

HOUSE BILL NO. 1475

Introduced by

Representatives Satrom, Hagert, Kempenich, Kiefert, Mitskog, Ostlie

Senators Conley, Wanzek

1 A BILL for an Act to create and enact a new section to chapter 4.1-01 and a new section to
2 chapter 21-10 of the North Dakota Century Code, relating to an agriculture innovation fund and
3 a transfer of legacy fund earnings; and to provide a continuing appropriation.

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

5 **SECTION 1.** A new section to chapter 4.1-01 of the North Dakota Century Code is created
6 and enacted as follows:

7 **Agriculture innovation fund - Advisory board - Continuing appropriation.**

- 8 1. There is created in the state treasury the agriculture innovation fund. The fund
9 consists of all legacy fund earnings deposited in the fund under section 2 of this Act.
10 Moneys in the fund may be spent by the Bank of North Dakota for loans as provided in
11 this section and by the agriculture commissioner, pursuant to legislative
12 appropriations, to provide grants to value-added agriculture businesses based on
13 recommendations from the agriculture innovation fund advisory board.
- 14 2. As appointed by the governor based on recommendations from agricultural
15 organizations, the agriculture innovation fund advisory board consists of the following:
16 a. One member representing row crop farmers;
17 b. One member representing livestock producers;
18 c. One member representing a general farm organization;
19 d. One member representing specialty crop farmers;
20 e. One member representing value-added agriculture; and
21 f. One member representing cooperative agriculture businesses.
- 22 3. The agriculture commissioner shall serve as an ex officio, nonvoting member of the
23 committee. The term of office of each member of the advisory board is four years.
24 Members may not serve more than two consecutive terms. The terms of office

1 commence on July first. The initial terms of the advisory board members must be
2 staggered following a method determined by the board. The advisory board shall
3 select a chairman from among the members.

4 4. The agriculture innovation fund advisory board shall meet at least quarterly to make
5 recommendations for grants to support new or expanding value-added agriculture
6 businesses which demonstrate financial feasibility, enhance profitability for farmers
7 and ranchers, create jobs, and grow the state's economy. Grant funding may be used
8 to purchase real property and equipment, to support workforce training and
9 development, and to provide working capital. The agriculture innovation fund advisory
10 board shall develop guidelines for the grants, included eligibility criteria and reporting
11 requirements. The guidelines must include priority for businesses with a majority of the
12 ownership comprised of North Dakota residents. The advisory board may designate
13 moneys in the fund for loans under this section.

14 5. Moneys in the fund designated for loans are appropriated to the Bank of North Dakota
15 on a continuing basis for the purpose of loan disbursements and administrative costs.
16 The Bank shall develop policies for the loans in consultation with the advisory board
17 and agriculture commissioner. The Bank shall review loan applications. To be eligible
18 for a loan under this section, an entity shall agree to provide the Bank with information
19 as requested. The Bank may develop policies for loan participation with local financial
20 institutions. The Bank shall deposit in the fund all principal and interest paid on the
21 loans made from the fund. The Bank may use a portion of the interest paid on the
22 outstanding loans as a servicing fee to pay for administrative costs. The Bank shall
23 contract with a certified public accounting firm to audit the fund if the fund has any
24 outstanding loans. The cost of the audit must be paid from the fund.

25 **SECTION 2.** A new section to chapter 21-10 of the North Dakota Century Code is created
26 and enacted as follows:

27 **Legacy fund earnings transfer - State treasurer.**

28 From any legacy fund earnings transferred to the general fund at the end of each biennium
29 in accordance with section 26 of article X of the Constitution of North Dakota, twenty percent
30 must be transferred immediately by the state treasurer to the agriculture innovation fund under
31 section 1 of this Act.