

# State of South Dakota

NINETY-FIRST SESSION  
LEGISLATIVE ASSEMBLY, 2016

744X0158

HOUSE AGRICULTURE AND NATURAL RESOURCES

ENGROSSED NO. **HB 1094** - 02/09/2016

Introduced by: Representatives Qualm, Campbell, Craig, Duvall, Feickert, Harrison, Klumb, Marty, McCleerey, Mickelson, Otten (Herman), Peterson (Kent), Schaefer, Schoenfish, Schrempp, Verchio, and Wiik and Senators Tidemann, Cammack, Ewing, Frerichs, Hunhoff (Bernie), Olson, Otten (Ernie), Peterson (Jim), Rusch, Vehle, and White

1 FOR AN ACT ENTITLED, An Act to increase the commercial fertilizer inspection fee for  
2 purposes of fertilizer-related research and education and to create the Nutrient Research and  
3 Education Council to promote such research and education.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

5 Section 1. That § 38-19-10 be amended to read:

6 38-19-10. ~~There is paid~~ Each licensed distributor of commercial fertilizer shall pay to the  
7 secretary of agriculture for all commercial fertilizer distributed in this state an inspection fee of  
8 up to twenty-five cents per ton in accordance with the provisions of § 38-19-12, not to exceed  
9 seventy-five cents per ton. The secretary of agriculture shall promulgate rules pursuant to  
10 chapter 1-26 to establish the inspection fee.

11 Section 2. That ARSD 12:44:06:01 be amended to read:

12 12:44:06:01. Commercial fertilizer tonnage inspection fee. The commercial fertilizer  
13 tonnage inspection fee is ~~fifteen~~ sixty-five cents a ton, except the fee is ~~five~~ fifty-five cents a ton



1 on products that are made up entirely of manipulated animal manure.

2 Section 3. That § 38-19-14 be amended to read:

3 38-19-14. Fees collected pursuant to this chapter shall be deposited with the state treasurer  
4 in a special revenue fund known as the fertilizer fund. This fund shall consist of moneys from  
5 public and private sources including legislative appropriations, federal grants, gifts, and the fees  
6 received pursuant to this chapter. The fund shall be maintained separately and be administered  
7 by the department in order to defray the expenses of all activities associated with administering  
8 the fertilizer program and to provide funding for fertilizer-related, nutrient-related, and water  
9 quality-related research and education-related purposes as provided in section 4 of this Act.

10 Expenditures from the fund shall be appropriated through the normal budget process.

11 Unexpended funds and interest shall remain in the fund until appropriated by the Legislature.

12 Section 4. That chapter 38-19 be amended by adding a NEW SECTION to read:

13 From each fee collected pursuant to § 38-19-10, fifty cents shall be provided to the South  
14 Dakota Agricultural Experiment Station to be used as provided in this Act for fertilizer-related,  
15 nutrient-related, and water quality-related research and education projects in conjunction with  
16 the Nutrient Research and Education Council established in section 5 of this Act.

17 Section 5. That chapter 38-19 be amended by adding a NEW SECTION to read:

18 The Nutrient Research and Education Council is hereby established. The council shall  
19 consist of nine voting members, including three representing the fertilizer industry, two  
20 representing grower organizations, one representing the state's largest commodity organization,  
21 one representing the specialty fertilizer industry, one representing the certified agronomy  
22 association, and the director of the South Dakota Agricultural Experiment Station or the  
23 director's designee. The council shall also include four nonvoting members: two representing  
24 environmental organizations, one representing the secretary of the Department of Agriculture,

1 and one representing the secretary of the Department of Environment and Natural Resources.  
2 The certified agronomy association and any association or organization representing the  
3 fertilizer industry, growers, and the environment may submit nominations to the secretary of  
4 agriculture for their respective members. The secretary shall select from these nominations the  
5 members of the council. Members of the council may receive no compensation, but members  
6 may be reimbursed for travel and subsistence expense in accordance with rules promulgated by  
7 the State Board of Finance. The council shall meet at least twice each year. The council shall  
8 be administered under the direction and supervision of the South Dakota Agricultural  
9 Experiment Station, but retains the respective quasi-judicial, quasi-legislative, advisory, other  
10 nonadministrative and special budgetary functions as defined in § 1-32-1 otherwise vested in  
11 the council. The council shall exercise those functions independently of the South Dakota  
12 Agricultural Experiment Station.

13 Section 6. That chapter 38-19 be amended by adding a NEW SECTION to read:

14 The Nutrient Research and Education Council established in section 5 of this Act, acting in  
15 cooperation and conjunction with the South Dakota Agricultural Experiment Station, shall:

- 16 (1) Prioritize nutrient research, water quality research, and education proposals and  
17 solicit research proposals to generate findings and make recommendations to the  
18 council based on the findings;
- 19 (2) Evaluate the proposed budget for each research project and make recommendations  
20 as necessary;
- 21 (3) Arrange for peer review of all research proposals for scientific merit and methods;
- 22 (4) Disseminate the findings of all research projects to the appropriate agricultural sector  
23 in the manner deemed most effective; and
- 24 (5) Cooperate with other programs with similar goals, if practicable.

- 1 The council shall publish an annual financial and activities report, including the amount of
- 2 funds collected and expenditures for nutrient programs.