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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 4366

03/17/2022 Authored by Sundin, Vang, Klevorn, Lippert, Ecklund and others
The bill was read for the first time and referred to the Committee on Agriculture Finance and Policy
04/08/2022 Adoption of Report: Amended and re-referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to agriculture; establishing grant programs; classifying certain data;
1.3 dedicating certain revenues; making policy and technical changes to agricultural
1.4 and animal health provisions; requiring reports; appropriating money; amending
1.5 Minnesota Statutes 2020, sections 13.643, by adding a subdivision; 17.041,
1.6 subdivision 1; 17.117, subdivisions 9, 9a, 10, 11, 11a; 17.118, subdivisions 1, 3,
1.7 4; 18B.01, by adding subdivisions; 18B.051; 18B.07, by adding a subdivision;
1.8 18C.005, by adding subdivisions; 18C.201, by adding a subdivision; 21.81, by
1.9 adding a subdivision; 21.86, subdivision 2; 28A.08, by adding a subdivision;
1.10 28A.09, by adding a subdivision; 28A.10; 28A.21, subdivision 2; 35.155,
1.11 subdivision 10; 41A.16, subdivisions 1, 2; 41A.17, subdivisions 1, 2; 41A.18,
1.12 subdivisions 1, 2; 41B.047, subdivision 3; 223.17, subdivisions 4, 6; Minnesota
1.13 Statutes 2021 Supplement, sections 41A.19; 41A.21, subdivisions 2, 6; Laws 2021,
1.14 First Special Session chapter 3, article 1, sections 2; 4; proposing coding for new
1.15 law in Minnesota Statutes, chapters 17; 21.

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

1.17 ARTICLE 1
1.18 APPROPRIATIONS

1.19 Section 1. Laws 2021, First Special Session chapter 3, article 1, section 2, is amended to
1.20 read:

1.21 Sec. 2. DEPARTMENT OF AGRICULTURE

1.22 Subdivision 1. Total Appropriation \$ 59,303,000 59,410,000
1.23 63,803,000 \$ 107,910,000

Table with 3 columns: Fund Name, 2022, 2023. Rows include General and Remediation.

2.1 The amounts that may be spent for each
 2.2 purpose are specified in the following
 2.3 subdivisions.

2.4 **Subd. 2. Protection Services**

2.5	Appropriations by Fund	
2.6	2022	2023
2.7		19,610,000
2.8	General	<u>43,231,000</u>
2.9	Remediation	399,000

2.10 (a) \$399,000 the first year and \$399,000 the
 2.11 second year are from the remediation fund for
 2.12 administrative funding for the voluntary
 2.13 cleanup program.

2.14 (b) \$175,000 the first year and \$175,000 the
 2.15 second year are for compensation for
 2.16 destroyed or crippled livestock under
 2.17 Minnesota Statutes, section 3.737. The first
 2.18 year appropriation may be spent to compensate
 2.19 for livestock that were destroyed or crippled
 2.20 during fiscal year 2021. If the amount in the
 2.21 first year is insufficient, the amount in the
 2.22 second year is available in the first year. The
 2.23 commissioner may use up to \$5,000 each year
 2.24 to reimburse expenses incurred by university
 2.25 extension educators to provide fair market
 2.26 values of destroyed or crippled livestock. If
 2.27 the commissioner receives federal dollars to
 2.28 pay claims for destroyed or crippled livestock,
 2.29 an equivalent amount of this appropriation
 2.30 may be used to reimburse nonlethal prevention
 2.31 methods performed by federal wildlife services
 2.32 staff.

2.33 (c) \$155,000 the first year and \$155,000 the
 2.34 second year are for compensation for crop
 2.35 damage under Minnesota Statutes, section

3.1 3.7371. If the amount in the first year is
3.2 insufficient, the amount in the second year is
3.3 available in the first year. The commissioner
3.4 may use up to \$10,000 of the appropriation
3.5 each year to reimburse expenses incurred by
3.6 the commissioner or the commissioner's
3.7 approved agent to investigate and resolve
3.8 claims, as well as for costs associated with
3.9 training for approved agents. The
3.10 commissioner may use up to \$20,000 of the
3.11 appropriation each year to make grants to
3.12 producers for measures to protect stored crops
3.13 from elk damage.

3.14 If the commissioner determines that claims
3.15 made under Minnesota Statutes, section 3.737
3.16 or 3.7371, are unusually high, amounts
3.17 appropriated for either program may be
3.18 transferred to the appropriation for the other
3.19 program.

3.20 (d) \$225,000 the first year and \$225,000 the
3.21 second year are for additional funding for the
3.22 noxious weed and invasive plant program.

3.23 (e) \$2,000,000 the second year is for a transfer
3.24 to the noxious weed and invasive plant species
3.25 assistance account established under
3.26 Minnesota Statutes, section 18.89, for grants
3.27 to local units of government and Tribal
3.28 Nations for noxious weed detection, control,
3.29 and management. Of this amount, the
3.30 commissioner must award a onetime grant of
3.31 \$10,000 to each county to assist county
3.32 agricultural inspectors in the implementation
3.33 and enforcement of the Minnesota Noxious
3.34 Weed Law and to educate county residents
3.35 regarding agricultural topics, including but

4.1 not limited to noxious weeds. This is a onetime
4.2 appropriation.

4.3 ~~(e)~~ (f) \$50,000 the first year is for additional
4.4 funding for the industrial hemp program for
4.5 IT development. This is a onetime
4.6 appropriation and is available until June 30,
4.7 2023.

4.8 ~~(f)~~ (g) \$110,000 the first year and \$110,000
4.9 the second year are for additional meat and
4.10 poultry inspection services. The commissioner
4.11 is encouraged to seek inspection waivers,
4.12 matching federal dollars, and offer more online
4.13 inspections for the purposes under this
4.14 paragraph.

4.15 ~~(g)~~ (h) \$825,000 the first year and \$825,000
4.16 the second year are to replace capital
4.17 equipment in the Department of Agriculture's
4.18 analytical laboratory.

4.19 ~~(h)~~ (i) \$274,000 the first year and \$550,000
4.20 the second year are to maintain the current
4.21 level of service delivery.

4.22 (j) \$100,000 the second year is to support
4.23 laboratory testing for the Minnesota meat and
4.24 poultry inspection program. The base for this
4.25 appropriation is \$50,000 in fiscal year 2024
4.26 and thereafter.

4.27 (k) \$6,500,000 the second year is for grants
4.28 to the Board of Regents of the University of
4.29 Minnesota to fund the Forever Green Initiative
4.30 and protect the state's natural resources while
4.31 increasing the efficiency, profitability, and
4.32 productivity of Minnesota farmers by
4.33 incorporating perennial and winter-annual
4.34 crops into existing agricultural practices. Of

5.1 this amount, up to \$5,000,000 is for equipment
5.2 and physical infrastructure to support breeding
5.3 and agronomic activities necessary to develop
5.4 perennial and winter-annual crops. This
5.5 appropriation is available until June 30, 2028.
5.6 The base for this appropriation is \$1,500,000
5.7 in fiscal year 2024 and thereafter.

5.8 (l) \$9,000,000 the second year is for grants to
5.9 organizations in Minnesota to develop
5.10 enterprises, supply chains, and markets for
5.11 continuous living cover crops and cropping
5.12 systems in the early stage of commercial
5.13 development, Kernza perennial grain, winter
5.14 camelina, hybrid hazelnuts, and elderberry. A
5.15 grant award must not exceed \$750,000 per
5.16 organization. A multiyear project may receive
5.17 grant dollars for up to three years. In
5.18 consultation with interested stakeholders, the
5.19 commissioner must develop a process to award
5.20 grants. At the time of application, the
5.21 commissioner must notify applicants of any
5.22 grant recipient requirements. The
5.23 commissioner must appoint a technical review
5.24 panel to review and rank eligible applicants
5.25 and give preference to applicants that are
5.26 well-positioned to expand the profitable
5.27 commercialization of the crops identified in
5.28 this paragraph. The technical review panel
5.29 must include at least one representative from
5.30 the University of Minnesota's Forever Green
5.31 Initiative and one representative from the
5.32 Agricultural Utilization Research Institute.
5.33 The commissioner must consider the
5.34 recommendations of the technical review panel
5.35 when selecting grant recipients. Beginning
5.36 February 1, 2023, and annually thereafter until

6.1 February 1, 2029, the commissioner must
 6.2 submit a report on grant utilization to the
 6.3 legislative committees with jurisdiction over
 6.4 agriculture finance and policy. This is a
 6.5 onetime appropriation and is available until
 6.6 June 30, 2028.

6.7 (m) \$6,725,000 the second year is for the soil
 6.8 health financial assistance program. This is a
 6.9 onetime appropriation and is available until
 6.10 June 30, 2027.

6.11 (n) \$2,000,000 the second year is for transfer
 6.12 to the pollinator research account established
 6.13 under Minnesota Statutes, section 18B.051.
 6.14 This is a onetime appropriation.

6.15 (o) \$371,000 the second year is to regulate
 6.16 plastic-coated fertilizer and plastic-coated
 6.17 pesticide. The base for this appropriation is
 6.18 \$358,000 in fiscal year 2024 and thereafter.

6.19 (p) \$100,000 is to develop and promote
 6.20 consumer guidance regarding seed treated with
 6.21 neonicotinoid pesticide under Minnesota
 6.22 Statutes, section 21.915. This is a onetime
 6.23 appropriation.

6.24 (q) \$425,000 is to analyze, develop, and plan
 6.25 a streamlined food safety regulatory program
 6.26 in Minnesota. This is a onetime appropriation
 6.27 and is available until June 30, 2025.

6.28 **Subd. 3. Agricultural Marketing and**
 6.29 **Development**

4,200,000

4,205,000
5,465,000

6.30 (a) \$186,000 the first year and \$186,000 the
 6.31 second year are for transfer to the Minnesota
 6.32 grown account and may be used as grants for
 6.33 Minnesota grown promotion under Minnesota
 6.34 Statutes, section 17.102. Grants may be made

7.1 for one year. Notwithstanding Minnesota
7.2 Statutes, section 16A.28, the appropriations
7.3 encumbered under contract on or before June
7.4 30, 2023, for Minnesota grown grants in this
7.5 paragraph are available until June 30, 2025.

7.6 (b) \$50,000 the first year is to expand
7.7 international marketing opportunities for
7.8 farmers and value-added processors, including
7.9 in-market representation in Taiwan. This is a
7.10 onetime appropriation and is available until
7.11 June 30, 2023.

7.12 (c) \$634,000 the first year and \$634,000 the
7.13 second year are for continuation of the dairy
7.14 development and profitability enhancement
7.15 programs including dairy profitability teams
7.16 and dairy business planning grants under
7.17 Minnesota Statutes, section 32D.30.

7.18 (d) \$50,000 the first year and \$50,000 the
7.19 second year are for additional funding for
7.20 mental health outreach and support to farmers
7.21 and others in the agricultural community,
7.22 including a 24-hour hotline, stigma reduction,
7.23 and educational offerings. These are onetime
7.24 appropriations.

7.25 (e) The commissioner may use funds
7.26 appropriated in this subdivision for annual
7.27 cost-share payments to resident farmers or
7.28 entities that sell, process, or package
7.29 agricultural products in this state for the costs
7.30 of organic certification. The commissioner
7.31 may allocate these funds for assistance to
7.32 persons transitioning from conventional to
7.33 organic agriculture.

