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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. **3558**

02/19/2020 Authored by Lippert, Poppe, Hamilton, Klevorn, Vang and others
The bill was read for the first time and referred to the Agriculture and Food Finance and Policy Division
03/16/2020 Adoption of Report: Amended and re-referred to the Committee on Government Operations

1.1 A bill for an act
1.2 relating to agriculture; encouraging advanced grant payments to certain persons;
1.3 establishing an emerging farmers working group; doubling the maximum loan
1.4 amount under the pilot agricultural microloan program; amending Minnesota
1.5 Statutes 2018, sections 17.03, by adding a subdivision; 41B.056, subdivision 4;
1.6 proposing coding for new law in Minnesota Statutes, chapter 17.

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

1.8 Section 1. Minnesota Statutes 2018, section 17.03, is amended by adding a subdivision
1.9 to read:

1.10 Subd. 14. **Advance grant payments encouraged.** Notwithstanding section 16A.41,
1.11 subdivision 1, the commissioner is encouraged to advance up to 50 percent of a grant award
1.12 to a person who demonstrates to the commissioner's satisfaction that the person:

1.13 (1) is new to farming or has farmed for less than ten consecutive years;

1.14 (2) is a member of a protected group as defined in section 43A.02, subdivision 33, or a
1.15 qualified noncitizen as defined in section 256B.06, subdivision 4, paragraph (b); or

1.16 (3) has served in the armed forces and first obtained veteran status during the last ten
1.17 years.

1.18 Sec. 2. [17.055] EMERGING FARMERS.

1.19 Subdivision 1. **Emerging farmers working group.** To advise the commissioner and
1.20 legislature regarding the development and implementation of programs and initiatives that
1.21 support emerging farmers in this state, the commissioner must periodically convene a
1.22 working group consisting, to the extent possible, of persons who are, and organizations that

2.1 represent, farmers or aspiring farmers who are women, veterans, persons with disabilities,
2.2 American Indian or Alaskan Natives, members of a community of color, young, or urban,
2.3 or any other emerging farmers as determined by the commissioner. No later than January
2.4 15 each year, the commissioner must update the chairs and ranking minority members of
2.5 the legislative committees and divisions with jurisdiction over agriculture regarding the
2.6 working group's activities and recommendations.

2.7 Subd. 2. **Expiration.** This section expires August 1, 2025.

2.8 Sec. 3. Minnesota Statutes 2018, section 41B.056, subdivision 4, is amended to read:

2.9 Subd. 4. **Loans.** (a) The authority may disburse loans through an intermediary to farmers
2.10 who are eligible under subdivision 3. The total accumulative loan principal must not exceed
2.11 ~~\$10,000~~ \$20,000 per loan.

2.12 (b) Refinancing an existing debt is not an eligible purpose.

2.13 (c) The loan may be disbursed over a period not to exceed six years.

2.14 (d) A borrower may receive loans, depending on the availability of funds, up to 70
2.15 percent of the estimated value of the crop or livestock.

2.16 (e) Security for the loan must be a personal note executed by the borrower and any other
2.17 security required by the intermediary or the authority.

2.18 (f) The authority may prescribe forms and establish an application process for applicants
2.19 to apply for a loan.

2.20 (g) The interest payable on loans for the pilot agricultural microloan program must be
2.21 at a rate determined by the authority.

2.22 (h) Loans under this program will be made using money in the revolving loan account
2.23 established under section 41B.06.

2.24 (i) Repayments of financial assistance under this section, including principal and interest,
2.25 must be deposited into the revolving loan account established under section 41B.06.