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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 895

- 02/09/2017 Authored by Hamilton and Flanagan
- The bill was read for the first time and referred to the Committee on Agriculture Finance
- 03/27/2017 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
- 03/30/2017 Adoption of Report: Placed on the General Register as Amended
- Read for the Second Time
- Referred to the Chief Clerk for Comparison with S. F. No. 780
- 03/31/2017 Postponed Indefinitely

1.1 A bill for an act

1.2 relating to agriculture; appropriating money for agriculture-related purposes;

1.3 making policy and technical changes to agriculture-related provisions; authorizing

1.4 a transfer, a working group, and accounts; modifying certificate fees; requiring

1.5 reports; amending Minnesota Statutes 2016, sections 3.7371; 17.119, subdivisions

1.6 1, 2; 18.79, subdivision 18; 28A.081; 41A.12, subdivision 3; Laws 2015, First

1.7 Special Session chapter 4, article 1, section 2, subdivision 4, as amended; proposing

1.8 coding for new law in Minnesota Statutes, chapters 17; 18B.

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

1.10 ARTICLE 1

1.11 AGRICULTURE APPROPRIATIONS

1.12 Section 1. AGRICULTURE APPROPRIATIONS.

1.13 The sums shown in the columns marked "Appropriations" are appropriated to the agencies

1.14 and for the purposes specified in this article. The appropriations are from the general fund,

1.15 or another named fund, and are available for the fiscal years indicated for each purpose.

1.16 The figures "2018" and "2019" used in this article mean that the appropriations listed under

1.17 them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively.

1.18 "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium"

1.19 is fiscal years 2018 and 2019.

1.20	<u>APPROPRIATIONS</u>	
1.21	<u>Available for the Year</u>	
1.22	<u>Ending June 30</u>	
1.23	<u>2018</u>	<u>2019</u>

1.24 Sec. 2. DEPARTMENT OF AGRICULTURE

1.25	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>48,056,000</u>	<u>\$</u>	<u>47,910,000</u>
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2.1	<u>Appropriations by Fund</u>	
2.2	<u>2018</u>	<u>2019</u>
2.3	<u>General</u>	<u>47,663,000</u> <u>47,513,000</u>
2.4	<u>Remediation</u>	<u>393,000</u> <u>397,000</u>

2.5 The amounts that may be spent for each
 2.6 purpose are specified in the following
 2.7 subdivisions.

2.8	<u>Subd. 2. Protection Services</u>	<u>17,471,000</u>	<u>17,475,000</u>
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2.9	<u>Appropriations by Fund</u>	
2.10	<u>2018</u>	<u>2019</u>
2.11	<u>General</u>	<u>17,078,000</u> <u>17,078,000</u>
2.12	<u>Remediation</u>	<u>393,000</u> <u>397,000</u>

2.13 \$250,000 the first year and \$250,000 the
 2.14 second year are for transfer to the pollinator
 2.15 habitat and research account in the agricultural
 2.16 fund. These are onetime transfers.

2.17 \$300,000 the first year and \$300,000 the
 2.18 second year are for transfer to the noxious
 2.19 weed and invasive plant species assistance
 2.20 account in the agricultural fund to award
 2.21 grants to local units of government under
 2.22 Minnesota Statutes, section 18.90, with
 2.23 preference given to local units of government
 2.24 responding to Palmer amaranth or other weeds
 2.25 on the eradicate list. These are onetime
 2.26 transfers.

2.27 \$125,000 the first year and \$125,000 the
 2.28 second year are for the industrial hemp pilot
 2.29 program under Minnesota Statutes, section
 2.30 18K.09. These are onetime appropriations.

2.31 \$250,000 the first year and \$250,000 the
 2.32 second year are to expand current capabilities
 2.33 for rapid detection, identification, containment,
 2.34 control, and management of high priority plant

3.1 pests and pathogens. These are onetime
3.2 appropriations.