8.1 (f) \$100,000 the first year and \$100,000 the
8.2 second year are for the farm safety grant and
8.3 outreach programs under Minnesota Statutes,
8.4 section 17.1195. Notwithstanding Minnesota
8.5 Statutes, section 16A.28, any unencumbered
8.6 balance does not cancel at the end of the first
8.7 year and is available in the second year. These
8.8 are onetime appropriations.

8.9 (g) \$54,000 the first year and \$109,000 the
8.10 second year are to maintain the current level
8.11 of service delivery.

8.12 (h) \$1,250,000 the second year is to create and
8.13 implement a program to support farmers
8.14 markets and direct marketing producers. Of
8.15 this amount, \$1,000,000 is for a grant to the
8.16 Minnesota Farmers' Market Association for
8.17 awards to farmers' markets not exceeding
8.18 \$5,000 per market location for equipment and
8.19 infrastructure. The Minnesota Farmers' Market
8.20 Association may use up to 6.5 percent of the
8.21 grant awarded under this paragraph for
8.22 administrative expenses. This is a onetime
8.23 appropriation and is available until June 30,
8.24 2024.

8.25 (i) \$10,000 the second year is to provide an
8.26 interim report on the Statewide Cooperative
8.27 Partnership for Local and Regional Markets,
8.28 including recommendations for strengthening
8.29 local and regional food systems. No later than
8.30 February 1, 2023, the commissioner must
8.31 submit the report to the legislative committees
8.32 with jurisdiction over agriculture policy and
8.33 finance. This is a onetime appropriation.

9.1	Subd. 4. Agriculture, Bioenergy, and Bioproduct		25,357,000
9.2	Advancement	25,343,000	<u>33,513,000</u>
9.3	(a) \$9,300,000 the first year and \$9,300,000		
9.4	the second year are for transfer to the		
9.5	agriculture research, education, extension, and		
9.6	technology transfer account under Minnesota		
9.7	Statutes, section 41A.14, subdivision 3. Of		
9.8	these amounts: at least \$600,000 the first year		
9.9	and \$600,000 the second year are for the		
9.10	Minnesota Agricultural Experiment Station's		
9.11	agriculture rapid response fund under		
9.12	Minnesota Statutes, section 41A.14,		
9.13	subdivision 1, clause (2); \$2,000,000 the first		
9.14	year and \$2,000,000 the second year are for		
9.15	grants to the Minnesota Agriculture Education		
9.16	Leadership Council to enhance agricultural		
9.17	education with priority given to Farm Business		
9.18	Management challenge grants; \$350,000 the		
9.19	first year and \$350,000 the second year are		
9.20	for potato breeding; and \$450,000 the first		
9.21	year and \$450,000 the second year are for the		
9.22	cultivated wild rice breeding project at the		
9.23	North Central Research and Outreach Center		
9.24	to include a tenure track/research associate		
9.25	plant breeder. The commissioner shall transfer		
9.26	the remaining funds in this appropriation each		
9.27	year to the Board of Regents of the University		
9.28	of Minnesota for purposes of Minnesota		
9.29	Statutes, section 41A.14. Of the amount		
9.30	transferred to the Board of Regents, up to		
9.31	\$1,000,000 each year is for research on avian		
9.32	influenza, salmonella, and other turkey-related		
9.33	diseases. By January 15, 2023, entities		
9.34	receiving grants for potato breeding and wild		
9.35	rice breeding are requested to report to the		
9.36	chairs and ranking minority members of the		

10.1 legislative committees with jurisdiction over
10.2 agriculture and higher education regarding the
10.3 use of the grant money and to provide an
10.4 update on the status of research and related
10.5 accomplishments.

10.6 To the extent practicable, money expended
10.7 under Minnesota Statutes, section 41A.14,
10.8 subdivision 1, clauses (1) and (2), must
10.9 supplement and not supplant existing sources
10.10 and levels of funding. The commissioner may
10.11 use up to one percent of this appropriation for
10.12 costs incurred to administer the program.

10.13 (b) ~~\$16,028,000~~ the first year and ~~\$16,028,000~~
10.14 \$24,184,000 the second year are for the
10.15 agricultural growth, research, and innovation
10.16 program under Minnesota Statutes, section
10.17 41A.12. Except as provided below, the
10.18 commissioner may allocate the appropriation
10.19 each year among the following areas:
10.20 facilitating the start-up, modernization,
10.21 improvement, or expansion of livestock
10.22 operations including beginning and
10.23 transitioning livestock operations with
10.24 preference given to robotic dairy-milking
10.25 equipment; providing funding not to exceed
10.26 \$800,000 each the first year to develop and
10.27 enhance farm-to-school markets for Minnesota
10.28 farmers by providing more fruits, vegetables,
10.29 meat, grain, and dairy for Minnesota children
10.30 in school and child care settings including, at
10.31 the commissioner's discretion, reimbursing
10.32 schools for purchases from local farmers;
10.33 assisting value-added agricultural businesses
10.34 to begin or expand, to access new markets, or
10.35 to diversify, including plant-based foods and

11.1 aquaponics systems; providing funding not to
11.2 exceed \$600,000 ~~each~~ the first year for urban
11.3 youth agricultural education or urban
11.4 agriculture community development of which
11.5 \$10,000 ~~each year~~ is for transfer to the
11.6 emerging farmer account under Minnesota
11.7 Statutes, section 17.055, subdivision 1a;
11.8 providing funding not to exceed \$450,000
11.9 ~~each~~ the first year for the good food access
11.10 program under Minnesota Statutes, section
11.11 17.1017; facilitating the start-up,
11.12 modernization, or expansion of other
11.13 beginning and transitioning farms including
11.14 by providing loans under Minnesota Statutes,
11.15 section 41B.056; sustainable agriculture
11.16 on-farm research and demonstration;
11.17 development or expansion of food hubs and
11.18 other alternative community-based food
11.19 distribution systems; enhancing renewable
11.20 energy infrastructure and use; crop research;
11.21 Farm Business Management tuition assistance;
11.22 and good agricultural practices and good
11.23 handling practices certification assistance. The
11.24 commissioner may use up to 6.5 percent of
11.25 this appropriation for costs incurred to
11.26 administer the program.

11.27 Of the amount appropriated for the agricultural
11.28 growth, research, and innovation program
11.29 under Minnesota Statutes, section 41A.12:

11.30 (1) \$1,000,000 the first year and \$1,000,000
11.31 the second year are for distribution in equal
11.32 amounts to each of the state's county fairs to
11.33 preserve and promote Minnesota agriculture;

11.34 (2) \$4,500,000 the first year and ~~\$4,500,000~~
11.35 \$7,500,000 the second year are for incentive

12.1 payments and paying claims not otherwise
12.2 paid under Minnesota Statutes, sections
12.3 41A.16, 41A.17, 41A.18, and 41A.20.
12.4 Notwithstanding Minnesota Statutes, section
12.5 16A.28, the first year appropriation is
12.6 available until June 30, 2023, and the second
12.7 year appropriation is available until June 30,
12.8 2024. If this appropriation exceeds the total
12.9 amount for which all producers are eligible in
12.10 a fiscal year, the balance of the appropriation
12.11 is available for other purposes under this
12.12 paragraph. The base appropriation under this
12.13 clause is \$6,500,000 in fiscal year 2024 and
12.14 thereafter;
12.15 (3) \$3,000,000 the first year and \$3,000,000
12.16 the second year are for grants that enable retail
12.17 petroleum dispensers, fuel storage tanks, and
12.18 other equipment to dispense biofuels to the
12.19 public in accordance with the biofuel
12.20 replacement goals established under
12.21 Minnesota Statutes, section 239.7911. A retail
12.22 petroleum dispenser selling petroleum for use
12.23 in spark ignition engines for vehicle model
12.24 years after 2000 is eligible for grant money
12.25 under this clause if the retail petroleum
12.26 dispenser has no more than 10 retail petroleum
12.27 dispensing sites and each site is located in
12.28 Minnesota. The grant money must be used to
12.29 replace or upgrade equipment that does not
12.30 have the ability to be certified for E25. A grant
12.31 award must not exceed 65 percent of the cost
12.32 of the appropriate technology. A grant award
12.33 must not exceed \$200,000 per station. The
12.34 commissioner must cooperate with biofuel
12.35 stakeholders in the implementation of the grant
12.36 program. The commissioner, in cooperation

13.1 with any economic or community development
13.2 financial institution and any other entity with
13.3 which it contracts, must submit a report on the
13.4 biofuels infrastructure financial assistance
13.5 program by January 15 of each year to the
13.6 chairs and ranking minority members of the
13.7 legislative committees and divisions with
13.8 jurisdiction over agriculture policy and
13.9 finance. The annual report must include but
13.10 not be limited to a summary of the following
13.11 metrics: (i) the number and types of projects
13.12 financed; (ii) the amount of dollars leveraged
13.13 or matched per project; (iii) the geographic
13.14 distribution of financed projects; (iv) any
13.15 market expansion associated with upgraded
13.16 infrastructure; (v) the demographics of the
13.17 areas served; (vi) the costs of the program;
13.18 and (vii) the number of grants to
13.19 minority-owned or female-owned businesses;

13.20 (4) \$750,000 the first year and ~~\$750,000~~
13.21 \$3,750,000 the second year are for grants to
13.22 facilitate the start-up, modernization, or
13.23 expansion of meat, poultry, egg, and milk
13.24 processing facilities. A grant award under this
13.25 clause must not exceed \$200,000. Any
13.26 unencumbered balance at the end of the second
13.27 year does not cancel until June 30, 2024, and
13.28 may be used for other purposes under this
13.29 paragraph. The appropriations under this
13.30 clause are onetime; ~~and~~

13.31 (5) \$1,400,000 the first year and \$1,400,000
13.32 the second year are for livestock investment
13.33 grants under Minnesota Statutes, section
13.34 17.118. Any unencumbered balance at the end
13.35 of the second year does not cancel until June

14.1 30, 2024, and may be used for other purposes
14.2 under this paragraph. The appropriations under
14.3 this clause are onetime;

14.4 (6) \$300,000 the second year is for farm
14.5 business management tuition assistance with
14.6 priority to specialty crop farmers, urban
14.7 farmers, and farmers facing mediation, and
14.8 support for new urban and specialty crop
14.9 instructor positions, including translation and
14.10 outreach. Any unencumbered balance at the
14.11 end of the second year does not cancel and is
14.12 available until June 30, 2024. The
14.13 appropriation under this clause is onetime;

14.14 (7) \$1,600,000 the second year is to develop
14.15 and enhance farm-to-school markets for
14.16 Minnesota farmers by providing more fruits,
14.17 vegetables, meat, grain, and dairy for
14.18 Minnesota children in school and child care
14.19 settings, including reimbursing schools and
14.20 child care providers for purchases from local
14.21 farmers;

14.22 (8) \$1,000,000 the second year is for urban
14.23 youth agricultural education or urban
14.24 agriculture community development. Of this
14.25 amount, \$10,000 is for transfer to the
14.26 emerging farmer account under Minnesota
14.27 Statutes, section 17.055, subdivision 1a; and

14.28 (9) \$1,000,000 the second year is for the good
14.29 food access program under Minnesota
14.30 Statutes, section 17.1017.

14.31 Notwithstanding Minnesota Statutes, section
14.32 16A.28, any unencumbered balance does not
14.33 cancel at the end of the first year and is
14.34 available for the second year, and

15.1 appropriations encumbered under contract on
 15.2 or before June 30, 2023, for agricultural
 15.3 growth, research, and innovation grants are
 15.4 available until June 30, 2026.

