

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

H

4

HOUSE BILL 688  
Committee Substitute Favorable 5/2/01  
Committee Substitute # 2 Favorable 9/10/01  
Fourth Edition Engrossed 9/20/01

Short Title: Tax Revenue for Turfgrass Research.

(Public)

Sponsors:

Referred to:

March 19, 2001

A BILL TO BE ENTITLED

AN ACT TO TAX THE SALES OF FERTILIZERS AND SEED TO NONFARMERS  
AND TO EARMARK A PORTION OF THE INCREASED TAX REVENUE FOR  
TURFGRASS RESEARCH AND EDUCATION.

The General Assembly of North Carolina enacts:

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

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

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

Agricultural Group.

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

(2) ~~Seeds.~~

...."

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

**§ 105-164.44F. Allocation of sales tax revenue for turfgrass research and  
education.**

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