3.3 \$25,000 the first year and \$25,000 the second
3.4 year are to develop and maintain cottage food
3.5 license exemption outreach and training
3.6 materials.

3.7 \$75,000 the first year and \$75,000 the second
3.8 year are to coordinate the correctional facility
3.9 vocational training pilot program and to assist
3.10 entities that have explored the feasibility of
3.11 establishing a USDA-certified or state "equal
3.12 to" food processing facility within 30 miles
3.13 of the Northeast Regional Corrections Center.

3.14 \$393,000 the first year and \$397,000 the
3.15 second year are from the remediation fund for
3.16 administrative funding for the voluntary
3.17 cleanup program.

3.18 \$175,000 the first year and \$175,000 the
3.19 second year are for compensation for
3.20 destroyed or crippled livestock under
3.21 Minnesota Statutes, section 3.737. This
3.22 appropriation may be spent to compensate for
3.23 livestock that were destroyed or crippled
3.24 during fiscal year 2017. If the amount in the
3.25 first year is insufficient, the amount in the
3.26 second year is available in the first year.

3.27 \$125,000 the first year and \$125,000 the
3.28 second year are for compensation for crop
3.29 damage under Minnesota Statutes, section
3.30 3.7371. If the amount in the first year is
3.31 insufficient, the amount in the second year is
3.32 available in the first year. The commissioner
3.33 may use up to \$30,000 of the appropriation
3.34 each year to reimburse expenses incurred by

4.1 the commissioner or the commissioner's
 4.2 approved agent to investigate and resolve
 4.3 claims.

4.4 If the commissioner determines that claims
 4.5 made under Minnesota Statutes, section 3.737
 4.6 or 3.7371, are unusually high, amounts
 4.7 appropriated for either program may be
 4.8 transferred to the appropriation for the other
 4.9 program.

4.10 \$70,000 the first year and \$70,000 the second
 4.11 year are for additional cannery inspections.

4.12 \$100,000 the first year and \$100,000 the
 4.13 second year are for increased oversight of
 4.14 delegated local health boards.

4.15 \$100,000 the first year and \$100,000 the
 4.16 second year are to decrease the turnaround
 4.17 time for retail food handler plan reviews.

4.18 \$1,024,000 the first year and \$1,024,000 the
 4.19 second year are to streamline the retail food
 4.20 safety regulatory and licensing experience for
 4.21 regulated businesses and to decrease the
 4.22 inspection delinquency rate.

4.23 **Subd. 3. Agricultural Marketing and**
 4.24 **Development**

3,996,000

3,996,000

4.25 The commissioner must provide outreach to
 4.26 urban farmers regarding the department's
 4.27 financial and technical assistance programs
 4.28 and must assist urban farmers in applying for
 4.29 assistance.

4.30 \$186,000 the first year and \$186,000 the
 4.31 second year are for transfer to the Minnesota
 4.32 grown account and may be used as grants for
 4.33 Minnesota grown promotion under Minnesota
 4.34 Statutes, section 17.102. Grants may be made

5.1 for one year. Notwithstanding Minnesota
5.2 Statutes, section 16A.28, the appropriations
5.3 encumbered under contract on or before June
5.4 30, 2019, for Minnesota grown grants in this
5.5 paragraph are available until June 30, 2021.

5.6 \$634,000 the first year and \$634,000 the
5.7 second year are for continuation of the dairy
5.8 development and profitability enhancement
5.9 and dairy business planning grant programs
5.10 established under Laws 1997, chapter 216,
5.11 section 7, subdivision 2, and Laws 2001, First
5.12 Special Session chapter 2, section 9,
5.13 subdivision 2. The commissioner may allocate
5.14 the available sums among permissible
5.15 activities, including efforts to improve the
5.16 quality of milk produced in the state, in the
5.17 proportions that the commissioner deems most
5.18 beneficial to Minnesota's dairy farmers. The
5.19 commissioner must submit a detailed
5.20 accomplishment report and a work plan
5.21 detailing future plans for, and anticipated
5.22 accomplishments from, expenditures under
5.23 this program to the chairs and ranking minority
5.24 members of the legislative committees with
5.25 jurisdiction over agriculture policy and finance
5.26 on or before the start of each fiscal year. If
5.27 significant changes are made to the plans in
5.28 the course of the year, the commissioner must
5.29 notify the chairs and ranking minority
5.30 members.

