

Sixty-ninth
Legislative Assembly
of North Dakota

**FIRST ENGROSSMENT
with House Amendments**

ENGROSSED SENATE BILL NO. 2327

Introduced by

Senators Wanzek, Erbele, Conley

Representatives Beltz, Brandenburg, Hagert

1 A BILL for an Act to amend and reenact sections 4.1-01.1-07 and 4.1-01.1-08 of the North
2 Dakota Century Code, relating to uses of the agriculture diversification and development fund
3 and committee; to provide an appropriation; and to provide for a transfer.

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

5 **SECTION 1. AMENDMENT.** Section 4.1-01.1-07 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **4.1-01.1-07. Agriculture diversification and development fund - Continuing**
8 **appropriation.**

- 9 1. There is created in the state treasury the agriculture diversification and development
10 fund. The fund consists of all moneys transferred to the fund by the legislative
11 assembly, interest upon moneys in the fund, and payments of interest and principal on
12 loans made from the fund. Moneys in the fund are appropriated to the Bank of North
13 Dakota on a continuing basis for loan disbursements and administrative costs
14 pursuant to this section, and moneys in the fund are appropriated to the agriculture
15 commissioner on a continuing basis for grants pursuant to this section and section
16 4.1-01-27. The agriculture diversification and development committee shall designate
17 the amount available from the fund for loans, interest rate buydowns, and grants.
- 18 2. Loans, interest rate buydowns, or grants under subsections 3 and 4 may be issued
19 from the fund to support new or expanding value-added agriculture businesses that
20 demonstrate financial feasibility, enhance profitability for farmers and ranchers, create
21 jobs, and grow the state's economy. Grants under section 4.1-01-27 may be issued
22 from the fund for infrastructure improvements necessary for the development or

expansion of new or existing value-added agriculture businesses. Value-added agriculture businesses include food production or processing facilities; feed or pet food processing facilities; commodity processing facilities; agriculture product manufacturers; and animal agriculture production facilities, including swine, poultry, dairy, and feed lot production facilities.

3. The Bank of North Dakota shall develop policies for loans and interest rate buydowns from the fund in consultation with the agriculture diversification and development committee. The Bank shall review loan applications. To be eligible for a loan under this section, an entity shall agree to provide the Bank with information as requested. The Bank may develop policies for loan participation with local financial institutions. The Bank shall deposit in the fund all principal and interest paid on the outstanding loans. The Bank may use a portion of the interest paid as a servicing fee to pay for administrative costs, which may not exceed one-half of one percent of the amount of the outstanding loans. The fund must be audited annually pursuant to section 6-09-29, and the cost of the audit must be paid from the fund.

4. The agricultural diversification and development committee shall develop policies for grants from the fund to support new or expanding value-added agriculture businesses, including eligibility criteria, maximum grant amounts, and reporting requirements. Based on recommendations from the agricultural diversification and development committee, the agriculture commissioner shall distribute the grant funding.

5. The agriculture diversification and development committee may use funding available in the agriculture diversification and development fund for in-state travel, per diem, and related costs of administering grants under this section. The agriculture commissioner may reimburse agriculture diversification and development committee members for in-state travel, per diem, and related costs incurred associated with the program as authorized under subsection 2 of section 4.1-01.1-08.

SECTION 2. AMENDMENT. Section 4.1-01.1-08 of the North Dakota Century Code is amended and reenacted as follows:

4.1-01.1-08. Agriculture diversification and development committee.

1. The agriculture diversification and development committee consists of eleven members, five of whom must be appointed by the commissioner for terms of two years

each, arranged so that two terms expire in odd-numbered years and three terms expire in even-numbered years.

a. Four of the members appointed by the commissioner must be actively engaged in farming in this state and the fifth member appointed by the commissioner must be actively engaged in agribusiness in this state.

b. The governor shall appoint one member for a term of two years which expires in odd-numbered years.

c. The member appointed by the governor must be actively engaged in business in this state.

d. The remaining committee members must consist of:

(1) One representative from the independent community banks of North Dakota;

(2) One representative from the North Dakota bankers association;

(3) The commissioner of commerce or the commissioner's designee;

(4) The president of North Dakota state university or the president's designee; and

(5) The agriculture commissioner or the commissioner's designee.

e. The committee shall elect one of its members as chairman.

2. The agriculture diversification and development committee shall develop guidelines for the grants, including eligibility criteria and reporting requirements. The guidelines must include priority for businesses with a majority of the ownership comprised of North Dakota residents. The agriculture diversification and development committee shall review grant applications and make funding determinations. Members of the committee are entitled to be reimbursed for expenses incurred in the performance of their duties, in the same manner as other state officials are reimbursed, in accordance with sections 44-08-04 and 54-06-09. If not otherwise employed by the state of North Dakota, members of the committee are entitled to receive per diem compensation of one hundred thirty-five dollars for each day of attending meetings and performing other duties relating to official business of the committee.

SECTION 3. APPROPRIATION - TRANSFER TO AGRICULTURE DIVERSIFICATION

AND DEVELOPMENT FUND. There is appropriated out of any moneys in the general fund in

- 1 the state treasury, not otherwise appropriated, the sum of \$15,000,000, which the office of
- 2 management and budget shall transfer to the agriculture diversification and development fund,
- 3 for the biennium beginning July 1, 2025, and ending June 30, 2027.