

SENATE BILL NO. 2380

Introduced by

Senator Espegard

1 A BILL for an Act to amend and reenact section 54-34.3-12 of the North Dakota Century Code,
2 relating to the value-added agriculture promotion program; and to provide an appropriation.

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

4 **SECTION 1. AMENDMENT.** Section 54-34.3-12 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **54-34.3-12. Value-added agriculture and high-value crop promotion ~~program~~.**

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

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

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

5. The board may impose a fee of not more than one thousand dollars per project for review and assistance provided for the project. Fees collected under this section must be deposited in the operating fund of the department of commerce division of economic development and finance and may be expended for expenses of members of the board and the financing advisory group for review and assistance provided for the project.

6. The board shall work with representatives from local irrigation districts, local economic development authorities, and other public and private entities to promote the production of high-value crops in this state and, in particular, to promote the commercial vegetable industry and the irrigation of high-value crops. The board may provide grants to irrigation districts and to producers and processors of high-value crops, including vegetables, for research and development efforts related to the irrigation, processing, packing, storage, refrigeration, and marketing of high-value crops, including vegetables.

SECTION 2. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$500,000, or so much

- 1 of the sum as may be necessary, to the value-added agriculture promotion board for the
- 2 purpose of providing grants to irrigation districts and to producers and processors of high-value
- 3 crops, including vegetables, for the biennium beginning July 1, 2003, and ending June 30,
- 4 2005.