5.31 The commissioner may use funds appropriated
5.32 in this subdivision for annual cost-share
5.33 payments to resident farmers or entities that
5.34 sell, process, or package agricultural products
5.35 in this state for the costs of organic

6.1 certification. The commissioner may allocate
 6.2 these funds for assistance for persons
 6.3 transitioning from conventional to organic
 6.4 agriculture.

6.5 **Subd. 4. Agriculture, Bioenergy, and Bioproduct**
 6.6 **Advancement**

18,989,000

18,989,000

6.7 \$9,300,000 the first year and \$9,300,000 the
 6.8 second year are for transfer to the agriculture
 6.9 research, education, extension, and technology
 6.10 transfer account under Minnesota Statutes,
 6.11 section 41A.14, subdivision 3. Of these
 6.12 amounts: at least \$600,000 the first year and
 6.13 \$600,000 the second year are for the
 6.14 Minnesota Agricultural Experiment Station's
 6.15 agriculture rapid response fund under
 6.16 Minnesota Statutes, section 41A.14,
 6.17 subdivision 1, clause (2); \$2,000,000 the first
 6.18 year and \$2,000,000 the second year are for
 6.19 grants to the Minnesota Agriculture Education
 6.20 Leadership Council to enhance agricultural
 6.21 education with priority given to Farm Business
 6.22 Management challenge grants and grants to
 6.23 coordinate Farm Business Management and
 6.24 dairy development, profitability enhancement,
 6.25 and business planning; up to \$350,000 the first
 6.26 year and up to \$350,000 the second year are
 6.27 for potato breeding; and up to \$350,000 the
 6.28 first year and up to \$350,000 the second year
 6.29 are for the cultivated wild rice breeding project
 6.30 at the North Central Research and Outreach
 6.31 Center to include a tenure track/research
 6.32 associate plant breeder. The commissioner
 6.33 shall transfer the remaining funds in this
 6.34 appropriation each year to the Board of
 6.35 Regents of the University of Minnesota for
 6.36 purposes of Minnesota Statutes, section

7.1 41A.14. Of the amount transferred to the
7.2 Board of Regents, up to \$1,000,000 the first
7.3 year and up to \$1,000,000 the second year are
7.4 for research to determine:

7.5 (1) what is causing avian influenza;
7.6 (2) why some fowl are more susceptible; and
7.7 (3) prevention measures that can be taken.

7.8 To the extent practicable, funds expended
7.9 under Minnesota Statutes, section 41A.14,
7.10 subdivision 1, clauses (1) and (2), must
7.11 supplement and not supplant existing sources
7.12 and levels of funding. The commissioner may
7.13 use up to one percent of this appropriation for
7.14 costs incurred to administer the program.

7.15 \$9,664,000 the first year and \$9,664,000 the
7.16 second year are for the agricultural growth,
7.17 research, and innovation program in
7.18 Minnesota Statutes, section 41A.12. Except
7.19 as provided below, the commissioner may
7.20 allocate the appropriation each year among
7.21 the following areas: facilitating the start-up,
7.22 modernization, or expansion of livestock
7.23 operations including beginning and
7.24 transitioning livestock operations; developing
7.25 new markets for Minnesota farmers by
7.26 providing more fruits, vegetables, meat, grain,
7.27 and dairy for Minnesota school children;
7.28 assisting value-added agricultural businesses
7.29 to begin or expand, access new markets, or
7.30 diversify; urban youth agricultural education;
7.31 urban agriculture community development;
7.32 facilitating the start-up, modernization, or
7.33 expansion of other beginning and transitioning
7.34 farms including by providing loans under

