

**SECOND ENGROSSMENT
with House Amendments**

Fifty-ninth
Legislative Assembly
of North Dakota

REENGROSSED SENATE BILL NO. 2147

Introduced by

Senators Taylor, Bowman

Representatives Nicholas, S. Meyer, Onstad

(At the request of the Department of Agriculture)

1 A BILL for an Act to create and enact a new section to chapter 4-01 and a new section to
2 chapter 6-09 of the North Dakota Century Code, relating to the establishment of a certified beef
3 program and a livestock loan guarantee program; to amend and reenact section 4-14.1-03.1 of
4 the North Dakota Century Code, relating to agricultural grants; to provide for a report; and to
5 provide an expiration date.

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

7 **SECTION 1.** A new section to chapter 4-01 of the North Dakota Century Code is
8 created and enacted as follows:

9 **Certified beef program.** The agriculture commissioner may collaborate with the state
10 board of animal health, the North Dakota stockmen's association, North Dakota state university
11 beef systems, and the United States secretary of agriculture to develop a source-verified and
12 process-verified beef marketing program known as the certified beef program.

13 **SECTION 2. AMENDMENT.** Section 4-14.1-03.1 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **4-14.1-03.1. Agricultural products utilization commission - Authority.**

16 1. The North Dakota agricultural products utilization commission may apply for,
17 accept, and expend any appropriation, grant, gift, or service made available from
18 public or private sources consistent with the purpose of this chapter.

19 2. The commission may administer grant programs consistent with the purpose of
20 this chapter including a:

21 a. A basic and applied research grant program;

22 b. A utilization and marketing grant program;

23 c. A cooperative marketing grant program;

24 d. A nature-based tourism grant program;

- 1 e. A technical assistance grant program for value-added businesses;
2 f. A farm diversification grant program;
3 g. An agricultural prototype development grant program; and a
4 h. A North American marketing grant program. The
5 3. As a condition of the grant, the commission may require, by contract, repayment of
6 a grant, in whole or in part, that the recipient repay some or all of the grant if the
7 grant recipient does not fulfill the conditions under which the grant was awarded of
8 the grant. Repayment may be monetary or may be of any other type or method
9 determined by the commission to be in the public interest.

10 **SECTION 3.** A new section to chapter 6-09 of the North Dakota Century Code is
11 created and enacted as follows:

12 **Livestock loan guarantee program - Establishment - Rules.**

- 13 1. The Bank of North Dakota shall establish and administer a livestock loan
14 guarantee program that is designed to expand livestock feeding in this state.
15 2. Under the program, the Bank may guarantee a loan made by a bank, a credit
16 union, a savings and loan association, or any other lending institution in this state
17 to the owner of a commercial feedlot that backgrounds or feeds cattle to
18 harvest-ready weight. In the event of a default, the Bank shall pay to the lender
19 the amount agreed upon, provided that the amount may not exceed eighty-five
20 percent of the principal due the lender at the time the claim is approved.
21 3. The Bank shall adopt rules governing additional terms, conditions, and procedures
22 necessary to meet the requirements of this section. The rules must include an
23 administrative fee payable to the Bank and must provide that equity requirements
24 may not exceed fifteen percent.

25 **SECTION 4. REPORT TO COMMITTEES.** Between the first and tenth legislative days
26 of the regular session of the sixtieth legislative assembly as selected by the legislative council,
27 the agriculture commissioner, the Bank of North Dakota, and the North Dakota stockmen's
28 association shall provide a joint report regarding the livestock loan guarantee program to the
29 standing agriculture committee of each house of the legislative assembly.

30 **SECTION 5. EXPIRATION DATE.** Section 3 of this Act is effective through June 30,
31 2009, and after that date is ineffective.