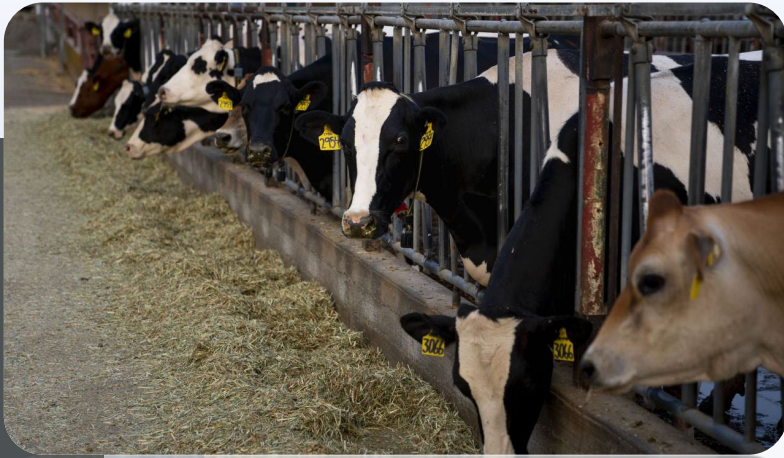




HB 1371

North Dakota Animal --- Agriculture





HB 1371

NDCC ch. 10-06.1

North Dakota Animal Agriculture Farm Freedom Act



Animal Agriculture Farm Freedom Act

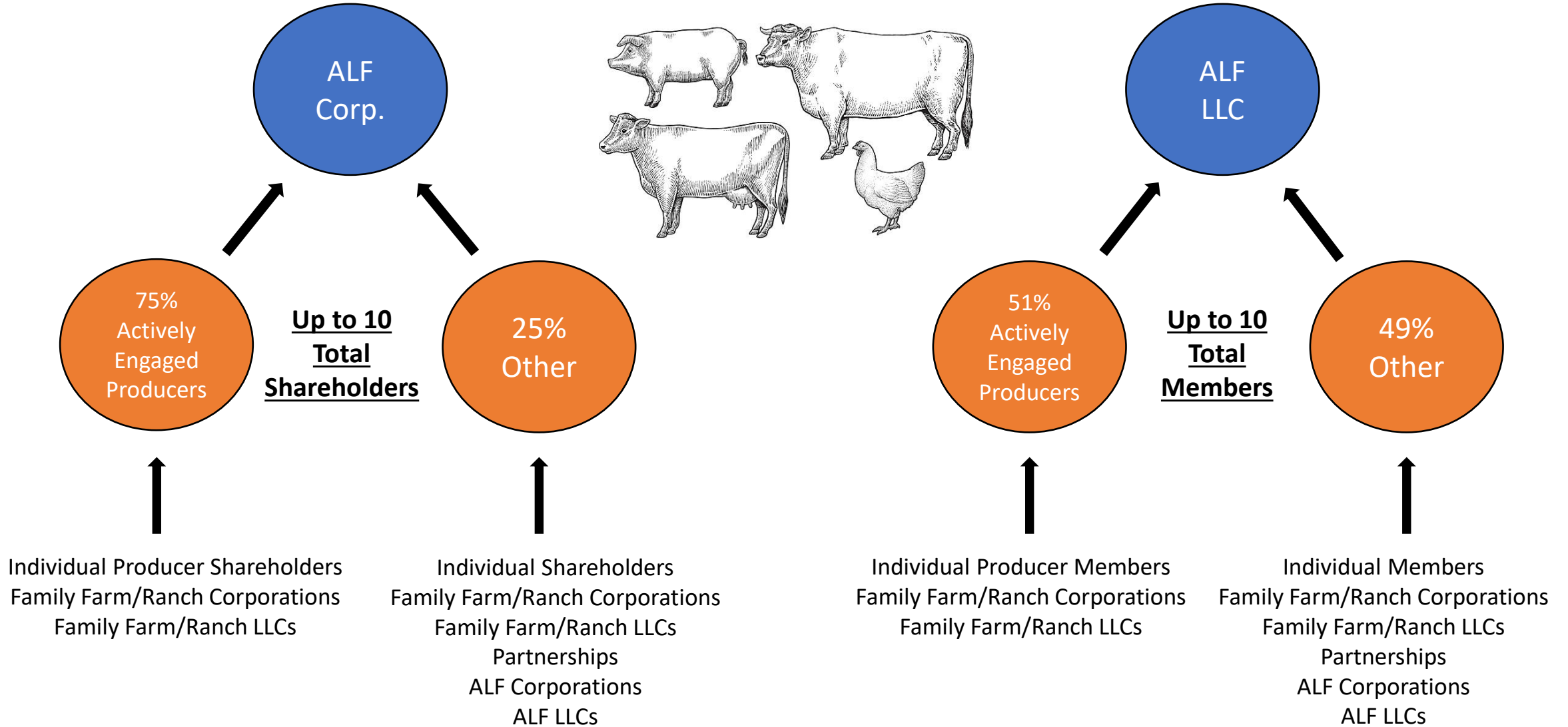
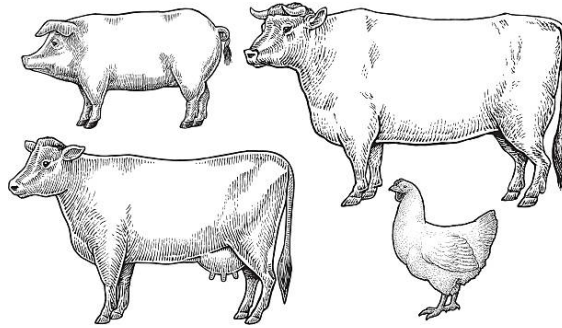
Chapter 10-06.1 - Additions & Clarifications