8.1 Minnesota Statutes, section 41B.056;
8.2 sustainable agriculture on-farm research and
8.3 demonstration; development or expansion of
8.4 food hubs and other alternative
8.5 community-based food distribution systems;
8.6 enhancing renewable energy infrastructure
8.7 and use; crop research; Farm Business
8.8 Management tuition assistance; good
8.9 agricultural practices/good handling practices
8.10 certification assistance; establishing and
8.11 supporting farmer-led water management
8.12 councils; and implementing farmer-led water
8.13 quality improvement practices. The
8.14 commissioner may use up to 4.5 percent of
8.15 this appropriation for costs incurred to
8.16 administer the program. Any unencumbered
8.17 balance does not cancel at the end of the first
8.18 year and is available for the second year.
8.19 Notwithstanding Minnesota Statutes, section
8.20 16A.28, appropriations encumbered under
8.21 contract on or before June 30, 2019, for
8.22 agricultural growth, research, and innovation
8.23 grants are available until June 30, 2022. The
8.24 base for fiscal year 2020 is \$10,068,000 and
8.25 the base for fiscal year 2021 is \$10,068,000.
8.26 Of the amount appropriated for the agricultural
8.27 growth, research, and innovation program in
8.28 this subdivision, \$1,000,000 the first year and
8.29 \$1,000,000 the second year are for distribution
8.30 in equal amounts to each of the state's county
8.31 fairs to preserve and promote Minnesota
8.32 agriculture.
8.33 Of the amount appropriated for the agricultural
8.34 growth, research, and innovation program in
8.35 this subdivision, \$1,500,000 the first year and

9.1 \$1,500,000 the second year are for incentive
9.2 payments under Minnesota Statutes, sections
9.3 41A.16, 41A.17, and 41A.18. Notwithstanding
9.4 Minnesota Statutes, section 16A.28, the first
9.5 year appropriation is available until June 30,
9.6 2019, and the second year appropriation is
9.7 available until June 30, 2020.

9.8 Of the amount appropriated for the agricultural
9.9 growth, research, and innovation program in
9.10 this subdivision, \$500,000 the first year is for
9.11 a grant to the Board of Trustees of the
9.12 Minnesota State Colleges and Universities to
9.13 renovate the GROW-IT Center at Metropolitan
9.14 State University.

9.15 Of the amount appropriated for the agricultural
9.16 growth, research, and innovation program in
9.17 this subdivision, up to \$500,000 the first year
9.18 and up to \$500,000 the second year are for
9.19 urban youth agricultural education and urban
9.20 agriculture community development, in
9.21 consultation with urban agriculture
9.22 stakeholders.

9.23 Of the amount appropriated for the agricultural
9.24 growth, research, and innovation program in
9.25 this subdivision, up to \$250,000 the first year
9.26 and up to \$250,000 the second year are for
9.27 transfer to the good food access account in the
9.28 agricultural fund for the good food access
9.29 program.

9.30 Of the amount appropriated for the agricultural
9.31 growth, research, and innovation program in
9.32 this subdivision, up to \$40,000 the first year
9.33 and up to \$40,000 the second year are to
9.34 increase compensation for farm advocates and
9.35 expand the farm advocates program by

10.1 supplementing the base farm advocates
 10.2 program appropriation in subdivision 5.
 10.3 \$25,000 the first year and \$25,000 the second
 10.4 year are for grants to the Southern Minnesota
 10.5 Initiative Foundation to promote local foods
 10.6 through an annual event that raises public
 10.7 awareness of local foods and connects local
 10.8 food producers and processors with potential
 10.9 buyers.

10.10 <u>Subd. 5. Administration and Financial Assistance</u>	<u>7,600,000</u>	<u>7,450,000</u>
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10.11 \$150,000 the first year is for the tractor
 10.12 rollover protection pilot program under
 10.13 Minnesota Statutes, section 17.119, and is
 10.14 available until June 30, 2019.

