

2025 SENATE AGRICULTURE AND VETERANS AFFAIRS

SB 2150

2025 SENATE STANDING COMMITTEE MINUTES

Agriculture and Veterans Affairs Committee

Fort Union Room, State Capitol

SB 2150
1/23/2025

A bill relating to corporate or limited liability company farming and ranching.

8:57 a.m. Chairman Luick called the meeting to order.

Members present: Chairman Luick, Vice-Chair Myrdal, Senator Marcellais, Senator Weston, Senator Weber, Senator Lemm

Discussion Topics:

- Creation of new code last session
- Removal and clarification of outdated language
- Aggregate numbers of members interested
- Number of shareholders or members
- Department of Agriculture and membership interests in operating agreements
- Definition of individual and person
- Citizens United Ruling

8:58 a.m. Senator Paul Thomas, District 6, testified in favor and introduced the bill.

8:58 a.m. Mike Monroe, Business Services Director for the Office of the Secretary of State, testified in favor and submitted testimony #30963.

9:05 a.m. Pete Hanebutt, on behalf of the ND Farm Bureau, testified in favor.

9:06 a.m. Julie Ellingson, represents the ND Stockman's Association, testified in favor.

9:06 a.m. Matt Purdue, on behalf of the ND Farmers Union, testified in favor.

9:07 a.m. Samuel Wagner, Ag and Food Field Organizer for the Dakota Resource Council, testified in opposition and submitted testimony #30898

9:10 a.m. Senator Myrdal moved to adopt amendment to change the word "person to individual".

9:11 a.m. Senator Weston seconded the motion.

Senators	Vote
Senator Larry Luick	Y
Senator Janne Myrdal	Y
Senator Randy D. Lemm	Y
Senator Richard Marcellais	Y
Senator Mark F. Weber	Y
Senator Kent Weston	Y

Motion passed 6-0-0.

9:12 a.m. Senator Myrdal moved a Do Pass As Amended.

9:12 a.m. Senator Weston seconded the motion.

Senators	Vote
Senator Larry Luick	Y
Senator Janne Myrdal	Y
Senator Randy D. Lemm	Y
Senator Richard Marcellais	Y
Senator Mark F. Weber	Y
Senator Kent Weston	Y

Motion passed 6-0-0.

Senator Myrdal will carry the bill.

9:14 a.m. Chairman Luick closed the hearing.

Audrey Oswald, Committee Clerk

SB 2150 reconsidered at 2:19 p.m. 1/23/25.

Testimony SB2150

Sam Wagner
Ag and Food Field Organizer
Dakota Resource Council
1902 E Divide Ave
Bismarck ND 58501
Testimony in Opposition for SB2174

To the Honorable Chairman and the members of the Committee. We submit these remarks on behalf of DRC.

We have to ask why is this legislation even being proposed? The Anti Corporate farming law has been effectively working with the word individual in it for years, it seems like a waste of time to be opening it up to amendments when this was already done last year, especially for something as trivial as this.

We recommend DO NOT PASS.

SENATE AGRICULTURE & VETERANS AFFAIRS COMMITTEE
SENATOR LARRY LUICK, CHAIR

TESTIMONY PRESENTED BY

MICHAEL MONROE, BUSINESS SERVICES DIRECTOR

Chairman Luick and members of the committee, I'm Mike Monroe, Business Services Director for the Office of the Secretary of State. I'm here to provide testimony in support of SB2150. Last session, HB1371 created a new entity type in the corporate farming act - authorized livestock farms - and removed, clarified, and updated outdated language in NDCC 10-06.1. This bill provides additional clean-up language that was omitted in the original bill and will assist in reducing confusion for farmers or ranchers regarding membership interests for limited liability companies. Our office partnered with Senator Thomas and the Department of Agriculture on these proposed changes.

The proposed changes in this bill in no way changes the intent nor does it expand or reduce the scope of the corporate farming law that was passed last session.

OVERVIEW SUMMARY OF BILL SECTIONS

SECTION 1: This section adds language to subsection 7 of NDCC 10-06.1-01. The addition of "or ranch" on page 1, lines 18 and 19, correct code to ensure *ranchers* are not excluded in the definition of farming or ranching.

SECTION 2: This section makes changes in subsection 3 of 10-06.1-12.2. On page 2, on lines 3, 8, 12 and 17, the word *individual* is replaced with "person" to align with the definition provided for property ownership under NDCC 47-01-01. Lines 5 and 14 replace *entity* with "organization" to align with the definitions in statute which include a foreign or domestic association, business trust, corporation, enterprise, estate, joint venture, limited liability company, limited liability partnership, limited partnership, partnership, trust, or any legal or commercial entity.

