

Fifty-seventh
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2379

Introduced by

Senators Bowman, G. Nelson, Wanzek

Representatives Belter, Pietsch

1 A BILL for an Act to create and enact a new subsection to section 10-30.5-01 of the North
2 Dakota Century Code, relating to North Dakota development fund definitions; and to provide for
3 a value-added agriculture promotion program.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. Value-added agriculture promotion program.**

- 6 1. The value-added agriculture promotion board is established. The board consists
7 of seven members as follows: the director of the department of economic
8 development and finance or the director's representative; a representative of the
9 state board of agricultural research and education, appointed by the governor; a
10 representative of the North Dakota state university extension service, appointed by
11 the governor; a representative of the Bank of North Dakota, appointed by the
12 governor; two representatives of the private sector, appointed by the governor; and
13 a representative of the farm credit system, appointed by the governor.
- 14 2. The board shall administer the value-added agriculture promotion program and
15 shall review business plans for value-added agriculture projects. The board shall
16 adopt procedures and guidelines for administering the program. The board shall
17 meet on a regular schedule to review project proposals and prioritize projects
18 based on the projects' likelihood for success. The board shall promote the
19 formation, development, and growth of these projects and take steps to improve
20 the projects' chances for success.
- 21 3. If a project is selected for promotion by the board, the board shall appoint a
22 financing advisory group for the project. The financing advisory group may include
23 representatives of the private sector, a representative of the Bank of North Dakota,
24 and an individual experienced in capital formation. The financing advisory group,

1 with active assistance provided by any of the state's institutions of higher education
2 and the local or regional economic development organization, shall assist the
3 project in completing a feasibility study and a business plan for the project and in
4 seeking early stage money. The financing advisory group shall assist the project
5 in pursuing equity investors, establishing an initial board of directors, locating
6 professional services for completion of the business plan, and in approaching
7 lenders to fund the project development.

- 8 4. The value-added agriculture promotion program is located in the department of
9 economic development and finance. The department shall provide any necessary
10 administrative assistance. Members of the value-added agriculture promotion
11 board and members of a financing advisory group are entitled to reimbursement
12 for mileage and travel as specified in section 54-06-09 and expenses as specified
13 in section 44-08-04 for performing their duties.

14 **SECTION 2.** A new subsection to section 10-30.5-01 of the North Dakota Century
15 Code is created and enacted as follows:

16 "Production agriculture" means the production of crops and livestock on or near a
17 farm as part of the regular farm enterprise directed by a farm operator and the farm
18 operator's partners. The term does not include an investor-owned livestock
19 feeding or milking operation located apart from a farm headquarters which is
20 managed by employees.