15.5 The base amount for the agricultural growth,
 15.6 research, and innovation program is
 15.7 ~~\$16,053,000~~ \$18,995,000 in fiscal year 2024
 15.8 and ~~\$16,053,000~~ \$18,995,000 in fiscal year
 15.9 2025, and includes funding for incentive
 15.10 payments under Minnesota Statutes, sections
 15.11 41A.16, 41A.17, 41A.18, and 41A.20.

15.12 (c) \$15,000 the first year and \$29,000 the
 15.13 second year are to maintain the current level
 15.14 of service delivery.

15.15 Subd. 5. Administration and Financial	9,977,000	9,839,000
15.16 Assistance	<u>14,477,000</u>	<u>25,302,000</u>

15.17 (a) \$474,000 the first year and \$474,000 the
 15.18 second year are for payments to county and
 15.19 district agricultural societies and associations
 15.20 under Minnesota Statutes, section 38.02,
 15.21 subdivision 1. Aid payments to county and
 15.22 district agricultural societies and associations
 15.23 shall be disbursed no later than July 15 of each
 15.24 year. These payments are the amount of aid
 15.25 from the state for an annual fair held in the
 15.26 previous calendar year.

15.27 (b) \$387,000 the first year and \$337,000 the
 15.28 second year are for farm advocate services.
 15.29 Of these amounts, \$100,000 the first year and
 15.30 \$50,000 the second year are for a pilot
 15.31 program creating farmland access teams to
 15.32 provide technical assistance to potential
 15.33 beginning farmers. The farmland access teams
 15.34 must assist existing farmers and beginning
 15.35 farmers on transitioning farm ownership and

- 16.1 operation. Services provided by teams may
16.2 include but are not limited to providing
16.3 mediation assistance, designing contracts,
16.4 financial planning, tax preparation, estate
16.5 planning, and housing assistance. Of this
16.6 amount for farm transitions, up to \$50,000 the
16.7 first year may be used to upgrade the
16.8 Minnesota FarmLink web application that
16.9 connects farmers looking for land with farmers
16.10 looking to transition their land.
- 16.11 (c) \$47,000 the first year and \$47,000 the
16.12 second year are for grants to the Northern
16.13 Crops Institute that may be used to purchase
16.14 equipment. These are onetime appropriations.
- 16.15 (d) \$238,000 the first year and ~~\$238,000~~
16.16 \$260,000 the second year are for ~~transfer to~~
16.17 ~~the Board of Trustees of the Minnesota State~~
16.18 ~~Colleges and Universities for statewide mental~~
16.19 ~~health counseling support to farm families and~~
16.20 ~~business operators through the Minnesota State~~
16.21 ~~Agricultural Centers of Excellence. South~~
16.22 ~~Central College and Central Lakes College~~
16.23 ~~shall serve as the fiscal agents. a pass-through~~
16.24 grant to Region Five Development
16.25 Commission to provide, in collaboration with
16.26 Farm Business Management, statewide mental
16.27 health counseling support to Minnesota farm
16.28 operators, families, and employees, and
16.29 individuals who work with Minnesota farmers
16.30 in a professional capacity. Region Five
16.31 Development Commission may use up to 6.5
16.32 percent of the grant awarded under this
16.33 paragraph for administration.
- 16.34 (e) \$1,700,000 the first year and \$1,700,000
16.35 the second year are for grants to Second

17.1 Harvest Heartland on behalf of Minnesota's
17.2 six Feeding America food banks for the
17.3 following:

17.4 (1) to purchase milk for distribution to
17.5 Minnesota's food shelves and other charitable
17.6 organizations that are eligible to receive food
17.7 from the food banks. Milk purchased under
17.8 the grants must be acquired from Minnesota
17.9 milk processors and based on low-cost bids.
17.10 The milk must be allocated to each Feeding
17.11 America food bank serving Minnesota
17.12 according to the formula used in the
17.13 distribution of United States Department of
17.14 Agriculture commodities under The
17.15 Emergency Food Assistance Program. Second
17.16 Harvest Heartland may enter into contracts or
17.17 agreements with food banks for shared funding
17.18 or reimbursement of the direct purchase of
17.19 milk. Each food bank that receives funding
17.20 under this clause may use up to two percent
17.21 for administrative expenses;

17.22 (2) to compensate agricultural producers and
17.23 processors for costs incurred to harvest and
17.24 package for transfer surplus fruits, vegetables,
17.25 and other agricultural commodities that would
17.26 otherwise go unharvested, be discarded, or
17.27 sold in a secondary market. Surplus
17.28 commodities must be distributed statewide to
17.29 food shelves and other charitable organizations
17.30 that are eligible to receive food from the food
17.31 banks. Surplus food acquired under this clause
17.32 must be from Minnesota producers and
17.33 processors. Second Harvest Heartland may
17.34 use up to 15 percent of each grant awarded

18.1 under this clause for administrative and
18.2 transportation expenses; and

18.3 (3) to purchase and distribute protein products,
18.4 including but not limited to pork, poultry, beef,
18.5 dry legumes, cheese, and eggs to Minnesota's
18.6 food shelves and other charitable organizations
18.7 that are eligible to receive food from the food
18.8 banks. Second Harvest Heartland may use up
18.9 to two percent of each grant awarded under
18.10 this clause for administrative expenses. Protein
18.11 products purchased under the grants must be
18.12 acquired from Minnesota processors and
18.13 producers.

18.14 Of the amount appropriated under this
18.15 paragraph, at least \$600,000 each year must
18.16 be allocated under clause (1). Notwithstanding
18.17 Minnesota Statutes, section 16A.28, any
18.18 unencumbered balance the first year does not
18.19 cancel and is available in the second year.

18.20 Second Harvest Heartland must submit
18.21 quarterly reports to the commissioner and the
18.22 chairs and ranking minority members of the
18.23 legislative committees with jurisdiction over
18.24 agriculture finance in the form prescribed by
18.25 the commissioner. The reports must include
18.26 but are not limited to information on the
18.27 expenditure of funds, the amount of milk or
18.28 other commodities purchased, and the
18.29 organizations to which this food was
18.30 distributed.

18.31 (f) \$250,000 the first year and \$250,000 the
18.32 second year are for grants to the Minnesota
18.33 Agricultural Education and Leadership
18.34 Council for programs of the council under
18.35 Minnesota Statutes, chapter 41D.

19.1 (g) \$1,437,000 the first year and \$1,437,000
19.2 the second year are for transfer to the
19.3 agricultural and environmental revolving loan
19.4 account established under Minnesota Statutes,
19.5 section 17.117, subdivision 5a, for low-interest
19.6 loans under Minnesota Statutes, section
19.7 17.117. The base for appropriations under this
19.8 paragraph in fiscal year 2024 and thereafter
19.9 is \$1,425,000. The commissioner must
19.10 examine how the department could use up to
19.11 one-third of the amount transferred to the
19.12 agricultural and environmental revolving loan
19.13 account under this paragraph to award grants
19.14 to rural landowners to replace septic systems
19.15 that inadequately protect groundwater. No
19.16 later than February 1, 2022, the commissioner
19.17 must report to the legislative committees with
19.18 jurisdiction over agriculture finance and
19.19 environment finance on the results of the
19.20 examination required under this paragraph.
19.21 The commissioner's report may include other
19.22 funding sources for septic system replacement
19.23 that are available to rural landowners.

19.24 (h) \$150,000 the first year and \$150,000 the
19.25 second year are for grants to the Center for
19.26 Rural Policy and Development. These are
19.27 onetime appropriations.

19.28 (i) \$150,000 the first year is to provide grants
19.29 to Central Lakes College for the purposes of
19.30 designing, building, and offering credentials
19.31 in the area of meat cutting and butchery that
19.32 align with industry needs as advised by local
19.33 industry advisory councils. Notwithstanding
19.34 Minnesota Statutes, section 16A.28, any
19.35 unencumbered balance does not cancel at the

20.1 end of the first year and is available for the
20.2 second year. The commissioner may only
20.3 award a grant under this paragraph if the grant
20.4 is matched by a like amount from another
20.5 funding source. The commissioner must seek
20.6 matching dollars from Minnesota State
20.7 Colleges and Universities or other entities.
20.8 The appropriation is onetime and is available
20.9 until June 30, 2024. Any money remaining on
20.10 June 30, 2024, must be transferred to the
20.11 agricultural growth, research, and innovation
20.12 program under Minnesota Statutes, section
20.13 41A.12, and is available until June 30, 2025.
20.14 Grants may be used for costs including but
20.15 not limited to:

- 20.16 (1) facility renovation to accommodate meat
20.17 cutting;
- 20.18 (2) curriculum design and approval from the
20.19 Higher Learning Commission;
- 20.20 (3) program operational start-up costs;
- 20.21 (4) equipment required for a meat cutting
20.22 program; and
- 20.23 (5) meat handling start-up costs in regard to
20.24 meat access and market channel building.

20.25 No later than January 15, 2023, Central Lakes
20.26 College must submit a report outlining the use
20.27 of grant money to the chairs and ranking
20.28 minority members of the legislative
20.29 committees and divisions with jurisdiction
20.30 over agriculture and higher education.

20.31 (j) \$2,000 the first year is for grants to the
20.32 Minnesota State Poultry Association. This is
20.33 a onetime appropriation. Notwithstanding
20.34 Minnesota Statutes, section 16A.28, any

21.1 unencumbered balance does not cancel at the
21.2 end of the first year and is available for the
21.3 second year.

21.4 (k) \$17,000 the first year and \$17,000 the
21.5 second year are for grants to the Minnesota
21.6 State Horticultural Society. These are onetime
21.7 appropriations.

21.8 (l) \$18,000 the first year and \$18,000 the
21.9 second year are for grants to the Minnesota
21.10 Livestock Breeders Association. These are
21.11 onetime appropriations.

21.12 (m) The commissioner shall continue to
21.13 increase connections with ethnic minority and
21.14 immigrant farmers to farming opportunities
21.15 and farming programs throughout the state.

21.16 (n) \$25,000 the first year and \$25,000 the
21.17 second year are for grants to the Southern
21.18 Minnesota Initiative Foundation to promote
21.19 local foods through an annual event that raises
21.20 public awareness of local foods and connects
21.21 local food producers and processors with
21.22 potential buyers.

21.23 (o) \$75,000 the first year and \$75,000 the
21.24 second year are for grants to Greater Mankato
21.25 Growth, Inc., for assistance to
21.26 agriculture-related businesses to promote jobs,
21.27 innovation, and synergy development. These
21.28 are onetime appropriations.

21.29 (p) \$75,000 the first year and \$75,000 the
21.30 second year are for grants to the Minnesota
21.31 Turf Seed Council for basic and applied
21.32 research. The Minnesota Turf Seed Council
21.33 may subcontract with a qualified third party
21.34 for some or all of the basic or applied research.

22.1 No later than January 15, 2023, the Minnesota
22.2 Turf Seed Council must submit a report
22.3 outlining the use of the grant money and
22.4 related accomplishments to the chairs and
22.5 ranking minority members of the legislative
22.6 committees with jurisdiction over agriculture.
22.7 ~~These are onetime appropriations.~~ Any
22.8 unencumbered balance does not cancel at the
22.9 end of the first year and is available for the
22.10 second year.

