

Introduced by

Representatives Satrom, Hagert, Kempenich, Kiefert, Mitskog, Ostlie

Senators Conley, Wanzek

1 A BILL for an Act to create and enact two new sections to chapter 4.1-01.1 and a new section to
2 chapter 21-10 of the North Dakota Century Code, relating to an agriculture innovation fund and
3 a transfer of legacy fund earnings; and to provide a continuing appropriation.

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

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

7 **Agriculture innovation fund - Continuing appropriation.**

8 1. There is created in the state treasury the agriculture innovation fund. The fund
9 consists of all legacy fund earnings deposited in the fund under section 3 of this Act.
10 Moneys in the fund may be spent by the Bank of North Dakota for loans as provided in
11 this section and by the agriculture commissioner, pursuant to legislative
12 appropriations, to provide grants to value-added agriculture businesses based on
13 recommendations from the agricultural products utilization commission.

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

1 3. Moneys in the fund designated for loans are appropriated to the Bank of North Dakota
2 on a continuing basis for the purpose of loan disbursements and administrative costs.
3 The Bank shall develop policies for the loans in consultation with the agricultural
4 products utilization commission. The Bank shall review loan applications. To be eligible
5 for a loan under this section, an entity shall agree to provide the Bank with information
6 as requested. The Bank may develop policies for loan participation with local financial
7 institutions. The Bank shall deposit in the fund all principal and interest paid on the
8 loans made from the fund. The Bank may use a portion of the interest paid on the
9 outstanding loans as a servicing fee to pay for administrative costs. The Bank shall
10 contract with a certified public accounting firm to audit the fund if the fund has any
11 outstanding loans. The cost of the audit must be paid from the fund.

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

14 **Agriculture innovation fund - Access to records.**

- 15 1. To the extent the agricultural products utilization commission determines the materials
16 or data provided under section 1 of this Act consist of trade secrets or commercial,
17 financial, or proprietary information of individuals or entities applying for loans or
18 grants with the commission, materials and data submitted to, made by, or received by
19 the commission, are not public records subject to section 44-04-18 and section 6 of
20 article XI of the Constitution of North Dakota, and are subject to section 44-04-18.4.
- 21 2. A person may file a request with the commission to have material designated as
22 confidential under subsection 1. The request must contain any information required by
23 the commission and must include at least the following:
- 24 a. A general description of the nature of the information sought to be protected.
 - 25 b. An explanation of why the information derives independent economic value,
26 actual or potential, from not being generally known to other persons.
 - 27 c. An explanation of why the information is not readily ascertainable by proper
28 means of other persons.
 - 29 d. A general description of any person that may obtain economic value from
30 disclosure or use of the information, and how the person may obtain this value.
 - 31 e. A description of the efforts used to maintain the secrecy of the information.

1 3. Any request under subsection 2 is confidential. The commission shall examine the
2 request and determine whether the information is relevant to the matter at hand and is
3 a trade secret under the definition in section 47-25.1-01 or 44-04-18.4. If the
4 commission determines the information is either not relevant or not a trade secret, the
5 commission shall notify the requester and the requester may ask for the return of the
6 information and the request within ten days of the notice. If no return is sought, the
7 information and request are public record.

8 4. The names or identities of independent technical reviewers on a project or program
9 are confidential, may not be disclosed by the commission, and are not public records
10 subject to section 44-04-18 or section 6 of article XI of the Constitution of North
11 Dakota.

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

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

15 From any legacy fund earnings transferred to the general fund at the end of each biennium
16 in accordance with section 26 of article X of the Constitution of North Dakota, twenty percent
17 must be transferred immediately by the state treasurer to the agriculture innovation fund under
18 section 1 of this Act until the amount transferred to the agriculture innovation fund totals one
19 hundred fifty million dollars. After the transfers to the agriculture innovation fund under this
20 section total one hundred fifty million dollars, the state treasurer shall transfer immediately any
21 amounts designated for the agriculture innovation fund to the legacy fund to become part of the
22 principal.