

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

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

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

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

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