

**SECOND ENGROSSMENT
with Senate Amendments**

Sixty-first
Legislative Assembly
of North Dakota

REENGROSSED HOUSE BILL NO. 1496

Introduced by

Representative Froelich

Senator Miller

1 A BILL for an Act to create and enact two new sections to title 36 of the North Dakota Century
2 Code, relating to an equine assessment and to require a bond; to provide for an equine
3 processing facility feasibility study; to create an advisory committee; to provide an
4 appropriation; to provide a continuing appropriation; and to provide for legislative intent.

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

6 **SECTION 1.** A new section to title 36 of the North Dakota Century Code is created and
7 enacted as follows:

8 **Initiation of legal action - Bond - Liability for fees and costs.**

9 1. a. If a person files an action seeking to stop or otherwise delay the construction
10 of an equine processing facility, the court shall require the person filing the
11 action to post a surety bond in an amount at least equal to twenty percent of
12 the estimated cost of constructing the facility.

13 b. If the person bringing the action does not ultimately prevail, that person is
14 liable for all financial losses incurred by the facility during the time the action
15 was pending and all attorney's fees and costs incurred by the facility in
16 defending the action.

17 c. For purposes of this subsection, construction includes the purchase and
18 remodeling of an existing structure to serve as an equine processing facility.

19 2. a. If a person files an action seeking to estop the operation of an equine
20 processing facility, the court shall require the person filing the action to post a
21 surety bond in an amount at least equal to twenty percent of the estimated
22 cost of operating the facility during the time the action is pending.

23 b. If the court issues an injunction that estops the operation of the facility while
24 the action is pending and if the person bringing the action does not ultimately

1 prevail, the person bringing the action is liable for all financial losses incurred
2 by the facility during the time the action was pending and all attorney's fees
3 and costs incurred by the facility in defending the action.

- 4 3. If a person required to post a bond under this section does not do so within thirty
5 days of filing the action, the court shall dismiss the action.

6 **SECTION 2.** A new section to title 36 of the North Dakota Century Code is created and
7 enacted as follows:

8 **Assessment - Continuing appropriation - Provision of grants.**

- 9 1. For each equine processed at an equine processing facility in this state, the owner
10 of the facility shall submit to the agriculture commissioner, at the time and in the
11 manner directed by the commissioner, an assessment in the amount of five
12 dollars. The commissioner shall forward the assessment to the state treasurer for
13 deposit in the equine processing fund.
- 14 2. All moneys in the equine processing fund are appropriated on a continuing basis to
15 the agriculture commissioner to be used as follows:
- 16 a. The agriculture commissioner shall return to the state general fund the fifty
17 thousand dollars appropriated to the department of commerce for the equine
18 processing facility feasibility study.
- 19 b. Upon completion of the requirement set forth in subdivision a, the
20 commissioner shall:
- 21 (1) Provide an annual grant equaling forty percent of any assessments
22 collected to Dickinson state university in support of the equine
23 management program;
- 24 (2) Provide an annual grant equaling forty percent of any assessments
25 collected to North Dakota state university in support of the equine
26 studies program; and
- 27 (3) Provide an annual grant equaling twenty percent of any assessments
28 collected to public or private entities conducting equine research or
29 offering hippotherapy to individuals with disabilities.

30 **SECTION 3. EQUINE PROCESSING FACILITY FEASIBILITY STUDY.**

- 1 1. During the 2009-10 interim, the department of commerce shall conduct an equine
2 processing facility feasibility study. The study must begin with a review of federal
3 laws, regulations, policies, and guidelines regarding equine processing and an
4 evaluation of the potential for amendments and modifications. If an equine
5 processing facility is determined to be permissible under existing laws, the study
6 may proceed to:
 - 7 a. Address the cost of constructing a new equine processing facility in this state;
 - 8 b. Determine whether any existing structures could be converted to an equine
9 processing facility and the cost of converting the structures;
 - 10 c. Determine the nature and scope of existing and potential markets, both
11 domestic and international, for equine meat and other byproducts of equine
12 processing; and
 - 13 d. Examine the potential for obtaining loans, grants, and other incentives in
14 order to further the development of an equine processing facility.
- 15 2. The department shall report its findings and recommendations, together with any
16 legislation required to implement the recommendations, to the sixty-second
17 legislative assembly.

18 **SECTION 4. ADVISORY COMMITTEE - REIMBURSEMENT FOR EXPENSES.** The
19 department of commerce may appoint a five-member committee to provide advice and
20 guidance to the department regarding the feasibility study provided for in section 3 of this Act.
21 The department may use up to \$5,000 of the amount appropriated under section 5 of this Act to
22 provide reimbursement for expenses, as allowed by law for state officers, to any member of the
23 advisory committee who does not serve on the committee by virtue of the individual's public
24 office or public employment.

25 **SECTION 5. APPROPRIATION.** There is appropriated out of any moneys in the
26 general fund in the state treasury, not otherwise appropriated, the sum of \$50,000, or so much
27 of the sum as may be necessary, to the department of commerce for the purpose of conducting
28 the equine processing facility feasibility study as provided under section 3 of this Act, for the
29 biennium beginning July 1, 2009, and ending June 30, 2011. The department may expend the
30 moneys appropriated under this section only if matching funds are obtained on a
31 dollar-for-dollar basis.

- 1 **SECTION 6. LEGISLATIVE INTENT - AGRICULTURAL PRODUCTS UTILIZATION**
2 **COMMISSION - CONSIDERATION OF GRANT PROPOSAL.** It is the intent of the legislative
3 assembly that the agricultural products utilization commission consider making a grant
4 available under section 4-14.1-03.1 to assist with the requirement for matching funds as
5 provided under section 2 of this Act.