

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

3

HOUSE BILL 688
Committee Substitute Favorable 5/2/01
Committee Substitute # 2 Favorable 9/10/01

Short Title: Tax Revenue for Turfgrass Research.

(Public)

Sponsors:

Referred to:

March 19, 2001

1 A BILL TO BE ENTITLED
2 AN ACT TO TAX THE SALES OF FERTILIZERS AND SEED TO NONFARMERS
3 AND TO EARMARK A PORTION OF THE INCREASED TAX REVENUE FOR
4 TURFGRASS RESEARCH AND EDUCATION.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 105-164.13(1) and (2) reads as rewritten:

7 "§ 105-164.13. Retail sales and use tax.

8 The sale at retail, the use, storage or consumption in this State of the following
9 tangible personal property is specifically exempted from the tax imposed by this Article:

10 Agricultural Group.

11 (1) ~~Commercial fertilizer on which the inspection tax is paid and lime and~~
12 ~~land plaster used fertilizer, lime, land plaster, and seeds sold to a~~
13 ~~farmer for agricultural purposes whether the inspection tax is paid or~~
14 ~~not.~~ purposes.

15 (2) ~~Seeds.~~

16"

17 SECTION 2. Article 5 of Chapter 105 of the General Statutes is amended by
18 adding a new section to read:

19 "§ 105-164.44F. Allocation of sales tax revenue to the Department of Agriculture
20 and Consumer Services for turfgrass research, education, and
21 promotion.

22 (a) Allocation. – As soon as practicable after July 1 of each year, the Secretary
23 shall transfer to the State Treasurer the sum of seven hundred thousand dollars
24 (\$700,000) from net tax collections under this Article. The State Treasurer must allocate
25 six hundred thousand dollars (\$600,000) of this amount to the Board of Governors of
26 The University of North Carolina to be allocated to North Carolina State University and
27 North Carolina Agricultural and Technical State University. The State Treasurer must

1 allocate the remainder of this amount to the Department of Agriculture and Consumer
2 Services.

3 (b) NCSU. – North Carolina State University may not use any of the funds
4 allocated to it under this section for overhead or administrative expenses. The
5 University must use all of the funds allocated to it under this section for the purpose of
6 providing funds to the Center for Turfgrass Environmental Research and Education for
7 research concerning the following:

8 (1) Turfgrass production and maintenance.

9 (2) The impact of turfgrass fertilizer on the environment.

10 (3) Ways to reduce any adverse environmental impacts resulting from the
11 use of turfgrass fertilizer and to promote environmental benefits.

12 North Carolina State University shall share research generated by the Center with North
13 Carolina Agricultural and Technical State University or any other constituent institution
14 of The University of North Carolina, upon the institution's request.

15 (c) NC A and T. – North Carolina Agricultural and Technical State University
16 shall use the funds allocated to it to establish a turfgrass research program at the
17 University.

18 (d) Department of Agriculture and Consumer Services. – The Department of
19 Agriculture and Consumer Services must use the funds allocated to it under this section
20 only for the purpose of educating the public on the results of the research conducted by
21 the Center for Turfgrass Environmental Research and Education at North Carolina State
22 University."

23 **SECTION 3.** The Board of Governors of The University of North Carolina
24 and the Commissioner of Agriculture shall report to the Joint Legislative Commission
25 on Governmental Operations and to the Fiscal Research Division of the Legislative
26 Services Office by November 1 of each year on the use of the funds and the sharing of
27 the research with the other constituent institutions.

28 **SECTION 4.** This act becomes effective December 1, 2001.