SECTION 3: This section cleans-up language on page, 3, line 4, from controlling *person* to "individual or organization." The language change made on lines 7 and 8 are to reflect who is an authorized person under Chapter 47-10.1 – Agricultural Land Ownership by Aliens (NDCC 47-10.1-02).

SECTION 4 & SECTION 5: These sections provide adjustments to reduce confusion and make language consistent for authorized livestock farms operating as limited liability companies (NDCC 10-06.1-17) and authorized livestock farm corporations (NDCC 10-06.1-17.1) with regards to their annual reporting requirements.

As it has created confusion among filers, we are asking to strike the existing language in Section 4, page 3, that limited liability company membership interests are itemized by classes and series and instead replace it with whatever they designate in the operating agreement of their respective entity type. This language is echoed under Section 5 for authorized livestock farm limited liability companies on page 4, lines 10-14. Section 5 also includes similar updates regarding aggregate numbers of membership interests and compliance with 47-10.2.

Also in Section 5, on page 5, lines 6 and 9 updates language to reflect a more accurate statement for whether each is actively engaged in the operation of the corporation or limited liability company as opposed to the previous language.

REQUEST FOR AMENDMENT: We are requesting an additional amendment to the bill to correct language for authorized livestock farm corporations and limited liability companies, which is included at the end of my testimony. Section 10-06.1-12.2, subsection 1, subdivision a., states “if an authorized livestock farm corporation, the corporation may not have more than ten shareholders.” Subdivision b., states “if an authorized livestock farm limited liability company, the limited liability company may not have more than ten shareholders.” Our proposed amendment strikes may and replaces it with “must,” for consistency in law and to maintain the original intent of HB1371.

I ask that you consider our suggested updates for better administration of chapter 10-06.1 and would be happy to stand for any questions.

PROPOSED AMENDMENT TO SENATE BILL NO. 2150

Create a new section in SB 2150 to amend section 10-06.1-12.2:

Subsection 1 of section 10.-6.1-12.2 of the North Dakota Century Code is amended and reenacted as follows:

1. a. If an authorized livestock farm corporation, the corporation ~~may~~ must not have more than ten shareholders.
- b. If an authorized livestock farm limited liability company, the limited liability company ~~may~~ must not have more than ten members.

2025 SENATE STANDING COMMITTEE MINUTES

Agriculture and Veterans Affairs Committee

Fort Union Room, State Capitol

SB 2150

1/23/2025

A bill relating to corporate or limited liability company farming and ranching.

2:19 p.m. Chairman Luick opened the hearing.

Members present: Chairman Luick, Vice-Chair Myrdal, Senator Marcellais, Senator Weston, Senator Weber, Senator Lemm

Discussion Topics:

- Language changes and revoked privileges

2:23 p.m. Senator Myrdal moved a Reconsideration.

2:23 p.m. Senator Weber seconded the motion.

Senators	Vote
Senator Larry Luick	Y
Senator Janne Myrdal	Y
Senator Randy D. Lemm	Y
Senator Richard Marcellais	Y
Senator Mark F. Weber	Y
Senator Kent Weston	Y

Motion passed 6-0-0.

2:25 p.m. Senator Weston moved to Remove the Amendment changing "may to must" .

2:25 p.m. Senator Myrdal seconded the motion.

Senators	Vote
Senator Larry Luick	Y
Senator Janne Myrdal	Y
Senator Randy D. Lemm	Y
Senator Richard Marcellais	Y
Senator Mark F. Weber	Y
Senator Kent Weston	Y

Motion passed 6-0-0.

2:28 p.m. Senator Myrdal moved a Do Pass.

2:28 p.m. Senator Weston seconded the motion.

Senators	Vote
Senator Larry Luick	Y
Senator Janne Myrdal	Y
Senator Randy D. Lemm	Y
Senator Richard Marcellais	Y
Senator Mark F. Weber	Y
Senator Kent Weston	Y

Motion passed 6-0-0.

Senator Lemm will carry the bill.

2:29 p.m. Chairman Luick closed the hearing.

Audrey Oswald, Committee Clerk

REPORT OF STANDING COMMITTEE
SB 2150 ([25.0606.01000](#))

Agriculture and Veterans Affairs Committee (Sen. Luick, Chairman) recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). SB 2150 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.