22.11 (q) \$150,000 the first year and \$150,000 the
22.12 second year are to establish an emerging
22.13 farmer office and hire a full-time emerging
22.14 farmer outreach coordinator. The emerging
22.15 farmer outreach coordinator must engage and
22.16 support emerging farmers regarding resources
22.17 and opportunities available throughout the
22.18 Department of Agriculture and the state. For
22.19 purposes of this paragraph, "emerging farmer"
22.20 has the meaning provided in Minnesota
22.21 Statutes, section 17.055, subdivision 1. Of the
22.22 amount appropriated each year, \$25,000 is for
22.23 translation services for farmers and cottage
22.24 food producers.

22.25 (r) \$222,000 the first year and \$286,000 the
22.26 second year are to maintain the current level
22.27 of service delivery.

22.28 (s) \$2,600,000 the second year is for grants to
22.29 organizations to:

22.30 (1) provide technical and culturally appropriate
22.31 services to emerging farmers and related
22.32 businesses; and

- 23.1 (2) help emerging farmers pay for up to two
23.2 years of coverage under the federal micro farm
23.3 insurance program.
- 23.4 The commissioner may use up to 6.5 percent
23.5 of this appropriation for administrative costs.
23.6 This is a onetime appropriation and is
23.7 available until June 30, 2024.
- 23.8 (t) \$2,000,000 the second year is to support
23.9 the IT modernization efforts, including laying
23.10 the technology foundations needed for
23.11 improving customer interactions with the
23.12 department for licensing and payments. This
23.13 is a onetime appropriation and is available
23.14 until June 30, 2025.
- 23.15 (u) \$4,500,000 the first year is for transfer to
23.16 the agricultural emergency account established
23.17 under Minnesota Statutes, section 17.041, for
23.18 emergency preparedness and response
23.19 activities. Of this amount, up to \$1,500,000 is
23.20 for the University of Minnesota Veterinary
23.21 Diagnostic Laboratory. This is a onetime
23.22 appropriation.
- 23.23 (v) \$3,000,000 the second year is for grants
23.24 to Second Harvest Heartland for hunger relief.
23.25 Of this amount, \$500,000 is for The Good
23.26 Acre's Local Emergency Assistance Farmer
23.27 Fund (LEAFF) program. The base for this
23.28 appropriation is \$1,350,000 in fiscal year 2024
23.29 and \$1,300,000 in fiscal year 2025, of which
23.30 \$250,000 each year is for the LEAFF program.
- 23.31 (w) \$500,000 the second year is for transfer
23.32 to the Board of Trustees of the Minnesota
23.33 State Colleges and Universities to support
23.34 livestock processing technical education at

24.1 Central Lakes College and Ridgewater
24.2 College. Money may be used for the purposes
24.3 included in paragraph (i) and for student
24.4 financial assistance and outreach to
24.5 prospective students and employers. The
24.6 commissioner may only transfer money under
24.7 this paragraph if the transferred amount is
24.8 matched by a like amount from another
24.9 funding source. This is a onetime
24.10 appropriation and is available until June 30,
24.11 2024.

24.12 (x) \$141,000 the second year is for additional
24.13 funding to administer the beginning farmer
24.14 tax credit. The base for this appropriation is
24.15 \$56,000 in fiscal year 2024 and \$0 in fiscal
24.16 year 2025.

24.17 (y) \$1,500,000 the second year is for a grant
24.18 to the Ag Innovation Campus to continue
24.19 construction of a soybean processing and
24.20 research facility. This is a onetime
24.21 appropriation.

24.22 (z) \$100,000 the second year is to provide
24.23 technical assistance and leadership in the
24.24 development of a comprehensive and
24.25 well-documented state aquaculture plan. The
24.26 commissioner must provide the state
24.27 aquaculture plan to the legislative committees
24.28 with jurisdiction over agriculture finance and
24.29 policy by February 15, 2024. This is a onetime
24.30 appropriation and is available until June 30,
24.31 2024.

24.32 (aa) \$3,000,000 the second year is to award
24.33 and administer down payment assistance
24.34 grants under Minnesota Statutes, section

25.1 17.133. The base for this appropriation is
25.2 \$1,000,000 in fiscal year 2024 and thereafter.

25.3 (bb) \$1,000,000 the second year is for transfer
25.4 to the Board of Regents of the University of
25.5 Minnesota to evaluate, propagate, and
25.6 maintain the genetic diversity of oilseeds,
25.7 grains, grasses, legumes, and other plants
25.8 including flax, timothy, barley, rye, triticale,
25.9 alfalfa, orchard grass, clover, and other species
25.10 and varieties that were in commercial
25.11 distribution and use in Minnesota before 1970,
25.12 excluding wild rice. This appropriation
25.13 includes funding for associated extension and
25.14 outreach to small and BIPOC farmers. This is
25.15 a onetime appropriation.

25.16 (cc) \$100,000 the second year is for grants
25.17 and other forms of financial assistance to meat
25.18 and poultry processors with no more than 50
25.19 full-time equivalent employees to reimburse
25.20 costs incurred to attend courses or trainings
25.21 or receive technical assistance during fiscal
25.22 year 2023 that support the processors'
25.23 development of sanitation standard operating
25.24 procedures, hazard analysis critical control
25.25 point plans, or business plans. This is a
25.26 onetime appropriation.

25.27 (dd) \$500,000 the second year is for grants to
25.28 secondary career and technical education
25.29 programs for the purpose of offering
25.30 instruction in meat cutting and butchery. This
25.31 is a onetime appropriation and is available
25.32 until June 30, 2025. Grant-eligible costs
25.33 include but are not limited to:

25.34 (1) equipment required for a meat cutting
25.35 program;

26.1 (2) facility renovation to accommodate meat
26.2 cutting; and
26.3 (3) training faculty to teach the fundamentals
26.4 of meat processing.

26.5 The commissioner may issue grants of up to
26.6 \$100,000 under this paragraph, of which up
26.7 to ten percent may be used for faculty training.

26.8 The commissioner may prioritize applicants
26.9 that coordinate with meat cutting and butchery
26.10 programs at the Minnesota State Colleges and
26.11 Universities system and local industry
26.12 partners.

26.13 (ee) \$1,000,000 the second year is for a grant
26.14 or other form of financial assistance to the city
26.15 of South St. Paul to provide financial
26.16 assistance to any business engaged in the meat
26.17 processing industry and currently conducting
26.18 operations in a building or buildings
26.19 constructed on or before January 1, 1947, and
26.20 located east of Concord Street, north of Grand
26.21 Avenue, and south of Hardman Avenue in
26.22 South St. Paul. Costs eligible for financial
26.23 assistance include any one or combination of
26.24 the following costs incurred by the city of
26.25 South St. Paul or a qualified business: site
26.26 acquisition costs or costs associated with the
26.27 exchange or transfer of real estate; relocation
26.28 costs; predesign; design; sewer, water, and
26.29 stormwater infrastructure; site preparation;
26.30 engineering; and construction costs. This is a
26.31 onetime appropriation and is available until
26.32 June 30, 2024.

26.33 **EFFECTIVE DATE.** This section is effective the day following final enactment.

27.1 Sec. 2. Laws 2021, First Special Session chapter 3, article 1, section 4, is amended to read:

27.2	Sec. 4. AGRICULTURAL UTILIZATION		4,543,000		4,043,000
27.3	RESEARCH INSTITUTE	\$	<u>4,743,000</u>	\$	<u>7,243,000</u>

27.4 (a) \$150,000 the first year and \$150,000 the
 27.5 second year are for a meat scientist.

27.6 (b) \$500,000 the first year is for grants to
 27.7 organizations to acquire, host, and operate a
 27.8 mobile slaughter unit. The mobile unit must
 27.9 coordinate with Minnesota state two-year
 27.10 colleges that have meat cutting programs to
 27.11 accommodate training as it relates to animal
 27.12 slaughter. The mobile unit may coordinate
 27.13 with livestock producers who desire to provide
 27.14 value-added meat products by utilizing the
 27.15 mobile slaughter unit. The mobile unit may
 27.16 be used for research, training outside of the
 27.17 two-year colleges, and other activities that
 27.18 align with industry needs. The Agricultural
 27.19 Utilization Research Institute may only award
 27.20 a grant under this paragraph if the grant
 27.21 amount is matched by a like amount from
 27.22 another funding source. The Agricultural
 27.23 Utilization Research Institute must seek
 27.24 matching dollars from Minnesota State
 27.25 Colleges and Universities or other entities for
 27.26 purposes of this paragraph. The appropriation
 27.27 under this paragraph is onetime and is
 27.28 available until June 30, 2024. Any money
 27.29 remaining on June 30, 2024, must be
 27.30 transferred to the commissioner of agriculture
 27.31 for the agricultural growth, research, and
 27.32 innovation program under Minnesota Statutes,
 27.33 section 41A.12, and is available until June 30,
 27.34 2025. By January 15, 2023, the institute must
 27.35 report to the chairs and ranking minority

28.1 members of the legislative committees with
28.2 jurisdiction over agriculture regarding the
28.3 status of the project, including the status of
28.4 the use of any state or matching dollars to
28.5 complete the project.

28.6 (c) \$2,000,000 the second year is to acquire
28.7 property, construct, and equip offices and
28.8 research laboratories and related infrastructure
28.9 at the Agricultural Utilization Research
28.10 Institute's Crookston and Waseca facilities.
28.11 This is a onetime appropriation.

28.12 (d) \$1,000,000 the second year is for
28.13 equipment upgrades, equipment replacement,
28.14 installation expenses, and laboratory
28.15 infrastructure at the Agricultural Utilization
28.16 Research Institute's laboratories in Crookston,
28.17 Marshall, and Waseca. This is a onetime
28.18 appropriation and is available until June 30,
28.19 2026.

28.20 (e) \$200,000 each year is to maintain the
28.21 current level of service delivery.

28.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

28.23 **ARTICLE 2**
28.24 **STATUTORY CHANGES**

28.25 Section 1. Minnesota Statutes 2020, section 13.643, is amended by adding a subdivision
28.26 to read:

28.27 **Subd. 8. Mental or behavioral health data.** (a) The following data collected and
28.28 maintained by the Department of Agriculture, Minnesota State Colleges and Universities,
28.29 and any other pass-through recipients about any individual who seeks assistance with a
28.30 mental or behavioral health issue or who contacts the Minnesota Farm and Rural Helpline
28.31 are private or nonpublic:

28.32 (1) data that identify the individual; and

29.1 (2) data provided by the individual identifying another person.

29.2 (b) The Department of Agriculture, Minnesota State Colleges and Universities, and any
29.3 other pass-through recipients may release data collected under this subdivision to appropriate
29.4 parties in connection with an emergency if knowledge of the data is necessary to protect
29.5 the health or safety of any person.

29.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.

29.7 Sec. 2. Minnesota Statutes 2020, section 17.041, subdivision 1, is amended to read:

29.8 Subdivision 1. **Establishment; appropriation.** An agricultural emergency account is
29.9 established in the agricultural fund. Money in the account, including interest, is appropriated
29.10 to the commissioner for emergency preparedness and response activities for agricultural
29.11 emergencies affecting producers of livestock, poultry, crops, or other agricultural products.
29.12 Eligible uses include agency costs directly attributed to preparing for and responding to
29.13 agricultural emergencies and purchasing necessary equipment and reimbursing costs incurred
29.14 by local units of government that are not eligible for reimbursement from other sources.

