

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO**

**SENATE BILL NO. 2327**

Introduced by

Senators Wanzek, Erbele, Conley

Representatives Beltz, Brandenburg, Hagert

1 A BILL for an Act to amend and reenact section 4.1-01.1-07 of the North Dakota Century Code,  
2 relating to uses of the agriculture diversification and development fund; to provide an  
3 appropriation; and to provide for a transfer.

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

5 **SECTION 1. AMENDMENT.** Section 4.1-01.1-07 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **4.1-01.1-07. Agriculture diversification and development fund - Continuing**  
8 **appropriation.**

- 9 1. There is created in the state treasury the agriculture diversification and development  
10 fund. The fund consists of all moneys transferred to the fund by the legislative  
11 assembly, interest upon moneys in the fund, and payments of interest and principal on  
12 loans made from the fund. Moneys in the fund are appropriated to the Bank of North  
13 Dakota on a continuing basis for loan disbursements and administrative costs  
14 pursuant to this section, and moneys in the fund are appropriated to the agriculture  
15 commissioner on a continuing basis for grants pursuant to this section and section  
16 4.1-01-27. The agriculture diversification and development committee shall designate  
17 the amount available from the fund for loans, interest rate buydowns, and grants.
- 18 2. Loans, interest rate buydowns, or grants under subsections 3 and 4 may be issued  
19 from the fund to support new or expanding value-added agriculture businesses that  
20 demonstrate financial feasibility, enhance profitability for farmers and ranchers, create

1 jobs, and grow the state's economy. Grants under section 4.1-01-27 may be issued  
2 from the fund for infrastructure improvements necessary for the development or  
3 expansion of new or existing value-added agriculture businesses. Value-added  
4 agriculture businesses include food production or processing facilities; feed or pet food  
5 processing facilities; commodity processing facilities; agriculture product  
6 manufacturers; and animal agriculture production facilities, including swine, poultry,  
7 dairy, and feed lot production facilities.

8 3. The Bank of North Dakota shall develop policies for loans and interest rate buydowns  
9 from the fund in consultation with the agriculture diversification and development  
10 committee. The Bank shall review loan applications. To be eligible for a loan under this  
11 section, an entity shall agree to provide the Bank with information as requested. The  
12 Bank may develop policies for loan participation with local financial institutions. The  
13 Bank shall deposit in the fund all principal and interest paid on the outstanding loans.  
14 The Bank may use a portion of the interest paid as a servicing fee to pay for  
15 administrative costs, which may not exceed one-half of one percent of the amount of  
16 the outstanding loans. The fund must be audited annually pursuant to section 6-09-29,  
17 and the cost of the audit must be paid from the fund.

18 4. The agricultural diversification and development committee shall develop policies for  
19 grants from the fund to support new or expanding value-added agriculture businesses,  
20 including eligibility criteria, maximum grant amounts, and reporting requirements.  
21 Based on recommendations from the agricultural diversification and development  
22 committee, the agriculture commissioner shall distribute the grant funding.

23 5. The agriculture diversification and development committee may use up to five percent  
24 of the funding available in the agriculture diversification and development fund on July  
25 first of each odd-numbered year for administrative expenses related to the agriculture  
26 infrastructure grant program each biennium only to the extent the administrative  
27 expenses paid do not exceed the total administrative expenses paid for the agricultural  
28 products utilization commission under section 4.1-01.1-05 from the most recently  
29 completed biennium. The agriculture commissioner may reimburse agriculture  
30 diversification and development committee members for costs incurred associated  
31 with the program.

1       **SECTION 2. APPROPRIATION - TRANSFER TO AGRICULTURE DIVERSIFICATION**  
2 **AND DEVELOPMENT FUND.** There is appropriated out of any moneys in the general fund in  
3 the state treasury, not otherwise appropriated, the sum of \$25,000,000, which the office of  
4 management and budget shall transfer to the agriculture diversification and development fund,  
5 for the biennium beginning July 1, 2025, and ending June 30, 2027. Of the \$25,000,000, up to  
6 \$10,000,000 is available for agriculture infrastructure grants to political subdivisions under  
7 section 4.1-01-27.