⁷ | \$2,100,000 | 0 | \$2,100,000 |
| Increase (decrease) from 2021-23 biennium | \$500,000 | \$0 | \$500,000 |

¹Section 21 of House Bill No. 1019 (2003) required the Department of Commerce to establish a trade promotion authority for promoting North Dakota products and improving international trade for North Dakota products for the 2003-05 biennium. The department was to use \$75,000 from the general fund appropriated in its operating expenses line item for operating costs of the trade authority for the 2003-05 biennium. Section 22 of the bill provided that the department may spend any gifts, grants, or other income received by the authority pursuant to a continuing appropriation for the 2003-05 biennium.

²The 2005 Legislative Assembly provided funding of \$500,000 from the development fund and \$200,000 from the Mill and Elevator Association for costs associated with the North Dakota Trade Office. Matching funds of 50 percent were to be provided before this funding was made available.

³Section 10 of House Bill No. 1018 (2007) provided that the Department of Commerce may spend 50 percent of the funding without requiring any matching funds from the North Dakota Trade Office, and any additional amounts may be spent only to the extent that the North Dakota Trade Office provides \$1 of matching funds from private or other public sources for each \$1 provided by the Department of Commerce. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, provide training to export assistants, or buy computer equipment as part of the North Dakota Trade Office's export assistance program.

⁴Section 11 of Senate Bill No. 2018 (2009) provides that the Department of Commerce may spend 62.5 percent of the funding without requiring any matching funds from the North Dakota Trade Office, and any additional amounts may be spent only to the extent that the North Dakota Trade Office provides \$1 of matching funds from private or other public sources for each \$1 provided by the Department of Commerce. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, provide training to export assistants, or buy computer equipment as part of the North Dakota Trade Office's export assistance program.

⁵Section 26 of Senate Bill No. 2057 (2011), Section 31 of Senate Bill No. 2018 (2013), and Section 12 of House Bill No. 1018 (2015), provided the Department of Commerce may spend 70 percent of funding appropriated to the North Dakota Trade Office without requiring matching funds from the North Dakota Trade Office. Additional amounts may be spent only to the extent that the North Dakota Trade Office provides \$1 of matching funds from private or other public sources for each \$1 provided by the department. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, provide training to export assistants, or buy computer equipment as part of the North Dakota Trade Office's export assistance program.

⁶The 2015-17 biennium appropriation for the North Dakota Trade Office reflects a \$56,706 general fund reduction made as part of the August 2016 special legislative session reductions.

⁷Section 11 of Senate Bill No. 2018 (2017) and Section 9 of House Bill No. 1018 (2019) provided the Department of Commerce and Section 12 of House Bill No. 1009 (2021) and Section 13 of Senate Bill No. 2009 (2023) provided the Agriculture Commissioner may spend 60 percent of funding appropriated for the North Dakota Trade Office without requiring matching funds from the North Dakota Trade Office. Additional amounts may be spent only to the extent that the North Dakota Trade Office provides \$1 of matching funds from private or other public sources for each \$1 provided by the state. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, provide training to export assistants, or buy computer equipment as part of the North Dakota Trade Office's export assistance program.

Bioscience Innovation Grant Program

In Senate Bill No. 2224 (2019), the Legislative Assembly established a bioscience innovation grant program, provided a continuing appropriation to the Agriculture Commissioner for the program, and required the Office of Management and Budget to transfer \$700,000 from the Research North Dakota fund to the bioscience innovation grant fund during the 2019-21 biennium. Of the \$700,000 transferred, up to \$200,000 was to be awarded to entities providing assistance to develop bioscience companies. The Agriculture Commissioner was required to collaborate with the Department of Commerce when awarding bioscience innovation grants and to coordinate the management of the Agriculture Commissioner's bioscience innovation grant program with the Department of Commerce's biotechnology grant program. At the request of the Department of Commerce, the 2021 Legislative Assembly removed funding for the biotechnology grant program beginning in the 2021-23 biennium, eliminating the program.

Bioscience innovation grant fund transfers - Section 3 of Senate Bill No. 2009 (2023) provides for a \$5.5 million transfer from SIIF to the bioscience innovation grant fund for the bioscience innovation grant program during the 2023-25 biennium. Section 4 identifies \$6.5 million appropriated from the general fund in Section 1 and transfers the funding to the bioscience innovation grant fund to provide a total of \$12 million for bioscience innovation grants.

The following is a summary of funding transferred to the bioscience innovation grant fund for the bioscience innovation grant program:

| Biennium | General Fund | SIIF | Research North Dakota Fund | Total |
|----------|--------------|-------------|----------------------------|--------------|
| 2019-21 | \$0 | \$0 | \$700,000 | \$700,000 |
| 2021-23 | 5,500,000 | 0 | 0 | 5,500,000 |
| 2023-25 | 6,500,000 | 5,500,000 | 0 | 12,000,000 |
| Total | \$12,000,000 | \$5,500,000 | \$700,000 | \$18,200,000 |

Other Sections in Senate Bill No. 2009

Environmental impact mitigation fund transfer - Section 5 provides for a transfer of \$250,000 from the environment and rangeland protection fund to the environmental impact mitigation fund for the environmental impact mitigation program. The Agriculture Commissioner has continuing appropriation authority for the environmental impact mitigation fund.

