

CHAPTER 6-09.13

AGRICULTURE PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION

6-09.13-01. Definitions. In this chapter, unless the context or subject matter otherwise requires:

1. "Agriculture partnership in assisting community expansion fund" means a fund established to buy down the interest rate on loans to on-farm businesses under this chapter.
2. "Family farm" means agricultural real estate operated and owned or leased by a farmer, or other organization authorized to own or lease land used for farming or ranching under chapter 10-06.1.
3. "Farm business" means any business conducted by the farmer or farmer's family, which is integrated into the farm operation and is intended to supplement farm income to allow the farmer to continue farming. It may include nontraditional agricultural, manufacturing, processing, value-added processing, targeted service industries, or other activities calculated to produce income.
4. "Farmer" means a resident of North Dakota whose principal occupation is the production of an agricultural commodity or livestock on a family farm.
5. "On-farm business" means any farm business located on a family farm. If a farmer can demonstrate compelling economic reasons for locating a business in a community adjacent to the family farm and financial assistance under this chapter will not give the farmer an unfair economic advantage over a similar non-farm business, the business may qualify as on-farm.

6-09.13-02. Loans - Participation by the Bank of North Dakota.

1. The Bank of North Dakota may make available an appropriate amount of funds to purchase participation interests in loans made by financial institutions for the purposes as set forth in section 6-09.13-03.
2. The amount of a participation interest purchased by the Bank under this section must be not less than fifty percent nor more than eighty percent of the loan amount.
3. The Bank shall adopt rules to implement this chapter.

6-09.13-03. Loans to farmers - Purposes - Eligible uses. The loan moneys received by a farmer under this chapter must be used for a farm business. Eligible uses are:

1. Purchase of real property and equipment.
2. Expansions.
3. Working capital.
4. Purchase of inventory.

The moneys cannot be used to refinance any existing debt.

6-09.13-04. Agriculture partnership in assisting community expansion fund established - Continuing appropriation. The agriculture partnership in assisting community expansion fund is hereby established and is a revolving fund, and all moneys transferred into the fund, interest upon fund moneys, and payments to the fund are hereby appropriated for the purposes of section 6-09.13-05. After December 31, 1992, moneys may be transferred between

this fund and the partnership in assisting community expansion fund established in section 6-09.14-02. This fund is not subject to section 54-44.1-11.

6-09.13-05. Interest rate buydown. The Bank of North Dakota may use moneys in the agriculture partnership in assisting community expansion fund to reduce the interest rate on loans made under this chapter.