29.15 Sec. 3. **[17.1016] COOPERATIVE GRANTS.**

29.16 Subdivision 1. **Definitions.** For purposes of this section:

29.17 (1) "agricultural commodity" and "agricultural product processing facility" have the
29.18 meanings given in section 17.101, subdivision 5; and

29.19 (2) "agricultural service" means an action made under the direction of a farmer that
29.20 provides value to another entity. Agricultural service includes grazing to manage vegetation.

29.21 Subd. 2. **Grant program.** (a) The commissioner may establish and implement a grant
29.22 program to help farmers finance new cooperatives that organize for purposes of operating
29.23 an agricultural product processing facility or marketing an agricultural product or agricultural
29.24 service.

29.25 (b) To be eligible for this program, a grantee must:

29.26 (1) be a cooperative organized under chapter 308A;

29.27 (2) certify that all control and equity in the cooperative is from farmers, family farm
29.28 partnerships, family farm limited liability companies, or family farm corporations as defined
29.29 in section 500.24, subdivision 2, who are actively engaged in agricultural commodity
29.30 production;

30.1 (3) be operated primarily to process agricultural commodities or market agricultural
30.2 products or services produced in Minnesota; and

30.3 (4) receive agricultural commodities produced primarily by shareholders or members
30.4 of the cooperative.

30.5 (c) The commissioner may receive applications and make grants up to \$50,000 to eligible
30.6 grantees for feasibility, marketing analysis, assistance with organizational development,
30.7 financing and managing new cooperatives, product development, development of business
30.8 and marketing plans, and predesign of facilities including site analysis, development of bid
30.9 specifications, preliminary blueprints and schematics, and completion of purchase agreements
30.10 and other necessary legal documents.

30.11 Sec. 4. Minnesota Statutes 2020, section 17.117, subdivision 9, is amended to read:

30.12 Subd. 9. **Allocation rescission.** (a) Continued availability of allocations granted to a
30.13 local government unit is contingent upon the commissioner's approval of the local
30.14 government unit's annual report. The commissioner shall review this annual report to ensure
30.15 that the past and future uses of the funds are consistent with the comprehensive water
30.16 management plan, other local planning documents, the requirements of the funding source,
30.17 and compliance to program requirements. If the commissioner concludes the past or intended
30.18 uses of the money are not consistent with these requirements, the commissioner shall rescind
30.19 all or part of the allocation awarded to a local government unit.

30.20 (b) The commissioner may rescind funds allocated to the local government unit that are
30.21 not designated to committed projects or disbursed within one year from the date of the
30.22 allocation agreement.

30.23 (c) ~~An additional year to use the undisbursed portion of an allocation may be granted~~
30.24 ~~by the commissioner under extenuating circumstances~~ The commissioner may rescind
30.25 uncommitted allocations.

30.26 Sec. 5. Minnesota Statutes 2020, section 17.117, subdivision 9a, is amended to read:

30.27 Subd. 9a. **Authority and responsibilities of local government units.** (a) A local
30.28 government unit that enters into an allocation agreement with the commissioner:

30.29 (1) is responsible for the local administration and implementation of the program in
30.30 accordance with this section;

30.31 (2) may submit applications for allocations to the commissioner;

31.1 (3) shall identify, develop, determine eligibility, define and approve projects, designate
31.2 maximum loan amounts for projects, and certify completion of projects implemented under
31.3 this program. In areas where no local government unit has applied for funds under this
31.4 program, the commissioner may appoint a local government unit to review and certify
31.5 projects or the commissioner may assume the authority and responsibility of the local
31.6 government unit;

31.7 (4) shall certify as eligible only projects that are within its geographic jurisdiction or
31.8 within the geographic area identified in its local comprehensive water management plans
31.9 or other local planning documents;

31.10 (5) may require withholding by the local lender of all or a portion of the loan to the
31.11 borrower until satisfactory completion of all required components of a certified project;

31.12 ~~(6) must identify which account is used to finance an approved project if the local~~
31.13 ~~government unit has allocations from multiple accounts in the agricultural and environmental~~
31.14 ~~revolving accounts;~~

31.15 ~~(7)~~ (6) shall report to the commissioner annually the past and intended uses of allocations
31.16 awarded; and

31.17 ~~(8)~~ (7) may request additional funds in excess of their allocation when funds are available
31.18 in the agricultural and environmental revolving accounts, as long as all other allocation
31.19 awards to the local government unit have been used or committed.

31.20 (b) If a local government unit withdraws from participation in this program, the local
31.21 government unit, or the commissioner in accordance with the priorities established under
31.22 subdivision 6a, may designate another local government unit that is eligible under subdivision
31.23 6 as the new local government unit responsible for local administration of this program.
31.24 This designated local government unit may accept responsibility and administration of
31.25 allocations awarded to the former responsible local government unit.

31.26 Sec. 6. Minnesota Statutes 2020, section 17.117, subdivision 10, is amended to read:

31.27 Subd. 10. **Authority and responsibilities of local lenders.** (a) Local lenders may enter
31.28 into lender agreements with the commissioner.

31.29 (b) Local lenders may enter into loan agreements with borrowers to finance eligible
31.30 projects under this section.

31.31 ~~(c) The local lender shall notify the local government unit of the loan amount issued to~~
31.32 ~~the borrower after the closing of each loan.~~

32.1 ~~(d)~~ (c) Local lenders with local revolving loan accounts created before July 1, 2001,
32.2 may continue to retain and use those accounts in accordance with their lending agreements
32.3 for the full term of those agreements.

32.4 ~~(e)~~ (d) Local lenders, including local government units designating themselves as the
32.5 local lender, may enter into participation agreements with other lenders.

32.6 ~~(f)~~ (e) Local lenders may enter into contracts with other lenders for the limited purposes
32.7 of loan review, processing and servicing, or to enter into loan agreements with borrowers
32.8 to finance projects under this section. Other lenders entering into contracts with local lenders
32.9 under this section must meet the definition of local lender in subdivision 4, must comply
32.10 with all provisions of the lender agreement and this section, and must guarantee repayment
32.11 of the loan funds to the local lender.

32.12 ~~(g)~~ (f) When required by the local government unit, a local lender must withhold all or
32.13 a portion of the loan disbursement for a project until notified by the local government unit
32.14 that the project has been satisfactorily completed.

32.15 ~~(h)~~ (g) The local lender is responsible for repaying all funds provided by the commissioner
32.16 to the local lender.

32.17 ~~(i)~~ (h) The local lender is responsible for collecting repayments from borrowers. If a
32.18 borrower defaults on a loan issued by the local lender, it is the responsibility of the local
32.19 lender to obtain repayment from the borrower. Default on the part of borrowers shall have
32.20 no effect on the local lender's responsibility to repay its obligations to the commissioner
32.21 whether or not the local lender fully recovers defaulted amounts from borrowers.

32.22 ~~(j)~~ (i) The local lender shall provide sufficient collateral or protection to the commissioner
32.23 for the funds provided to the local lender. The commissioner must approve the collateral
32.24 or protection provided.

32.25 Sec. 7. Minnesota Statutes 2020, section 17.117, subdivision 11, is amended to read:

32.26 Subd. 11. **Loans issued to borrower.** (a) Local lenders may issue loans only for projects
32.27 that are approved and certified by the local government unit as meeting priority needs
32.28 identified in a comprehensive water management plan or other local planning documents,
32.29 are in compliance with accepted practices, standards, specifications, or criteria, and are
32.30 eligible for financing under Environmental Protection Agency or other applicable guidelines.

32.31 (b) The local lender may use any additional criteria considered necessary to determine
32.32 the eligibility of borrowers for loans.

- 33.1 (c) Local lenders shall set the terms and conditions of loans to borrowers, except that:
- 33.2 ~~(1) no loan to a borrower may exceed \$200,000; and~~
- 33.3 ~~(2) no borrower shall, at any time, have multiple loans from this program with a total~~
- 33.4 ~~outstanding loan balance of more than \$200,000.~~
- 33.5 (d) The maximum term length for projects in this paragraph is ten years.
- 33.6 (e) Fees charged at the time of closing must:
- 33.7 (1) be in compliance with normal and customary practices of the local lender;
- 33.8 (2) be in accordance with published fee schedules issued by the local lender;
- 33.9 (3) not be based on participation program; and
- 33.10 (4) be consistent with fees charged other similar types of loans offered by the local
- 33.11 lender.
- 33.12 (f) The interest rate assessed to an outstanding loan balance by the local lender must not
- 33.13 exceed three percent per year.
- 33.14 Sec. 8. Minnesota Statutes 2020, section 17.117, subdivision 11a, is amended to read:
- 33.15 Subd. 11a. **Eligible projects.** (a) All projects that remediate or mitigate adverse
- 33.16 environmental impacts are eligible if the project is eligible under an allocation agreement.
- 33.17 (b) A manure management project is eligible if the project remediates or mitigates
- 33.18 impacts from facilities with less than 1,000 animal units as defined in Minnesota Rules,
- 33.19 chapter 7020, and otherwise meets the requirements of this section.
- 33.20 (c) A drinking water project is eligible if the project:
- 33.21 (1) remediates ~~the~~ or mitigates the inadequate flow, adverse environmental impacts or
- 33.22 presence of contaminants in private well privately owned water supplies that are used for
- 33.23 drinking water by people or livestock, privately owned water service lines, or privately
- 33.24 owned plumbing and fixtures;
- 33.25 (2) implements best management practices that are intended to achieve drinking water
- 33.26 standards or adequate flow; and
- 33.27 (3) otherwise meets the requirements of this section.

34.1 Sec. 9. Minnesota Statutes 2020, section 17.118, subdivision 1, is amended to read:

34.2 Subdivision 1. **Establishment.** The commissioner may award a livestock investment
34.3 grant to a person who raises livestock in this state equal to ten percent of the first ~~\$500,000~~
34.4 \$250,000 of qualifying expenditures, provided the person makes qualifying expenditures
34.5 of at least \$4,000. The commissioner may award multiple livestock investment grants to a
34.6 person over the life of the program ~~as long as the cumulative amount does not exceed~~
34.7 \$50,000.

34.8 Sec. 10. Minnesota Statutes 2020, section 17.118, subdivision 3, is amended to read:

34.9 Subd. 3. **Eligibility.** ~~(a)~~ To be eligible for a livestock investment grant, a person must:

34.10 (1) be a resident of Minnesota or an entity specifically defined in section 500.24,
34.11 subdivision 2, that is eligible to own farmland and operate a farm in this state under section
34.12 500.24;

34.13 (2) be the principal operator of the farm;

34.14 (3) hold a feedlot registration, if required; and

34.15 (4) apply to the commissioner on forms prescribed by the commissioner including a
34.16 statement of the qualifying expenditures made during the qualifying period along with any
34.17 proof or other documentation the commissioner may require.

34.18 ~~(b) The \$50,000 maximum grant applies at the entity level for partnerships, S~~
34.19 ~~corporations, C corporations, trusts, and estates as well as at the individual level. In the case~~
34.20 ~~of married individuals, the grant is limited to \$50,000 for a married couple.~~

34.21 Sec. 11. Minnesota Statutes 2020, section 17.118, subdivision 4, is amended to read:

34.22 Subd. 4. **Process.** The commissioner, in consultation with the chairs and ranking minority
34.23 members of the house of representatives and senate committees with jurisdiction over
34.24 agriculture finance, shall develop competitive eligibility criteria and may allocate grants on
34.25 a needs basis. ~~The commissioner shall place any eligible unfunded applications on a waiting~~
34.26 ~~list and, notwithstanding subdivision 2, paragraph (d), give them consideration during the~~
34.27 ~~next fiscal year in which program funding is available.~~ The commissioner shall notify in
34.28 writing any applicant who applies for a grant and is ineligible under the provisions of this
34.29 section as well as any applicant whose application is received or reviewed after the fiscal
34.30 year funding limit has been reached.