State Water Commission funding - Section 6 identifies \$125,000 in the estimated income line item, which the Department of Water Resources is required to transfer to the Agriculture Commissioner for the Wildlife Services program for the 2023-25 biennium, the same as the 2021-23 biennium.

Game and fish funding - Section 9 identifies \$648,228 from the game and fish operating fund for the State Board of Animal Health (\$148,228) and Wildlife Services program (\$500,000) for the 2023-25 biennium, an increase of \$28,899 from the 2021-23 biennium appropriation of \$619,329.

Agricultural Products Utilization Commission - Section 10 identifies one-time funding of \$3 million in the estimated income line item and APUC line item from current earnings and undivided profits of the Bank of North Dakota, which must be transferred to the Agriculture Commissioner for deposit in the agricultural products utilization fund for defraying the expenses of the APUC program during the 2023-25 biennium.

Grasslands grazing grants - Section 11 identifies one-time funding of \$1 million in the estimated income line item from SIIF for providing grassland grazing grants to an organization representing cooperative grazing associations in the state. To be eligible for a grant under this program, an organization must provide \$1 of matching funds from nonstate sources for every \$4 of grant funding. An organization that receives a grant under this program may distribute the funding to cooperative grazing associations for eligible infrastructure projects, which must be located on national grasslands within the state. Eligible infrastructure projects include water development; fencing; conservation initiatives; compliance with federal permitting requirements, including fees for professional services; and other projects to enhance wildlife habitat, capture carbon, or increase the health of grasslands. Program participants are required to develop and implement a grazing land plan in compliance with local soil conservation district guidance and the plan must be approved by the local soil conservation district. The Agriculture Commissioner is required to establish additional guidelines for the program.

The 2021 Legislative Assembly appropriated \$5 million from SIIF for the program for the 2021-23 biennium.

Abandoned oil and gas well plugging and site reclamation fund - Section 12 identifies one-time funding of \$700,000 in the estimated income line item from the oil and gas well plugging and site reclamation fund, of which \$200,000 is for the pipeline restoration and reclamation program during the 2023-25 biennium, the same as the 2021-23 biennium. The remaining \$500,000 is for a postproduction royalty oversight program established in Senate Bill No. 2194 that will allow the Agriculture Commissioner to contract for ombudsmen to assist individuals and companies in royalty payment issues.

Waterbank program - Section 14 provides that of the amount appropriated in the salary and wages line item in Section 1, the Agriculture Commissioner may use up to \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program.

Salary of the Agriculture Commissioner - Section 15 includes the statutory changes necessary to increase the Agriculture Commissioner's salary. The Agriculture Commissioner's annual salary will increase from the current level of \$123,984 to \$131,423 (6 percent) effective July 1, 2023, and to \$136,680 (4 percent) effective July 1, 2024, to reflect salary adjustments consistent with 2023-25 biennium state employee salary increases.

Federal Environmental Law Impact Review Committee - Section 16 amends Section 4.1-01-18 to provide of the two individuals from the energy community that serve on the Federal Environmental Law Impact Review Committee, the Governor will appoint one individual and the Agriculture Commissioner will appoint one individual, instead of the Agriculture Commissioner appointing both individuals.

Environmental impact mitigation fund - Sections 17 and 18 amend Sections 4.1-01-21.1 and 49-22-09.2 relating to the environmental impact fund and mitigating environmental impacts. The sections provide money in the environmental impact mitigation fund can be use only for consultation with environmental scientists or engineers, industry specialists, or others for relevant services to analyze or implement mitigation required from the impact of development and for the creation, restoration, or mitigation of similar habitat affected by the construction or operation of an energy conversion or transmission facility. Section 18 amended Section 49-22-09.2 to change the requirement that the Agriculture Commissioner deposit 50 percent of money paid to mitigate adverse environmental impacts of a proposed site, corridor, route, or facility in the environmental impact mitigation fund and 50 percent in the federal environmental law impact review fund to instead require the Agriculture Commissioner to deposit all money received under Section 49-22-02.2 in the environmental impact mitigation fund.

Wildlife Services program - Indirect costs - Section 19 provides the funding appropriated in the wildlife services line item may not be used to pay indirect costs as part of the United States Department of Agriculture Animal and Plant Health Inspection Service Wildlife Services program.

Exemption - COVID-19 specialty crop block grant program and COVID-19 stress assistance program operating expenses - Section 20 provides an exemption to authorize the Agriculture Commissioner to continue funding appropriated for the 2019-21 biennium and continued into the 2021-23 biennium for the COVID-19 specialty crop block grant program (\$5 million) and COVID-19 stress assistance program operating expenses (\$500,000) into the 2023-25 biennium.

