

HOUSE BILL NO. 1276

Introduced by

Representatives Satrom, Brandenburg, Grueneich, Hagert, Headland, Kempenich, Kiefert,
Ostlie, Thomas

Senators Conley, Luick, Wanzek

1 A BILL for an Act to amend and reenact section 4.1-01.1-07 and 4.1-01.1-09 of the North
2 Dakota Century Code, relating to the agriculture diversification and development fund; to repeal
3 section 4.1-01.1-08 of the North Dakota Century Code, relating to the agriculture diversification
4 and development committee; to provide an appropriation for the agriculture diversification and
5 development fund; and to provide for a transfer.

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

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

9 **4.1-01.1-07. Agriculture diversification and development fund - Continuing**
10 **appropriation.**

- 11 1. There is created in the state treasury the agriculture diversification and development
12 fund. The fund consists of all moneys transferred to the fund by the legislative
13 assembly, interest upon moneys in the fund, and payments of interest and principal on
14 loans made from the fund. Moneys in the fund are appropriated to the Bank of North
15 Dakota on a continuing basis for loan disbursements, ~~grants~~, and administrative costs
16 pursuant to this section. ~~No more than twenty-five percent of the fund may be utilized~~
17 ~~for grants in a biennium,~~ and moneys in the fund are appropriated to the agriculture
18 commissioner on a continuing basis for grants pursuant to this section. The
19 agricultural products utilization commission shall designate the amount available from
20 the fund for loans and grants.
- 21 2. Loans, interest rate buydowns, or grants may be issued from the fund to support new
22 or expanding value-added agriculture businesses that demonstrate financial feasibility,
23 enhance profitability for farmers and ranchers, create jobs, and grow the state's

1 economy. Value-added agriculture businesses include food production or processing
2 facilities; feed or pet food processing facilities; commodity processing facilities;
3 agriculture product manufacturers; and animal agriculture production facilities,
4 including swine, poultry, dairy, and feed lot production facilities.

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

17 4. The agricultural products utilization commission shall develop policies for grants from
18 the fund, including eligibility criteria, maximum grant amounts, and reporting
19 requirements. Based on recommendations from the agriculture products utilization
20 commission, the agriculture commissioner shall distribute the grant funding.

21 **SECTION 2. AMENDMENT.** Section 4.1-01.1-09 of the North Dakota Century Code is
22 amended and reenacted as follows:

23 **4.1-01.1-09. Agriculture diversification and development fund grants program -**
24 **Access to records.**

25 1. To the extent the ~~agriculture diversification and development committee~~agricultural
26 products utilization commission determines the materials or data provided under
27 section 4.1-01.1-07 consist of trade secrets or commercial, financial, or proprietary
28 information of individuals or entities applying for grants with the committee, materials
29 and data submitted to, made by, or received by the committee, are not public records
30 subject to section 44-04-18 and section 6 of article XI of the Constitution of North
31 Dakota, and are subject to section 44-04-18.4.

- 1 | 2. A person may file a request with the committeecommission to have material
- 2 | designated as confidential under subsection 1. The request must contain any
- 3 | information required by the committeecommission and must include at least the
- 4 | following:
- 5 | a. A general description of the nature of the information sought to be protected;
- 6 | b. An explanation of why the information derives independent economic value,
- 7 | actual or potential, from not being generally known to other persons;
- 8 | c. An explanation of why the information is not readily ascertainable by proper
- 9 | means of other persons;
- 10 | d. A general description of any person that may obtain economic value from
- 11 | disclosure or use of the information, and how the person may obtain this value;
- 12 | and
- 13 | e. A description of the efforts used to maintain the secrecy of the information.
- 14 | 3. A request under subsection 2 is confidential. The committeecommission shall examine
- 15 | the request and determine whether the information is relevant to the matter at hand
- 16 | and is a trade secret under the definition in section 47-25.1-01 or 44-04-18.4. If the
- 17 | committeecommission determines the information is not relevant or not a trade secret,
- 18 | the committeecommission shall notify the requester and the requester may ask for the
- 19 | return of the information and the request within ten days of the notice. If no return is
- 20 | sought, the information and request are public records.
- 21 | 4. The names or identities of independent technical reviewers on a project or program
- 22 | are confidential, may not be disclosed by the committeecommission, and are not
- 23 | public records subject to section 44-04-18 or section 6 of article XI of the Constitution
- 24 | of North Dakota.

25 | **SECTION 3. REPEAL.** Section 4.1-01.1-08 of the North Dakota Century Code is repealed.

26 | **SECTION 4. APPROPRIATION - TRANSFER TO AGRICULTURE DIVERSIFICATION**
27 | **AND DEVELOPMENT FUND.** There is appropriated out of any moneys in the general fund in
28 | the state treasury, not otherwise appropriated, the sum of \$50,000,000, which the office of
29 | management and budget shall transfer to the agriculture diversification and development fund,
30 | during the biennium beginning July 1, 2023, and ending June 30, 2025.