- **Authorized Livestock Farm Corporation (ALF Corp)**
- **Authorized Livestock Farm Limited Liability Company (ALF LLC)**
 - Both **ALF Corps** & **ALF LLCs** are **only** for **livestock backgrounding/finishing, poultry, dairy & swine**
- Agriculture Support Services
 - Custom combining, crop dusting, etc.
- Aquaculture (limited to 40 acres)
- Greenhouse Agriculture (limited to 40 acres)
- Beekeeping
- Defines Farmland & Ranchland
- Permits surviving spouse to retain shares/interests in Family Farm Corp/LLC
- Provides consistency throughout Chapter and better readability
- Removes obsolete & potentially constitutionally-infirm language



Ownership Eligibility Requirements

Authorized Livestock Farm (ALF) Corporations & Limited Liability Companies



ALF Farmland & Ranchland Acreage Maximums

One
ALF Corp/LLC

No more than
160 total acres

One
ALF Individual
Shareholder/Member

No more than
640 total acres
in all ALFs
in which SH/Mbr has
stakeholder interests

640 Acres Max does NOT Include
Shareholder/Member Personal
Farmland/Ranchland Acres

ALF Gross Income Requirements

(same requirements as Family Farm Corps/LLCs)

Minimum 65% of Gross Income

- Livestock Backgrounding
- Livestock Finishing
- Poultry/poultry products
- Milk/dairy products
- Swine/swine products

Maximum 20% of Gross Income

- Nonfarm rent
- Nonfarm royalties
- Dividends
- Interest
- Annuities

ALF Corps/LLCs Requirements

- Max **10** Shareholders/Members
- **75% of Corp SHs/51% of LLC Mbrs** & all Officers/Governors **must** be SHs/Mbrs who are actively engaged in the business of farming or ranching
- SHs/Mbrs **must** be US citizens/perm residents
- SHs/Mbrs limited to: **160** total farmland/ranchland acres, & **640** total acres in all ALFs which SH/Mbr has interests
- May **not** grow crops or graze livestock
 - Limited to **animal agriculture only**
- Must break ground in **1 year** & fully operational in **6 years**
- May **not** partner with other individuals, ALFs, Family Farm Corps/LLCs
- **Required** initial & annual compliance reporting

Family Farm Corps/LLCs Requirements

- Max **15** Shareholders/Members
- **No percentage requirements** -- **only** Corp Officers/LLC Governors **must** be SHs/Mbrs who are actively engaged in Family Farm Corp or Family Farm LLC operations
- SHs/Mbrs **must** be US citizens/perm residents
- **No farmland/ranchland acreage limits**
- SH/Mbrs **must** be related to each other
- **No restriction on growing crops, grazing livestock, or animal agriculture production**
- **No time requirement to break ground or be operational**
- **No restriction on partnering with other individuals or Family Farm Corps/LLCs**
- **Required** initial & annual compliance reporting

The potential future of North Dakota Animal Agriculture

