

Testimony HB1475
Samuel Wagner
Lobbyist #1034

Mr Chairman and the Committee,

My name is Sam Wagner and I am testifying today for the Dakota Resource Council and its members. DRC has more than 600 members statewide and was founded to protect North Dakota's natural resources and family farms and ranches.

I would like to state that our organization supports the idea of using the legacy fund to support agricultural value added business and especially local slaughtering facilities. The issue that we would like the committee to address is the language that states that priority will be given to businesses that are owned by the majority of North Dakotans. We feel this leaves too much room for non-North Dakota businesses to be given legacy fund dollars. We would like to see the following amendments.

Section 4

The agriculture innovation fund advisory board shall meet at least quarterly to make recommendations for grants to support new or expanding value-added agriculture businesses which demonstrate financial feasibility, enhance profitability for farmers and ranchers, create jobs, and grow the state's economy. Grant funding may be used to purchase real property and equipment, to support workforce training and development, and to provide working capital. The agriculture innovation fund advisory board shall develop guidelines for the grants, included eligibility criteria and reporting requirements. The guidelines must **only be used include priority** for businesses with a majority of the ownership comprised of North Dakota residents. The advisory board may designate moneys in the fund for loans under this section.

Our stance is that North Dakotans should be the only people that should be allowed to benefit from the legacy fund or low interest Bank of North Dakota Loans. Our residents, many of them farmers and ranchers, have had to deal with the brunt of the impacts of the oil boom. Because the legacy fund is funded by oil and gas dollars, North Dakotans, many of whom faced the impacts of oil and gas, should be the ones who benefit from legacy fund dollars. We should use this fund to set up businesses that can continue to drive our economy long after our oil and natural gasses are used up. If a multinational corporation or nationwide corporation wants to come to North Dakota we can assure you that lack of access to start up capital or the inability to get a loan would not be the reason that they can't set up a business here.

In our view, it would be in our best interests if the state set up businesses like local slaughtering facilities and feed plants that are North Dakota owned because North Dakotan businesses should be the ones benefiting from the legacy fund. North Dakota businesses often do business

locally and understand local producers. We cannot always guarantee that with a multinational corporation.

In conclusion we support the premise of this bill, but we also urge you to strongly consider amending this bill to prevent out of state companies from benefiting from Legacy Fund dollars.