35.1 Sec. 12. [17.133] FARM DOWN PAYMENT ASSISTANCE GRANTS.

35.2 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
35.3 the meanings given.

35.4 (b) "Eligible farmer" means an individual who at the time that the grant is awarded:

35.5 (1) is a resident of Minnesota who intends to acquire farmland located within the state
35.6 and provide the majority of the day-to-day physical labor and management of the farm;

35.7 (2) grosses no more than \$250,000 per year from the sale of farm products; and

35.8 (3) has not, and whose spouse has not, at any time had a direct or indirect ownership
35.9 interest in farmland.

35.10 (c) "Farm down payment" means an initial, partial payment required by a lender or seller
35.11 to purchase farmland.

35.12 Subd. 2. Grants. The commissioner must award farm down payment assistance grants
35.13 of up to \$15,000 per eligible farmer. An eligible farmer must match the grant with at least
35.14 an equivalent amount of other funding. An eligible farmer must commit to own and farm
35.15 the land purchased with assistance provided under this section for at least five years. For
35.16 each year that a grant recipient does not own and farm the land during the five-year period,
35.17 the grant recipient must pay a penalty to the commissioner equal to 20 percent of the grant
35.18 amount.

35.19 Sec. 13. [17.994] SOIL HEALTH FINANCIAL ASSISTANCE PROGRAM.

35.20 Subdivision 1. Establishment. The soil health financial assistance program is established
35.21 to promote soil health practices that mitigate climate change impacts, improve water quality,
35.22 and provide related public benefits.

35.23 Subd. 2. Financial assistance. (a) The commissioner may provide financial assistance
35.24 to local governments, private sector providers, or farmers to cover the costs of specialized
35.25 equipment and technology necessary to implement and sustain soil health practices, including
35.26 equipment technology purchases or subscriptions, services to landowners, and other
35.27 equipment purchases or financial assistance that the commissioner considers appropriate
35.28 to promote healthy soil.

35.29 (b) The commissioner must establish costs eligible for financial assistance under this
35.30 section.

35.31 (c) The commissioner must prioritize or weigh program implementation elements based
35.32 on considerations including:

- 36.1 (1) support for soil health principles;
36.2 (2) supporting participants or participation in the Minnesota agricultural water quality
36.3 certification program established under Minnesota Statutes, sections 17.9891 to 17.993;
36.4 (3) reducing or avoiding greenhouse gas emissions; and
36.5 (4) other beneficial public or private programs or initiatives to achieve program results.

36.6 Sec. 14. Minnesota Statutes 2020, section 18B.01, is amended by adding a subdivision to
36.7 read:

36.8 Subd. 20b. **Plastic.** "Plastic" means an organic or petroleum derivative synthetic or a
36.9 semisynthetic organic solid that is moldable, and to which additives or other substances
36.10 may have been added. Plastic does not mean natural polymers that have not been chemically
36.11 modified.

36.12 Sec. 15. Minnesota Statutes 2020, section 18B.01, is amended by adding a subdivision to
36.13 read:

36.14 Subd. 20c. **Plastic-coated pesticide.** "Plastic-coated pesticide" means a pesticide coated
36.15 with or microencapsulated by plastic.

36.16 Sec. 16. Minnesota Statutes 2020, section 18B.051, is amended to read:

36.17 **18B.051 POLLINATOR ~~HABITAT AND~~ RESEARCH ACCOUNT.**

36.18 Subdivision 1. **Account established.** A pollinator ~~habitat and~~ research account is
36.19 established in the agricultural fund. Money in the account, including interest, is appropriated
36.20 to the Board of Regents of the University of Minnesota for pollinator research and outreach
36.21 including, but not limited to:

- 36.22 (1) pesticide, parasite, and climate disruption impacts;
36.23 (2) science-based best practices; and
36.24 (3) the identification and establishment of habitat beneficial to pollinators.

36.25 Subd. 2. **Expiration.** This section expires July 1, ~~2022~~ 2025.

36.26 Sec. 17. Minnesota Statutes 2020, section 18B.07, is amended by adding a subdivision to
36.27 read:

36.28 Subd. 9. **Plastic-coated pesticide prohibited.** A person may not sell, offer for sale, use,
36.29 or apply a plastic-coated pesticide.

37.1 **EFFECTIVE DATE.** This section is effective January 1, 2025, for nonagricultural
37.2 pesticide, and January 1, 2026, for agricultural pesticide.

37.3 Sec. 18. Minnesota Statutes 2020, section 18C.005, is amended by adding a subdivision
37.4 to read:

37.5 Subd. 26a. **Plastic.** "Plastic" has the meaning given in section 18B.01, subdivision 20b.

37.6 Sec. 19. Minnesota Statutes 2020, section 18C.005, is amended by adding a subdivision
37.7 to read:

37.8 Subd. 26b. **Plastic-coated fertilizer.** "Plastic-coated fertilizer" means a fertilizer coated
37.9 with or microencapsulated by plastic.

37.10 Sec. 20. Minnesota Statutes 2020, section 18C.201, is amended by adding a subdivision
37.11 to read:

37.12 Subd. 8. **Plastic-coated fertilizer prohibited.** A person may not sell, offer for sale, use,
37.13 or apply a plastic-coated fertilizer.

37.14 **EFFECTIVE DATE.** This section is effective January 1, 2025, for nonagricultural
37.15 fertilizer, and January 1, 2026, for agricultural fertilizer.

37.16 Sec. 21. Minnesota Statutes 2020, section 21.81, is amended by adding a subdivision to
37.17 read:

37.18 Subd. 5a. **Coated agricultural seed.** "Coated agricultural seed" means any seed unit
37.19 covered with a coating material.

37.20 Sec. 22. Minnesota Statutes 2020, section 21.86, subdivision 2, is amended to read:

37.21 Subd. 2. **Miscellaneous violations.** No person may:

37.22 (a) detach, alter, deface, or destroy any label required in sections 21.82 and 21.83, alter
37.23 or substitute seed in a manner that may defeat the purposes of sections 21.82 and 21.83, or
37.24 alter or falsify any seed tests, laboratory reports, records, or other documents to create a
37.25 misleading impression as to kind, variety, history, quality, or origin of the seed;

37.26 (b) hinder or obstruct in any way any authorized person in the performance of duties
37.27 under sections 21.80 to 21.92;

38.1 (c) fail to comply with a "stop sale" order or to move or otherwise handle or dispose of
38.2 any lot of seed held under a stop sale order or attached tags, except with express permission
38.3 of the enforcing officer for the purpose specified;

38.4 (d) use the word "type" in any labeling in connection with the name of any agricultural
38.5 seed variety;

38.6 (e) use the word "trace" as a substitute for any statement which is required;

38.7 (f) plant any agricultural seed which the person knows contains weed seeds or noxious
38.8 weed seeds in excess of the limits for that seed; ~~or~~

38.9 (g) advertise or sell seed containing patented, protected, or proprietary varieties used
38.10 without permission of the patent or certificate holder of the intellectual property associated
38.11 with the variety of seed; or

38.12 (h) use or sell as food, feed, oil, or ethanol feedstock any seed treated with neonicotinoid
38.13 pesticide.

38.14 Sec. 23. **[21.915] PESTICIDE TREATED SEED USE AND DISPOSAL; CONSUMER**
38.15 **GUIDANCE REQUIRED.**

38.16 (a) The commissioner, in consultation with the commissioner of the Pollution Control
38.17 Agency, must develop and maintain consumer guidance regarding the proper use and disposal
38.18 of seed treated with neonicotinoid pesticide.

38.19 (b) A person selling seed treated with neonicotinoid pesticide at retail must post in a
38.20 conspicuous location the guidance developed by the commissioner under paragraph (a).

38.21 Sec. 24. Minnesota Statutes 2020, section 28A.08, is amended by adding a subdivision to
38.22 read:

38.23 **Subd. 4. Food handler license account; appropriation.** A food handler license account
38.24 is established in the agricultural fund. The commissioner must deposit fees and penalties
38.25 paid under subdivision 3 in this account. Money in the account, including interest, is
38.26 appropriated to the commissioner for expenses relating to licensing and inspecting food
38.27 handlers under chapters 28 to 34A or rules adopted under one of those chapters.

38.28 Sec. 25. Minnesota Statutes 2020, section 28A.09, is amended by adding a subdivision to
38.29 read:

38.30 **Subd. 3. Vending machine inspection account; appropriation.** A vending machine
38.31 inspection account is established in the agricultural fund. The commissioner must deposit

39.1 fees paid under subdivision 1 in this account. Money in the account, including interest, is
39.2 appropriated to the commissioner for expenses relating to identifying and inspecting food
39.3 vending machines under chapters 28 to 34A or rules adopted under one of those chapters.

39.4 Sec. 26. Minnesota Statutes 2020, section 28A.10, is amended to read:

39.5 **28A.10 POSTING OF LICENSE; RULES.**

39.6 All such licenses shall be issued for a period of one year and shall be posted or displayed
39.7 in a conspicuous place at the place of business so licensed. Except as provided in sections
39.8 28A.08, subdivision 4; 28A.09, subdivision 3; 29.22, subdivision 4; and 31.39, all such
39.9 license fees and penalties collected by the commissioner shall be deposited into the state
39.10 treasury and credited to the general fund. The commissioner may adopt such rules in
39.11 conformity with law as the commissioner deems necessary to effectively and efficiently
39.12 carry out the provisions of sections 28A.01 to 28A.16.

39.13 Sec. 27. Minnesota Statutes 2020, section 28A.21, subdivision 2, is amended to read:

39.14 Subd. 2. **Membership.** (a) The Food Safety and Defense Task Force consists of:

39.15 (1) the commissioner of agriculture or the commissioner's designee;

39.16 (2) the commissioner of health or the commissioner's designee;

39.17 (3) a representative of the United States Food and Drug Administration;

39.18 (4) a representative of the United States Department of Agriculture;

39.19 (5) a representative of the Agricultural Utilization Research Institute;

39.20 (6) one member of the Minnesota Grocers Association;

39.21 (7) one member from the University of Minnesota knowledgeable in food and food
39.22 safety issues; and

39.23 (8) ~~nine~~ ten members appointed by the governor who are interested in food and food
39.24 safety, of whom:

39.25 (i) two persons are health or food professionals;

39.26 (ii) one person represents a statewide general farm organization;

39.27 (iii) one person represents a local food inspection agency;

39.28 (iv) one person represents a food-oriented consumer group; ~~and~~

40.1 (v) one person represents a Minnesota-based manufacturer of microbial detection
40.2 equipment and remediation products; and

40.3 (vi) one person is knowledgeable in cybersecurity.

40.4 (b) Members shall serve without compensation. Members appointed by the governor
40.5 shall serve four-year terms.

40.6 Sec. 28. Minnesota Statutes 2020, section 35.155, subdivision 10, is amended to read:

40.7 Subd. 10. **Mandatory registration.** (a) A person may not possess live Cervidae in
40.8 Minnesota unless the person is registered with the Board of Animal Health and meets all
40.9 the requirements for farmed Cervidae under this section. Cervidae possessed in violation
40.10 of this subdivision may be seized and destroyed by the commissioner of natural resources.