2025 HOUSE AGRICULTURE

SB 2150

2025 HOUSE STANDING COMMITTEE MINUTES

Agriculture Committee
Room JW327C, State Capitol

SB 2150
3/7/2025

A BILL for an Act to amend and reenact subsection 7 of section 10-06.1-01, subsection 3 of section 10-06.1-12.2, subdivision b of subsection 1 of section 10-06.1-15.2, subdivision d of subsection 3 of section 10-06.1-17, and subsection 3 of section 10-06.1-17.1 of the North Dakota Century Code, relating to corporate or limited liability company farming and ranching.

8:30 a.m. Chairman Beltz opened the meeting.

Members Present: Chairman Beltz, Vice Chairman Hauck, Representatives Anderson, Dobervich, Henderson, Holle, Hoverson, Kiefert, Nehring, Olson, Rios, Schreiber-Beck, Tveit, Vollmer

Discussion Topics:

- Animal Livestock Feeding Operation (ALF)
- Update reporting process
- Aligning definitions in statute
- Membership interest

8:30 a.m. Senator Paul Thomas, District 6, Velva, ND, introduced and testified.

8:33 a.m. Michael Monroe, Office of the ND Secretary of State, testified in favor and submitted testimony #39496.

8:40 a.m. Matt Perdue, ND Farmers Union, testified in favor.

8:42 a.m. Pete Hanebutt, ND Farm Bureau, testified in favor.

8:43 a.m. Representative Anderson moved Do Pass.

8:43 a.m. Representative Vollmer seconded the motion.

Representatives	Vote
Representative Mike Beltz	Y
Representative Dori Hauck	Y
Representative Karen A. Anderson	Y
Representative Gretchen Dobervich	Y
Representative Donna Henderson	Y
Representative Dawson Holle	Y
Representative Jeff Hoverson	Y
Representative Dwight Kiefert	Y
Representative Dennis Nehring	Y
Representative SuAnn Olson	Y

Representative Nico Rios	Y
Representative Cynthia Schreiber-Beck	Y
Representative Bill Tveit	Y
Representative Daniel R. Vollmer	Y

Motion passed 14-0-0.

8:43 a.m. Representative Anderson will carry the bill.

Additional written testimony:

Samuel A. Wagner, Ag and Food Field Organizer, Dakota Resource Council, submitted testimony in favor #39134.

Joseph P. Bialke, General Counsel, Policy Advisor, ND Department of Agriculture, submitted testimony in favor #39320.

8:43 a.m. Chairman Beltz closed the meeting.

Diane Lillis, Committee Clerk

REPORT OF STANDING COMMITTEE
SB 2150 ([25.0606.01000](#))

Agriculture Committee (Rep. Beltz, Chairman) recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). SB 2150 was placed on the Fourteenth order on the calendar.

Testimony SB2150

Sam Wagner
Ag and Food Field Organizer
Dakota Resource Council
1902 E Divide Ave
Bismarck ND 58501
Testimony in Support for SB2150

To the Honorable Chairman and the members of the Committee. We submit these remarks on behalf of DRC.

After further review of this law and contact with our member Sarah Vogel, we have found that this bill will strengthen the reporting process of this law and add stronger language to the shareholders by replacing the word "should" with must. This bill would also broaden the language of all that are reporting in this law.

Our organization will continue to be vigilant in guarding the anti corporate farming law.

We recommend DO PASS.

COMMISSIONER
DOUG GOEHRING



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NORTH DAKOTA
DEPARTMENT OF AGRICULTURE
STATE CAPITOL
600 E. BOULEVARD AVE. – DEPT. 602
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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.

HOUSE AGRICULTURE COMMITTEE
REPRESENTATIVE MIKE BELTZ, CHAIR

TESTIMONY PRESENTED BY

MICHAEL MONROE, BUSINESS SERVICES DIRECTOR

Chairman Beltz and members of the committee, I'm Mike Monroe, Business Services Director for the Office of the Secretary of State. I'm here to provide testimony in support of SB2150. Last session, HB1371 created a new entity type in the corporate farming act - authorized livestock farms - and removed, clarified, and updated outdated language in NDCC 10-06.1. This bill provides additional clean-up language that was omitted in the original bill and will assist in reducing confusion for farmers or ranchers regarding membership interests for limited liability companies. Our office partnered with Senator Thomas and the Department of Agriculture on these proposed changes.

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Also in Section 5, on page 5, lines 6 and 9 updates language to reflect a more accurate statement for whether each is actively engaged in the operation of the corporation or limited liability company as opposed to the previous language.

I ask that you consider our suggested updates for better administration of chapter 10-06.1 and would be happy to stand for any questions.