

COMMISSIONER
DOUG GOEHRING



ndda@nd.gov
www.nd.gov/ndda

**NORTH DAKOTA
DEPARTMENT OF AGRICULTURE**

STATE CAPITOL
600 E. BOULEVARD AVE. – DEPT. 602
BISMARCK, ND 58505-0020

**Testimony of Dutch Bialke
General Counsel/Policy Advisor
North Dakota Department of Agriculture
House Agriculture Committee
Room 327C
March 7, 2025**

Chairman Beltz, and members of the House Agriculture Committee, I am Dutch Bialke, General Counsel to the Agriculture Commissioner, and I'm here today, on behalf of Agriculture Commissioner Doug Goehring, to testify about Senate Bill 2150 and its proposed amendments to N.D.C.C. ch. 10.06.1, the anti-corporate farming chapter.

Mike Monroe, Business Services Director at the Office of the Secretary of State, and I coordinated together regarding these proposed amendments to the anti-corporate farming chapter. These proposed amendments would ensure consistency from Century Code chapter to chapter, consequently would avoid conflict of laws issues, and would alleviate potential confusion.

I concur with the Office of the Secretary of State that the proposed changes do not alter the intent, nor do they expand or reduce the scope, of the comprehensive bill last Legislative session (HB1371) that amended the anti-corporate farming law.

The first proposed change – in Section 1, lines 18 and 19 – adds “ranch” products to the contract services exemption. This proposed amendment

would make the provision consistent with the rest of chapter. “Farming or ranching” together is mentioned 138X in chapter. Also, “farm or ranch” is mentioned 11X in the chapter. As it stands right now, this is only part in the entire chapter when “farm” is mentioned alone without “ranch”.

The proposed changes in Section 2, lines 3, 8, 12, and 17 from “individual” to “person” makes the anti-corporate farming chapter consistent with the section specifically referenced in the Agricultural Land Ownership by Aliens chapter, N.D.C.C. § 47-10.1-02. The chapter prohibiting alien land ownership refers to both “individuals” and “persons”. Consequently, these proposed changes in SB2150 from “individual” to “person” would avoid one chapter from being inconsistent from the different chapter it specifically references. These proposed changes would also make the provisions consistent with other currently existing sections within the anti-corporate farming law – N.D.C.C. § 10-06.1-15.2.1.b(8) (“individuals or persons in compliance with section 47-10.1-02”) & N.D.C.C. § 10-06.1-17.1.3.e(8) (“individuals or persons in compliance with section 47-10.1-02.”).

In Section 5, page 5, lines 6 & 9, there are two proposed changes from “actively is engaged” to “is actively engaged”. These two proposed changes, although they might appear stylistic, makes the language consistent with the other 14X “actively engaged” appears elsewhere within the anti-corporate farming chapter.

Finally, the additional proposed changes in Sections 4 and 5 regarding membership interests simply bring clarity to farming and ranching LLC and authorized livestock farm LLC reporting requirements. The changes do not change the meaning of the provisions, but they remove potentially confusing language about “classes and series” of LLC membership interests and then

replaces them with more commonly understood language that more simplistically refers to LLC membership interests – specifically to those membership interests that are “designated under the operating agreement.” This avoids confusion because all LLC operating agreements do not uniformly itemize membership interests by classes or series.

Chairman Beltz, and committee members. Thank you for the opportunity to testify today. I’d be happy to answer any questions you may have.