

Sixty-seventh
Legislative Assembly
of North Dakota

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 ~~at two~~ new ~~section~~sections to chapter ~~4.1-01~~4.1-01.1 and a
2 new section to chapter 21-10 of the North Dakota Century Code, relating to an agriculture
3 innovation fund and a transfer of legacy fund earnings; and to provide a continuing
4 appropriation.

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

6 **SECTION 1.** A new section to chapter ~~4.1-01~~4.1-01.1 of the North Dakota Century Code is
7 created and enacted as follows:

8 **Agriculture innovation fund—~~Advisory board~~ - 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 ~~23~~ of this Act.
11 Moneys in the fund may be spent by the Bank of North Dakota for loans as provided in
12 this section and by the agriculture commissioner, pursuant to legislative
13 appropriations, to provide grants to value-added agriculture businesses based on
14 recommendations from the ~~agriculture innovation fund advisory board~~agricultural
15 products utilization commission.
- 16 2. ~~As appointed by the governor based on recommendations from agricultural~~
17 ~~organizations, the agriculture innovation fund advisory board consists of the following:~~
18 ~~a. One member representing row crop farmers;~~
19 ~~b. One member representing livestock producers;~~
20 ~~c. One member representing a general farm organization;~~
21 ~~d. One member representing specialty crop farmers;~~
22 ~~e. One member representing value-added agriculture; and~~
23 ~~f. One member representing cooperative agriculture businesses.~~

1 ~~3. The agriculture commissioner shall serve as an ex officio, nonvoting member of the~~
2 ~~committee. The term of office of each member of the advisory board is four years.~~
3 ~~Members may not serve more than two consecutive terms. The terms of office~~
4 ~~commence on July first. The initial terms of the advisory board members must be~~
5 ~~staggered following a method determined by the board. The advisory board shall~~
6 ~~select a chairman from among the members.~~

7 ~~4. The agriculture innovation fund advisory board~~ agricultural products utilization
8 commission shall meet at least quarterly to make recommendations for grants to
9 support new or expanding value-added agriculture businesses which demonstrate
10 financial feasibility, enhance profitability for farmers and ranchers, create jobs, and
11 grow the state's economy. Grant funding may be used to purchase ~~real property and~~
12 equipment, to support workforce training and development, and ~~to provide working~~
13 ~~capital~~ to construct infrastructure. Grants received under this section may not exceed
14 thirty-five percent of the total cost of the project. The ~~agriculture innovation fund~~
15 ~~advisory board~~ agricultural products utilization commission shall develop guidelines for
16 the grants, included eligibility criteria and reporting requirements. The guidelines must
17 include priority for businesses with a majority of the ownership comprised of North
18 Dakota residents. The ~~advisory board~~ agricultural products utilization commission may
19 designate moneys in the fund for loans under this section.

20 5. Moneys in the fund designated for loans are appropriated to the Bank of North Dakota
21 on a continuing basis for the purpose of loan disbursements and administrative costs.
22 The Bank shall develop policies for the loans in consultation with the ~~advisory board~~
23 ~~and agriculture commissioner~~ agricultural products utilization commission. The Bank
24 shall review loan applications. To be eligible for a loan under this section, an entity
25 shall agree to provide the Bank with information as requested. The Bank may develop
26 policies for loan participation with local financial institutions. The Bank shall deposit in
27 the fund all principal and interest paid on the loans made from the fund. The Bank may
28 use a portion of the interest paid on the outstanding loans as a servicing fee to pay for
29 administrative costs. The Bank shall contract with a certified public accounting firm to
30 audit the fund if the fund has any outstanding loans. The cost of the audit must be paid
31 from the fund.

SECTION 2. A new section to chapter 4.1-01.1 of the North Dakota Century Code is created and enacted as follows:

Agriculture innovation fund - Access to records.

1. To the extent the agricultural products utilization commission determines the materials or data provided under section 1 of this Act consist of trade secrets or commercial, financial, or proprietary information of individuals or entities applying for loans or grants with the commission, materials and data submitted to, made by, or received by the commission, are not public records subject to section 44-04-18 and section 6 of article XI of the Constitution of North Dakota, and are subject to section 44-04-18.4.
2. A person may file a request with the commission to have material designated as confidential under subsection 1. The request must contain any information required by the commission and must include at least the following:

 - a. A general description of the nature of the information sought to be protected.
 - b. An explanation of why the information derives independent economic value, actual or potential, from not being generally known to other persons.
 - c. An explanation of why the information is not readily ascertainable by proper means of other persons.
 - d. A general description of any person that may obtain economic value from disclosure or use of the information, and how the person may obtain this value.
 - e. A description of the efforts used to maintain the secrecy of the information.
3. Any request under subsection 2 is confidential. The commission shall examine the request and determine whether the information is relevant to the matter at hand and is a trade secret under the definition in section 47-25.1-01 or 44-04-18.4. If the commission determines the information is either not relevant or not a trade secret, the commission shall notify the requester and the requester may ask for the return of the information and the request within ten days of the notice. If no return is sought, the information and request are public record.
4. The names or identities of independent technical reviewers on a project or program are confidential, may not be disclosed by the commission, and are not public records subject to section 44-04-18 or section 6 of article XI of the Constitution of North Dakota.

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

3 **Legacy fund earnings transfer - State treasurer.**

4 From any legacy fund earnings transferred to the general fund at the end of each biennium
5 in accordance with section 26 of article X of the Constitution of North Dakota, twenty percent
6 must be transferred immediately by the state treasurer to the agriculture innovation fund under
7 section 1 of this Act until the amount transferred to the agriculture innovation fund totals one
8 hundred fifty million dollars. After the transfers to the agriculture innovation fund under this
9 section total one hundred fifty million dollars, the state treasurer shall transfer immediately any
10 amounts designated for the agriculture innovation fund to the legacy fund to become part of the
11 principal.