

1.1 A bill for an act

1.2 relating to agriculture; appropriating money for clean water activities; amending  
1.3 Minnesota Statutes 2008, section 17.117, subdivision 11a.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2008, section 17.117, subdivision 11a, is amended to  
1.6 read:

1.7 Subd. 11a. **Eligible projects.** All projects that remediate or mitigate adverse  
1.8 environmental impacts are eligible if:

1.9 (1) the project is eligible under the allocation agreement and funding sources  
1.10 designated by the local government unit to finance the project; and

1.11 (2) manure management projects remediate or mitigate impacts from facilities with  
1.12 less than 1,000 animal units as defined in Minnesota Rules, chapter 7020.

1.13 The purchase of variable rate fertilizer application machinery or equipment is an  
1.14 eligible project if the machinery or equipment is capable of precision-applying three  
1.15 or more products simultaneously and the person commits to using the machinery or  
1.16 equipment in this state for at least five years. The maximum loan amount for this purpose  
1.17 is \$100,000.

1.18 Sec. 2. **DEPARTMENT OF AGRICULTURE.**

1.19 \$3,075,000 in fiscal year 2010 and \$5,850,000 in fiscal year 2011 are appropriated  
1.20 from the clean water fund to the commissioner of agriculture to be spent as follows:

1.21 (1) \$325,000 the first year and \$350,000 the second year are to increase monitoring  
1.22 for pesticides and pesticide degradates in surface water and groundwater and to use data  
1.23 collected to assess pesticide use practices.

2.1           (2) \$375,000 the first year and \$750,000 the second year are to increase drinking  
2.2 water protection from agricultural chemicals, primarily nitrates.

2.3           (3) \$875,000 the first year and \$1,750,000 the second year are for research, pilot  
2.4 projects, and technical assistance related to ways agricultural practices can contribute to  
2.5 restoring impaired waters. Of this amount, \$330,000 the first year and \$330,000 the  
2.6 second year may be used for technical assistance and grants to establish a conservation  
2.7 drainage program in consultation with the Board of Water and Soil Resources and the  
2.8 drainage workgroup that consists of pilot projects to retrofit existing drainage systems  
2.9 with water quality improvement practices, evaluate outcomes, and provide outreach to  
2.10 landowners, public drainage authorities, drainage engineers and contractors, and others.

2.11           (4) \$1,000,000 the first year and \$2,500,000 the second year are for the agricultural  
2.12 best management practices loan program. At least \$965,000 the first year and at least  
2.13 \$2,400,000 the second year are for transfer to the agricultural best management practices  
2.14 loan account created pursuant to Minnesota Statutes, section 17.117, subdivision 5a, and  
2.15 are available for pass-through to local governments and lenders for low-interest loans.

2.16           (5) \$500,000 the first year and \$500,000 the second year are for a transfer to  
2.17 the Board of Water and Soil Resources for feedlot water quality improvement grants  
2.18 to operations with 300 or fewer animal units and prioritized by pollution prevention  
2.19 potential. The board shall give priority consideration to projects that leverage federal or  
2.20 other nonstate funds or contributions and to projects that address high-priority needs  
2.21 identified in local water management plans. These amounts are in addition to any amount  
2.22 recommended by another committee for feedlot water quality improvement grants.