40.11 (b) A person whose registration is revoked by the board is ineligible for future registration
40.12 under this section unless the board determines that the person has undertaken measures that
40.13 make future escapes extremely unlikely.

40.14 (c) The board must not approve a new registration under this subdivision for farmed
40.15 white-tailed deer. This paragraph does not prohibit a person holding a valid registration to
40.16 possess farmed white-tailed deer from selling or transferring the person's registration to a
40.17 family member who resides in this state and is related to the person within the third degree
40.18 of kindred according to the rules of civil law. A registration to possess farmed white-tailed
40.19 deer may be sold or transferred only once under this paragraph. Before the board approves
40.20 a sale or transfer under this paragraph, the board must verify that the farmed white-tailed
40.21 deer herd is free from chronic wasting disease and the person or eligible family member
40.22 must pay a onetime transfer fee of \$500 to the board.

40.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

40.24 Sec. 29. Minnesota Statutes 2020, section 41A.16, subdivision 1, is amended to read:

40.25 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
40.26 source from Minnesota at least 80 percent of the biomass used to produce an advanced
40.27 biofuel, except that, if a facility is sited 50 miles or less from the state border, biomass used
40.28 to produce an advanced biofuel may be sourced from outside of Minnesota, but only if at
40.29 least 80 percent of the biomass is sourced from within a 100-mile radius of the facility or
40.30 from within Minnesota. The facility must be located in Minnesota, must begin production
40.31 at a specific location by ~~June 30, 2025~~ December 31, 2022, and must not begin operating
40.32 above 23,750 MMbtu of quarterly advanced biofuel production before July 1, 2015. Eligible

41.1 facilities include existing companies and facilities that are adding advanced biofuel
41.2 production capacity, or retrofitting existing capacity, as well as new companies and facilities.
41.3 Production of conventional corn ethanol and conventional biodiesel is not eligible. Eligible
41.4 advanced biofuel facilities must produce at least 1,500 MMbtu of advanced biofuel quarterly.

41.5 (b) No payments shall be made for advanced biofuel production that occurs after June
41.6 30, 2035, for those eligible biofuel producers under paragraph (a), provided that an eligible
41.7 producer may continue to receive payments equal to the difference between the claims for
41.8 payment filed under subdivision 6 and the pro rata amount received as of June 30, 2035,
41.9 until the full amounts of the original claims are paid.

41.10 (c) An eligible producer of advanced biofuel shall not transfer the producer's eligibility
41.11 for payments under this section to an advanced biofuel facility at a different location.

41.12 (d) A producer that ceases production for any reason is ineligible to receive payments
41.13 under this section until the producer resumes production.

41.14 (e) Renewable chemical production for which payment has been received under section
41.15 41A.17, and biomass thermal production for which payment has been received under section
41.16 41A.18, are not eligible for payment under this section.

41.17 (f) Biobutanol is eligible under this section.

41.18 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2020, and
41.19 applies to claims filed after January 1, 2020.

41.20 Sec. 30. Minnesota Statutes 2020, section 41A.16, subdivision 2, is amended to read:

41.21 Subd. 2. **Payment amounts; limits.** (a) The commissioner shall make payments to
41.22 eligible producers of advanced biofuel. The amount of the payment for each eligible
41.23 producer's annual production is \$2.1053 per MMbtu for advanced biofuel production from
41.24 cellulosic biomass, and \$1.053 per MMbtu for advanced biofuel production from sugar,
41.25 starch, oil, or animal fat at a specific location for ten years after the start of production.

41.26 (b) Total payments under this section to an eligible biofuel producer in a fiscal year may
41.27 not exceed the amount necessary for 2,850,000 MMbtu of biofuel production. Total payments
41.28 under this section to all eligible biofuel producers in a fiscal year may not exceed the amount
41.29 necessary for 17,100,000 MMbtu of biofuel production. If the total amount for which all
41.30 producers are eligible in a quarter exceeds the amount available for payments, the
41.31 commissioner shall make the payments on a pro rata basis. An eligible producer may reapply
41.32 for payment of the difference between the claim for payment filed under subdivision 6 and
41.33 the pro rata amount received:

42.1 (1) until the full amount of the original claim is paid; and

42.2 (2) subject to available money appropriated for the express purpose of paying claims
42.3 not otherwise paid.

42.4 (c) For purposes of this section, an entity that holds a controlling interest in more than
42.5 one advanced biofuel facility is considered a single eligible producer.

42.6 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2020, and
42.7 applies to claims filed after January 1, 2020.

42.8 Sec. 31. Minnesota Statutes 2020, section 41A.17, subdivision 1, is amended to read:

42.9 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
42.10 source from Minnesota at least 80 percent of the biomass used to produce a renewable
42.11 chemical, except that, if a facility is sited 50 miles or less from the state border, biomass
42.12 used to produce a renewable chemical may be sourced from outside of Minnesota, but only
42.13 if at least 80 percent of the biomass is sourced from within a 100-mile radius of the facility
42.14 or from within Minnesota. The facility must be located in Minnesota, must begin production
42.15 at a specific location by ~~June 30, 2025~~ December 31, 2022, and must not begin production
42.16 of 250,000 pounds of chemicals quarterly before January 1, 2015. Eligible facilities include
42.17 existing companies and facilities that are adding production capacity, or retrofitting existing
42.18 capacity, as well as new companies and facilities. Eligible renewable chemical facilities
42.19 must produce at least 250,000 pounds of renewable chemicals quarterly. Renewable
42.20 chemicals produced through processes that are fully commercial before January 1, 2000,
42.21 are not eligible.

42.22 (b) No payments shall be made for renewable chemical production that occurs after June
42.23 30, 2035, for those eligible renewable chemical producers under paragraph (a), provided
42.24 that an eligible producer may continue to receive payments equal to the difference between
42.25 the claims for payment filed under subdivision 5 and the pro rata amount received as of
42.26 June 30, 2035, until the full amounts of the original claims are paid.

42.27 (c) An eligible producer of renewable chemicals shall not transfer the producer's eligibility
42.28 for payments under this section to a renewable chemical facility at a different location.

42.29 (d) A producer that ceases production for any reason is ineligible to receive payments
42.30 under this section until the producer resumes production.

42.31 (e) Advanced biofuel production for which payment has been received under section
42.32 41A.16, and biomass thermal production for which payment has been received under section
42.33 41A.18, are not eligible for payment under this section.

43.1 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2020, and
43.2 applies to claims filed after January 1, 2020.

43.3 Sec. 32. Minnesota Statutes 2020, section 41A.17, subdivision 2, is amended to read:

43.4 Subd. 2. **Payment amounts; bonus; limits.** (a) The commissioner shall make payments
43.5 to eligible producers of renewable chemicals located in the state. The amount of the payment
43.6 for each producer's annual production is \$0.03 per pound of sugar-derived renewable
43.7 chemical, \$0.03 per pound of cellulosic sugar, starch, oil, or animal fat, and \$0.06 per pound
43.8 of cellulosic-derived renewable chemical produced at a specific location for ten years after
43.9 the start of production.

43.10 (b) An eligible facility producing renewable chemicals using agricultural cellulosic
43.11 biomass is eligible for a 20 percent bonus payment for each pound produced from agricultural
43.12 biomass that is derived from perennial crop or cover crop biomass.

43.13 (c) Total payments under this section to an eligible renewable chemical producer in a
43.14 fiscal year may not exceed the amount necessary for 99,999,999 pounds of renewable
43.15 chemical production. Total payments under this section to all eligible renewable chemical
43.16 producers in a fiscal year may not exceed the amount necessary for 599,999,999 pounds of
43.17 renewable chemical production. If the total amount for which all producers are eligible in
43.18 a quarter exceeds the amount available for payments, the commissioner shall make the
43.19 payments on a pro rata basis. An eligible producer may reapply for payment of the difference
43.20 between the claim for payment filed under subdivision 5 and the pro rata amount received:

43.21 (1) until the full amount of the original claim is paid; and

43.22 (2) subject to available money appropriated for the express purpose of paying claims
43.23 not otherwise paid.

43.24 (d) An eligible facility may blend renewable chemicals with other chemicals that are
43.25 not renewable chemicals, but only the percentage attributable to renewable chemicals in
43.26 the blended product is eligible to receive payment.

43.27 (e) For purposes of this section, an entity that holds a controlling interest in more than
43.28 one renewable chemical production facility is considered a single eligible producer.

43.29 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2020, and
43.30 applies to claims filed after January 1, 2020.

44.1 Sec. 33. Minnesota Statutes 2020, section 41A.18, subdivision 1, is amended to read:

44.2 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
44.3 source from Minnesota at least 80 percent of the biomass used for biomass thermal
44.4 production, except that, if a facility is sited 50 miles or less from the state border, biomass
44.5 used for biomass thermal production may be sourced from outside of Minnesota, but only
44.6 if at least 80 percent of the biomass is sourced from within a 100-mile radius of the facility,
44.7 or from within Minnesota. Biomass must be from agricultural or forestry sources. The
44.8 facility must be located in Minnesota, must have begun production at a specific location by
44.9 ~~June 30, 2025~~ December 31, 2022, and must not begin before July 1, 2015. Eligible facilities
44.10 include existing companies and facilities that are adding production capacity, or retrofitting
44.11 existing capacity, as well as new companies and facilities. Eligible biomass thermal
44.12 production facilities must produce at least 250 MMbtu of biomass thermal quarterly.

44.13 (b) No payments shall be made for biomass thermal production that occurs after June
44.14 30, 2035, for those eligible biomass thermal producers under paragraph (a), provided that
44.15 an eligible producer may continue to receive payments equal to the difference between the
44.16 claims for payment filed under subdivision 5 and the pro rata amount received as of June
44.17 30, 2035, until the full amounts of the original claims are paid.

44.18 (c) An eligible producer of biomass thermal production shall not transfer the producer's
44.19 eligibility for payments under this section to a biomass thermal production facility at a
44.20 different location.

44.21 (d) A producer that ceases production for any reason is ineligible to receive payments
44.22 under this section until the producer resumes production.

44.23 (e) Biofuel production for which payment has been received under section 41A.16, and
44.24 renewable chemical production for which payment has been received under section 41A.17,
44.25 are not eligible for payment under this section.

44.26 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2020, and
44.27 applies to claims filed after January 1, 2020.

44.28 Sec. 34. Minnesota Statutes 2020, section 41A.18, subdivision 2, is amended to read:

44.29 Subd. 2. **Payment amounts; bonus; limits; blending.** (a) The commissioner shall make
44.30 payments to eligible producers of biomass thermal located in the state. The amount of the
44.31 payment for each producer's annual production is \$5.00 per MMbtu of biomass thermal
44.32 production produced at a specific location for ten years after the start of production.

45.1 (b) An eligible facility producing biomass thermal using agricultural cellulosic biomass
45.2 is eligible for a 20 percent bonus payment for each MMbtu produced from agricultural
45.3 biomass that is derived from perennial crop or cover crop biomass.

