

Sixty-seventh
Legislative Assembly
of North Dakota

ENGROSSED 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 ~~two~~^a new ~~sections~~section to chapter 4.1-01.1 ~~and a new~~
2 ~~section to chapter 21-10~~ of the North Dakota Century Code, relating to an agriculture innovation
3 fund ~~and a transfer of legacy fund earnings; and~~; to provide an appropriation; to provide a
4 continuing appropriation; and to provide for a transfer.

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

6 **SECTION 1.** A new section to chapter 4.1-01.1 of the North Dakota Century Code is created
7 and enacted as follows:

8 **Agriculture innovation fund - Continuing appropriation.**

- 9 1. There is created in the state treasury the agriculture innovation fund. The fund
10 consists of all ~~legacy fund earnings deposited in the fund under section 3 of this~~
11 ~~Act~~moneys transferred to the fund by the legislative assembly, interest upon moneys
12 in the fund, and payments of interest and principal on loans made from the fund.
13 Moneys in the fund ~~may be spent by~~are appropriated to the Bank of North Dakota ~~for~~
14 loans as provided in this section and by the agriculture commissioner, pursuant to
15 legislative appropriations, to provide grants to value-added agriculture businesses
16 based on recommendations from the agricultural products utilization commission on a
17 continuing basis for loan disbursements and administrative costs pursuant to this
18 section.
- 19 2. The agricultural products utilization commission shall meet at least quarterly to make
20 recommendations for grantsLoans may be issued from the fund to support new or
21 expanding value-added agriculture businesses which demonstrate financial feasibility,
22 enhance profitability for farmers and ranchers, create jobs, and grow the state's
23 economy. ~~Grant funding may be used to purchase equipment, to support workforce~~
24 training and development, and to construct infrastructure. ~~Grants received under this~~

1 ~~section may not exceed thirty-five percent of the total cost of the project. The~~
2 ~~agricultural products utilization commission shall develop guidelines for the grants,~~
3 ~~included eligibility criteria and reporting requirements. The guidelines must include~~
4 ~~priority for businesses with a majority of the ownership comprised of North Dakota~~
5 ~~residents. The agricultural products utilization commission may designate moneys in~~
6 ~~the fund for loans under this section~~ Value-added agriculture businesses include food
7 production or processing facilities; feed or pet food processing facilities; commodity
8 processing facilities; agriculture product manufacturers; and animal agriculture
9 production facilities, including swine, poultry, and feed lot production facilities.

- 10 3. ~~Moneys in the fund designated for loans are appropriated to the Bank of North Dakota~~
11 ~~on a continuing basis for the purpose of loan disbursements and administrative costs.~~
12 The Bank shall develop policies for the loans in consultation with the agricultural
13 products utilization commission. The Bank shall review loan applications. To be eligible
14 for a loan under this section, an entity shall agree to provide the Bank with information
15 as requested. The Bank may develop policies for loan participation with local financial
16 institutions. The Bank shall deposit in the fund all principal and interest paid on the
17 loans made from the fund. The Bank may use a portion of the interest paid on the
18 outstanding loans as a servicing fee to pay for administrative costs, **which may not**
19 **exceed one-half of one percent of the amount of the interest payment.** The Bank shall
20 contract with a certified public accounting firm to audit the fund if the fund has any
21 outstanding loans. The cost of the audit must be paid from the fund.

22 ~~SECTION 2. A new section to chapter 4-1-01.1 of the North Dakota Century Code is created~~
23 ~~and enacted as follows:~~

24 ~~**Agriculture innovation fund - Access to records.**~~

- 25 ~~1. To the extent the agricultural products utilization commission determines the materials~~
26 ~~or data provided under section 1 of this Act consist of trade secrets or commercial,~~
27 ~~financial, or proprietary information of individuals or entities applying for loans or~~
28 ~~grants with the commission, materials and data submitted to, made by, or received by~~
29 ~~the commission, are not public records subject to section 44-04-18 and section 6 of~~
30 ~~article XI of the Constitution of North Dakota, and are subject to section 44-04-18.4.~~

- 1 ~~2. A person may file a request with the commission to have material designated as~~
2 ~~confidential under subsection 1. The request must contain any information required by~~
3 ~~the commission and must include at least the following:~~
- 4 ~~a. A general description of the nature of the information sought to be protected.~~
5 ~~b. An explanation of why the information derives independent economic value,~~
6 ~~actual or potential, from not being generally known to other persons.~~
7 ~~c. An explanation of why the information is not readily ascertainable by proper~~
8 ~~means of other persons.~~
9 ~~d. A general description of any person that may obtain economic value from~~
10 ~~disclosure or use of the information, and how the person may obtain this value.~~
11 ~~e. A description of the efforts used to maintain the secrecy of the information.~~
- 12 ~~3. Any request under subsection 2 is confidential. The commission shall examine the~~
13 ~~request and determine whether the information is relevant to the matter at hand and is~~
14 ~~a trade secret under the definition in section 47-25.1-01 or 44-04-18.4. If the~~
15 ~~commission determines the information is either not relevant or not a trade secret, the~~
16 ~~commission shall notify the requester and the requester may ask for the return of the~~
17 ~~information and the request within ten days of the notice. If no return is sought, the~~
18 ~~information and request are public record.~~
- 19 ~~4. The names or identities of independent technical reviewers on a project or program~~
20 ~~are confidential, may not be disclosed by the commission, and are not public records~~
21 ~~subject to section 44-04-18 or section 6 of article XI of the Constitution of North~~
22 ~~Dakota.~~

23 ~~**SECTION 3.** A new section to chapter 21-10 of the North Dakota Century Code is created~~
24 ~~and enacted as follows:~~

25 ~~**Legacy fund earnings transfer – State treasurer.**~~

26 ~~From any legacy fund earnings transferred to the general fund at the end of each biennium~~
27 ~~in accordance with section 26 of article X of the Constitution of North Dakota, twenty percent~~
28 ~~must be transferred immediately by the state treasurer to the agriculture innovation fund under~~
29 ~~section 1 of this Act until the amount transferred to the agriculture innovation fund totals one~~
30 ~~hundred fifty million dollars. After the transfers to the agriculture innovation fund under this~~
31 ~~section total one hundred fifty million dollars, the state treasurer shall transfer immediately any~~

1 ~~amounts designated for the agriculture innovation fund to the legacy fund to become part of the~~
2 ~~principal.~~

3 **SECTION 2. APPROPRIATION - TRANSFER TO AGRICULTURE INNOVATION FUND.**

4 There is appropriated out of any moneys in the general fund in the state treasury, not otherwise
5 appropriated, the sum of \$5,000,000, or so much of the sum as may be necessary, which the
6 office of management and budget shall transfer to the agriculture innovation fund during the
7 biennium beginning July 1, 2021, and ending June 30, 2023.