

Introduced by

Agriculture Committee

(At the request of the Bank of North Dakota)

1 A BILL for an Act to amend and reenact sections 17-03-01 and 17-03-04 of the North Dakota
2 Century Code, relating to the biodiesel partnership in assisting community expansion.

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

4 **SECTION 1. AMENDMENT.** Section 17-03-01 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **17-03-01. Definitions.**

7 In this chapter, unless the context or subject matter otherwise requires:

- 8 1. "Biodiesel production facility" means a producer of a fuel composed of mono-alkyl
9 esters of long chain fatty acids derived from vegetable oil or animal fats that meets
10 American society for testing and materials specification D 6751. The facility must be
11 located in this state.
- 12 2. "Biofuel partnership in assisting community expansion fund" or "fund" means a fund
13 established to buy down the interest rate on loans to biodiesel, ethanol, and green
14 diesel production facilities and to ~~livestock~~value-added operations as provided under
15 this chapter.
- 16 3. "Ethanol production facility" means a producer of agriculturally derived denatured
17 ethanol that is suitable for blending with a petroleum product for use in internal
18 combustion engines. The facility must be located in this state.
- 19 4. "Green diesel production facility" means a producer of a fuel produced from nonfossil
20 renewable resources, including agricultural or silvicultural plants, animal fats, residue,
21 and waste generated from the production, processing, and marketing of agricultural
22 products, silvicultural products, and other renewable resources, which meets
23 applicable American society for testing and materials specifications. The facility must
24 be located in this state.

- 1 5. ~~"Livestock operation" means a livestock feeding, handling, milking, or holding-~~
2 ~~operation located in this state which uses as part of its operation a byproduct~~
3 ~~produced at a biodiesel or an ethanol production facility."~~"Value-added operation"
4 includes a producer that engages in dairy and milking or feeding of animals or poultry
5 which enhances the value before sale into the marketplace.

6 **SECTION 2. AMENDMENT.** Section 17-03-04 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **17-03-04. Fund moneys - Eligible uses.**

- 9 1. a. The fund moneys may be used to participate in an interest rate buydown on a
10 loan to a biodiesel, ethanol, or green diesel production facility or to a
11 ~~livestock~~value-added operation for the following eligible uses:
12 (1) Purchase or construction of real property.
13 (2) Expansion of facilities.
14 (3) Purchase or installation of equipment, including a biodigester system.
15 b. The loan funds may not be used to refinance any existing debt or for the
16 relocation within this state of the biodiesel, ethanol, or green diesel production
17 facility or the ~~livestock~~value-added operation.
18 2. a. The maximum amount from the fund in the interest rate buydown for a biodiesel,
19 ethanol, or green diesel production facility may not exceed five hundred thousand
20 dollars to any single biodiesel, ethanol, or green diesel production facility under
21 this chapter.
22 b. Except as provided in subdivision c, the maximum amount from the fund in the
23 interest rate buydown for a ~~livestock~~value-added operation may not exceed two
24 hundred fifty thousand dollars to any single ~~livestock~~value-added operation under
25 this chapter.
26 c. If a ~~livestock~~value-added operation has reached the limit provided for in
27 subdivision b as a result of any activity other than the purchase or installation of a
28 biodigester, that operation is entitled to receive from the fund up to two hundred
29 fifty thousand dollars as an additional interest rate buydown on the operation's
30 purchase or installation of a biodigester system.

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- 1 3. The fund participation is limited to the amount required to buy down the interest to five
- 2 hundred basis points below the national prime interest rate.
- 3 4. The Bank of North Dakota shall adopt rules to implement this chapter.