

**SENATE BILL NO. 2104**

Introduced by

Industry, Business and Labor Committee

(At the request of the Agriculture Commissioner)

1 A BILL for an Act to amend and reenact section 6-09-41 of the North Dakota Century Code,  
2 relating to loan guarantees for livestock and dairy farming and related equipment and facilities.

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

4 **SECTION 1. AMENDMENT.** Section 6-09-41 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **6-09-41. (Effective through June 30, 2009) Livestock loan guarantee program -**  
7 **Establishment - Rules.**

- 8 1. The Bank of North Dakota shall establish and administer a ~~livestock~~ loan  
9 guarantee program that is designed to expand livestock feeding and dairy farming  
10 in this state.
- 11 2. Under the program, the Bank may guarantee a loan made by a bank, a credit  
12 union, a savings and loan association, or any other lending institution in this state  
13 to the owner of a commercial feedlot that backgrounds or feeds cattle to  
14 harvest-ready weight or to the owner of a new or expanding dairy operation. In the  
15 event of a default, the Bank shall pay to the lender the amount agreed upon,  
16 provided that the amount may not exceed eighty-five percent of the principal due  
17 the lender at the time the claim is approved.
- 18 3. The Bank shall adopt rules governing additional terms, conditions, and procedures  
19 necessary to meet the requirements of this section. The rules must include an  
20 administrative fee payable to the Bank and must provide that equity requirements  
21 may not exceed fifteen percent.