

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001**

**HOUSE BILL 688  
RATIFIED BILL**

AN ACT TO TAX THE SALES OF FERTILIZERS AND SEED TO NONFARMERS  
AND TO APPROPRIATE REVENUES FOR TURFGRASS RESEARCH AND  
EDUCATION AND THE SAVINGS RESERVE ACCOUNT.

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.

- ~~(2) Seeds.~~

....

**SECTION 2.(a)** There is appropriated from the General Fund to the Board of Governors of The University of North Carolina the sum of six hundred thousand dollars (\$600,000) for the 2001-2002 fiscal year and the sum of six hundred thousand dollars (\$600,000) for the 2002-2003 fiscal year to be allocated to North Carolina State University. North Carolina State University must use all of the funds allocated to it under this section for the purpose of providing funds to the Center for Turfgrass Environmental Research and Education for research initiatives. The Center may receive proposals for research funding consideration from North Carolina State University and North Carolina Agricultural and Technical State University. The Industry Advisory Board of the Center shall review each proposal for research funding consideration submitted to the Center. The Industry Advisory Board must include representatives from North Carolina State University and North Carolina Agricultural and Technical State University. The funds allocated to the Center under this section may be used only for research and extension concerning the following:

- (1) Turfgrass production and maintenance.
- (2) The impact of turfgrass fertilizer on the environment.
- (3) Ways to reduce any adverse environmental impacts resulting from the use of turfgrass fertilizer and to promote environmental benefits.

**SECTION 2.(b)** There is appropriated from the General Fund to the Department of Agriculture and Consumer Services the sum of one hundred thousand dollars (\$100,000) for the 2001-2002 fiscal year and the sum of one hundred thousand dollars (\$100,000) for the 2002-2003 fiscal year for the purpose of educating the public on the results of the research conducted by the Center for Turfgrass Environmental Research and Education at North Carolina State University.

**SECTION 2.(c)** The Board of Governors of The University of North Carolina and the Commissioner of Agriculture shall report to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division of the Legislative Services Office by November 1, 2002, on the use of the funds allocated to

the Center for Turfgrass Environmental Research and Education and the sharing of the research with the other constituent institutions.

**SECTION 3.** No later than June 30, 2002, the State Controller shall credit the sum of seven hundred fifty thousand dollars (\$750,000) from the General Fund to the Savings Reserve Account established in G.S. 143-15.3. This allocation of revenue is not an "appropriation made by law" as that phrase is used in Article V, Section 7(1) of the North Carolina Constitution.

**SECTION 4.** This act becomes effective February 1, 2002.

In the General Assembly read three times and ratified this the 6<sup>th</sup> day of December, 2001.

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Marc Basnight  
President Pro Tempore of the Senate

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James B. Black  
Speaker of the House of Representatives

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Michael F. Easley  
Governor

Approved \_\_\_\_\_ .m. this \_\_\_\_\_ day of \_\_\_\_\_, 2001