Exemption - Grasslands grazing grants - Section 21 provides an exemption to authorize the Agriculture Commissioner to continue \$5 million appropriated from SIIF for grasslands grazing grants for the 2021-23 biennium into the 2023-25 biennium.

Legislative Management study - Energy conversion or transmission facility - Environmental mitigation - Section 22 provides for a Legislative Management study of plans for mitigation of adverse wildlife and environmental impacts and monetary payments made to state agencies, contractors, nongovernmental organizations, and others by applicants or other persons for mitigation during the siting and operation of energy conversion or transmission facilities.

Legislative Management study - Transfer of agriculture education programs - Section 23 provides for a Legislative Management study of the feasibility and desirability of transferring agriculture education programs in the Department of Career and Technical Education to the Agriculture Commissioner.

Related Legislation

House Bill No. 1099 (2023) - Agricultural products utilization fund - Amends Section 57-43.1-03 to remove the requirement that one-half cent per gallon of the motor vehicle fuel tax refund be deposited in the agricultural products utilization fund.

House Bill No. 1101 (2023) - Domestic animals and nontraditional livestock continuing appropriation - Removes the Agriculture Commissioner's domestic animals and nontraditional livestock continuing appropriation from Section 36-01-08 and amended it into Section 36-01-33.

House Bill No. 1276 - Agriculture diversification and development fund - Authorizes the Agriculture Commissioner to provide grants from the agriculture diversification and development fund. The Agriculture Diversification and Development Committee is required to designate the amount available from the agriculture diversification and development fund for loans and interest rate buydowns to be spent by the Bank of North Dakota and for grants to be spent by the Agriculture Commissioner.

The Agriculture Commissioner, in consultation with the Director of the Department of Transportation, is required to develop eligibility guidelines and policies to administer the grant program and to award the grants. The Agriculture Commissioner, in consultation with the Director of the Department of Transportation, is required to award grants to political subdivisions for road and bridge improvements necessary to accommodate value-added agriculture businesses. The grants may not exceed the lesser of \$1.25 million per project or 80 percent of the infrastructure project costs. Grant funding may not be used for routine maintenance or operating costs.

The Agriculture Commissioner is required to award grants to entities for water and sewer line improvements and electrical and gas supply improvements necessary to accommodate value-added agriculture businesses. The grants may not exceed the lesser of \$350,000 per project or 80 percent of the capital improvement project costs. Grant funding may not be used for routine maintenance or operating costs.

The bill includes a \$25 million one-time appropriation from the general fund, which is transferred to the agriculture diversification and development fund. Of this amount, \$10 million is available for grants to political subdivisions. The Agriculture Commissioner is provided a continuing appropriation from the agriculture diversification and development fund to provide grants. The Bank of North Dakota is provided a continuing appropriation from the fund to provide loans and interest rate buydowns.

House Bill No. 1437 - Regional livestock development and planning grant program - Creates a regional livestock development and planning grant program and appropriates \$1.2 million from the environment and rangeland protection fund for grants to counties and townships to identify rural areas for agricultural-related development and to assist with the review of township zoning and land use regulations.

House Bill No. 1519 - Uncrewed aircraft system grants - Provides a one-time appropriation of \$287,500 to the Agriculture Commissioner for uncrewed aircraft system, autonomous vehicle, and other autonomous technology grants. Of this amount, \$275,000 is from the federal State Fiscal Recovery Fund for grants and \$12,500 is from SIFF for administration of the program. The Agriculture Commissioner may require \$1 of matching funds from the applicant for every \$4 provided by the agency.

Senate Bill No. 2015 (2023) - Funding pools - This bill includes funding pools from which the agency may receive allocations, including the:

- Employer retirement contribution pool from which the Agriculture Commissioner is to receive \$78,496, including \$46,693 from the general fund and \$31,803 from other funds, in accordance with provisions of Section 23 of Senate Bill No. 2015 for the 1 percent employer retirement contribution increase provided for in House Bill No. 1040 (2023);
- New and vacant FTE funding pool from which the agency may request funding when hiring new FTE positions or if the agency does not realize sufficient savings from vacant FTE positions in accordance with provisions of Section 22 of Senate Bill No. 2015; and
- Targeted market equity pool from which the agency may receive an allocation as determined by the Office of Management and Budget in accordance with provisions of Section 20 of Senate Bill No. 2015.

Senate Bill No. 2027 (2023) - Advisory Committee on Sustainable Agriculture - Repeals Section 4.1-01-11 related to the Advisory Committee on Sustainable Agriculture.

Senate Bill No. 2194 - Postproduction royalty oversight program - Creates a new section to Chapter 4.1-01 to establish a postproduction royalty oversight program, allowing the Agriculture Commissioner to contract for ombudsmen to assist mineral owners, lease owners, and mineral companies in royalty payment issues.