45.4 (c) Total payments under this section to an eligible thermal producer in a fiscal year
45.5 may not exceed the amount necessary for 30,000 MMbtu of thermal production. Total
45.6 payments under this section to all eligible thermal producers in a fiscal year may not exceed
45.7 the amount necessary for 150,000 MMbtu of total thermal production. If the total amount
45.8 for which all producers are eligible in a quarter exceeds the amount available for payments,
45.9 the commissioner shall make the payments on a pro rata basis. An eligible producer may
45.10 reapply for payment of the difference between the claim for payment filed under subdivision
45.11 5 and the pro rata amount received:

45.12 (1) until the full amount of the original claim is paid; and

45.13 (2) subject to available money appropriated for the express purpose of paying claims
45.14 not otherwise paid.

45.15 (d) An eligible facility may blend a cellulosic feedstock with other fuels in the biomass
45.16 thermal production facility, but only the percentage attributable to biomass meeting the
45.17 cellulosic forestry biomass requirements or agricultural cellulosic biomass sourcing plan is
45.18 eligible to receive payment.

45.19 (e) When a facility is eligible due to adding production capacity or retrofitting existing
45.20 capacity, the entire amount of biomass meeting the cellulosic forestry biomass requirements
45.21 or agricultural cellulosic biomass sourcing plan is assumed to have been used for the biomass
45.22 thermal production from the added or retrofitted production capacity.

45.23 (f) For purposes of this section, an entity that holds a controlling interest in more than
45.24 one biomass thermal production facility is considered a single eligible producer.

45.25 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2020, and
45.26 applies to claims filed after January 1, 2020.

45.27 Sec. 35. Minnesota Statutes 2021 Supplement, section 41A.19, is amended to read:

45.28 **41A.19 REPORT; INCENTIVE PROGRAMS.**

45.29 By January 15 each year, the commissioner shall report on the incentive programs under
45.30 sections 41A.16, 41A.17, 41A.18, 41A.20, and 41A.21 to the legislative committees with
45.31 jurisdiction over environment policy and finance and agriculture policy and finance. The
45.32 report shall include information on production and incentive expenditures under the

46.1 programs, as well as the following information that the commissioner must require of each
46.2 producer who receives a payment during the reporting period:

46.3 (1) the producer's business structure;

46.4 (2) the name and address of the producer's parent company, if any;

46.5 (3) a cumulative list of all financial assistance received from all grantors for the project;

46.6 (4) goals for the number of jobs created and progress in achieving these goals, which
46.7 may include separate goals for the number of part-time or full-time jobs, or, in cases where
46.8 job loss is specific and demonstrable, goals for the number of jobs retained;

46.9 (5) equity hiring goals and progress in achieving these goals;

46.10 (6) wage goals and progress in achieving these goals for all jobs created or maintained
46.11 by the producer;

46.12 (7) board member and executive compensation;

46.13 (8) evidence of compliance with environmental permits;

46.14 (9) the producer's intended and actual use of payments received from the commissioner;
46.15 and

46.16 (10) if applicable, the latest financial audit opinion statement produced by a certified
46.17 public accountant in accordance with standards established by the American Institute of
46.18 Certified Public Accountants.

46.19 Sec. 36. Minnesota Statutes 2021 Supplement, section 41A.21, subdivision 2, is amended
46.20 to read:

46.21 Subd. 2. **Eligibility.** (a) A facility eligible for payment under this section must source
46.22 at least 80 percent of its forest resources raw materials from Minnesota. The facility must
46.23 be located in Minnesota; must begin construction activities by December 31, 2022, for a
46.24 specific location; ~~must begin production~~ have produced at least one OSB square foot on a
46.25 3/8-inch nominal basis at a specific location by June 30, 2025; and must not begin operating
46.26 before January 1, 2022. Eligible facilities must be new OSB construction sites with total
46.27 capital investment in excess of \$250,000,000. Eligible OSB production facilities must
46.28 produce at least ~~200,000,000~~ 50,000,000 OSB square feet on a 3/8-inch nominal basis of
46.29 OSB each ~~year~~ quarter. At least one product produced at the facility should be a wood-based
46.30 wall or roof structural sheathing panel that has an integrated, cellulose-based paper overlay
46.31 that serves as a water resistive barrier.

47.1 (b) No payments shall be made for OSB production that occurs after June 30, 2036, for
47.2 those eligible producers under paragraph (a).

47.3 (c) An eligible producer of OSB shall not transfer the producer's eligibility for payments
47.4 under this section to a facility at a different location.

47.5 (d) A producer that ceases production for any reason is ineligible to receive payments
47.6 under this section until the producer resumes production.

47.7 Sec. 37. Minnesota Statutes 2021 Supplement, section 41A.21, subdivision 6, is amended
47.8 to read:

47.9 Subd. 6. **Appropriation.** (a) In fiscal year 2025, a sum sufficient to make the payments
47.10 required by this section, not to exceed \$1,500,000, is appropriated from the general fund to
47.11 the commissioner. This is a onetime appropriation.

47.12 (b) From fiscal year 2026 through fiscal year 2034, a sum sufficient to make the payments
47.13 required by this section, not to exceed \$3,000,000 in a fiscal year, is annually appropriated
47.14 from the general fund to the commissioner.

47.15 (c) The commissioner may use up to 6.5 percent of this appropriation for costs incurred
47.16 to administer the program.

47.17 Sec. 38. Minnesota Statutes 2020, section 41B.047, subdivision 3, is amended to read:

47.18 Subd. 3. **Eligibility.** To be eligible for this program, a borrower must:

47.19 (1) meet the requirements of section 41B.03, subdivision 1;

47.20 (2) certify that the damage or loss was (i) sustained within a county that was the subject
47.21 of a state or federal disaster declaration; (ii) due to the confirmed presence of a highly
47.22 contagious animal disease in Minnesota; (iii) due to an infectious human disease for which
47.23 the governor has declared a peacetime emergency; or (iv) due to an emergency as determined
47.24 by the authority;

47.25 (3) demonstrate an ability to repay the loan; and

47.26 (4) have received at least ~~50~~ 20 percent of ~~average~~ annual gross income from farming
47.27 ~~for in the past three years~~ year.

48.1 Sec. 39. Minnesota Statutes 2020, section 223.17, subdivision 4, is amended to read:

48.2 Subd. 4. **Bond.** (a) Except as provided in paragraphs (c) to (e), before a grain buyer's
48.3 license is issued, the applicant for the license must file with the commissioner a bond in a
48.4 penal sum prescribed by the commissioner but not less than the following amounts:

48.5 (1) \$10,000 for grain buyers whose gross annual purchases are \$100,000 or less;

48.6 (2) \$20,000 for grain buyers whose gross annual purchases are more than \$100,000 but
48.7 not more than \$750,000;

48.8 (3) \$30,000 for grain buyers whose gross annual purchases are more than \$750,000 but
48.9 not more than \$1,500,000;

48.10 (4) \$40,000 for grain buyers whose gross annual purchases are more than \$1,500,000
48.11 but not more than \$3,000,000;

48.12 (5) \$50,000 for grain buyers whose gross annual purchases are more than \$3,000,000
48.13 but not more than \$6,000,000;

48.14 (6) \$70,000 for grain buyers whose gross annual purchases are more than \$6,000,000
48.15 but not more than \$12,000,000;

48.16 (7) \$125,000 for grain buyers whose gross annual purchases are more than \$12,000,000
48.17 but not more than \$24,000,000; and

48.18 (8) \$150,000 for grain buyers whose gross annual purchases exceed \$24,000,000.

48.19 (b) The amount of the bond shall be based on the most recent gross annual grain purchase
48.20 report of the grain buyer.

48.21 (c) A first-time applicant for a grain buyer's license shall file a \$50,000 bond with the
48.22 commissioner. This bond shall remain in effect for the first year of the license. Thereafter,
48.23 the licensee shall comply with the applicable bonding requirements contained in paragraph
48.24 (a), clauses (1) to (8).

48.25 (d) In lieu of the bond required by this subdivision the applicant may deposit with the
48.26 commissioner of management and budget an irrevocable bank letter of credit as defined in
48.27 section 336.5-102, in the same amount as would be required for a bond.

48.28 (e) A grain buyer who purchases grain immediately upon delivery solely with cash; a
48.29 certified check; a cashier's check; or a postal, bank, or express money order is exempt from
48.30 this subdivision if the grain buyer's gross annual purchases are ~~\$100,000~~ \$250,000 or less.

49.1 (f) Bonds must be continuous until canceled. To cancel a bond, a surety must provide
49.2 90 days' written notice of the bond's termination date to the licensee and the commissioner.

49.3 Sec. 40. Minnesota Statutes 2020, section 223.17, subdivision 6, is amended to read:

49.4 Subd. 6. **Financial statements.** (a) Except as allowed in paragraph (c), a grain buyer
49.5 licensed under this chapter must annually submit to the commissioner a financial statement
49.6 prepared in accordance with generally accepted accounting principles. The annual financial
49.7 statement required under this subdivision must also:

49.8 (1) include, but not be limited to the following:

49.9 (i) a balance sheet;

49.10 (ii) a statement of income (profit and loss);

49.11 (iii) a statement of retained earnings;

49.12 (iv) a statement of changes in financial position; and

49.13 (v) a statement of the dollar amount of grain purchased in the previous fiscal year of the
49.14 grain buyer;

49.15 (2) be accompanied by a compilation report of the financial statement that is prepared
49.16 by a grain commission firm or a management firm approved by the commissioner or by an
49.17 independent public accountant, in accordance with standards established by the American
49.18 Institute of Certified Public Accountants;

49.19 (3) be accompanied by a certification by the chief executive officer or the chief executive
49.20 officer's designee of the licensee, and where applicable, all members of the governing board
49.21 of directors under penalty of perjury, that the financial statement accurately reflects the
49.22 financial condition of the licensee for the period specified in the statement;

49.23 (4) for grain buyers purchasing under ~~\$5,000,000~~ \$7,500,000 of grain annually, be
49.24 reviewed by a certified public accountant in accordance with standards established by the
49.25 American Institute of Certified Public Accountants, and must show that the financial
49.26 statements are free from material misstatements. The grain buyer must post the review
49.27 required under this clause on a website maintained by the buyer and available to the public;
49.28 and

49.29 (5) for grain buyers purchasing ~~\$5,000,000~~ \$7,500,000 or more of grain annually, be
49.30 audited by a certified public accountant in accordance with standards established by the
49.31 American Institute of Certified Public Accountants and must include an opinion statement
49.32 from the certified public accountant. The grain buyer must post the audit report and opinion

50.1 statement required under this clause on a website maintained by the buyer and available to
50.2 the public.

50.3 (b) Only one financial statement must be filed for a chain of warehouses owned or
50.4 operated as a single business entity, unless otherwise required by the commissioner. All
50.5 financial statements filed with the commissioner are private or nonpublic data as provided
50.6 in section 13.02.

50.7 (c) A grain buyer who purchases grain immediately upon delivery solely with cash; a
50.8 certified check; a cashier's check; or a postal, bank, or express money order is exempt from
50.9 this subdivision if the grain buyer's gross annual purchases are ~~\$100,000~~ \$250,000 or less.

50.10 (d) The commissioner shall annually provide information on a person's fiduciary duties
50.11 to each licensee. To the extent practicable, the commissioner must direct each licensee to
50.12 provide this information to all persons required to certify the licensee's financial statement
50.13 under paragraph (a), clause (3).

50.14 Sec. 41. REVISOR INSTRUCTION.

50.15 The revisor of statutes must renumber the subdivisions in Minnesota Statutes, section
50.16 18B.01, so the defined terms are in alphabetical order and adjust any cross-references
50.17 accordingly.