10.15 \$180,000 the first year and \$180,000 the
 10.16 second year are for the farm advocates
 10.17 program.

10.18 \$474,000 the first year and \$474,000 the
 10.19 second year are for payments to county and
 10.20 district agricultural societies and associations
 10.21 under Minnesota Statutes, section 38.02,
 10.22 subdivision 1. Aid payments to county and
 10.23 district agricultural societies and associations
 10.24 shall be disbursed no later than July 15 of each
 10.25 year. These payments are the amount of aid
 10.26 from the state for an annual fair held in the
 10.27 previous calendar year.

10.28 \$1,000 the first year and \$1,000 the second
 10.29 year are for grants to the Minnesota State
 10.30 Poultry Association.

10.31 \$18,000 the first year and \$18,000 the second
 10.32 year are for grants to the Minnesota Livestock
 10.33 Breeders Association.

- 11.1 \$47,000 the first year and \$47,000 the second
11.2 year are for the Northern Crops Institute.
11.3 These appropriations may be spent to purchase
11.4 equipment.
- 11.5 \$17,000 the first year and \$17,000 the second
11.6 year are for grants to the Minnesota
11.7 Horticultural Society.
- 11.8 \$108,000 the first year and \$108,000 the
11.9 second year are for annual grants to the
11.10 Minnesota Turf Seed Council for basic and
11.11 applied research on: (1) the improved
11.12 production of forage and turf seed related to
11.13 new and improved varieties; and (2) native
11.14 plants, including plant breeding, nutrient
11.15 management, pest management, disease
11.16 management, yield, and viability. The grant
11.17 recipient may subcontract with a qualified
11.18 third party for some or all of the basic or
11.19 applied research. Any unencumbered balance
11.20 does not cancel at the end of the first year and
11.21 is available for the second year.
- 11.22 \$113,000 the first year and \$113,000 the
11.23 second year are for transfer to the Board of
11.24 Trustees of the Minnesota State Colleges and
11.25 Universities for statewide mental health
11.26 counseling support to farm families and
11.27 business operators. South Central College shall
11.28 serve as the fiscal agent.
- 11.29 \$550,000 the first year and \$550,000 the
11.30 second year are for grants to Second Harvest
11.31 Heartland on behalf of Minnesota's six
11.32 Feeding America food banks for the purchase
11.33 of milk for distribution to Minnesota's food
11.34 shelves and other charitable organizations that
11.35 are eligible to receive food from the food

12.1 banks. Milk purchased under the grants must
12.2 be acquired from Minnesota milk processors
12.3 and based on low-cost bids. The milk must be
12.4 allocated to each Feeding America food bank
12.5 servicing Minnesota according to the formula
12.6 used in the distribution of United States
12.7 Department of Agriculture commodities under
12.8 The Emergency Food Assistance Program
12.9 (TEFAP). Second Harvest Heartland must
12.10 submit quarterly reports to the commissioner
12.11 on forms prescribed by the commissioner. The
12.12 reports must include but are not limited to
12.13 information on the expenditure of funds, the
12.14 amount of milk purchased, and the
12.15 organizations to which the milk was
12.16 distributed. Second Harvest Heartland may
12.17 enter into contracts or agreements with food
12.18 banks for shared funding or reimbursement of
12.19 the direct purchase of milk. Each food bank
12.20 receiving money from this appropriation may
12.21 use up to two percent of the grant for
12.22 administrative expenses. Any unencumbered
12.23 balance does not cancel at the end of the first
12.24 year and is available for the second year.
12.25 \$1,100,000 the first year and \$1,100,000 the
12.26 second year are for grants to Second Harvest
12.27 Heartland on behalf of the six Feeding
12.28 America food banks that serve Minnesota to
12.29 compensate agricultural producers and
12.30 processors for costs incurred to harvest and
12.31 package for transfer surplus fruits, vegetables,
12.32 and other agricultural commodities that would
12.33 otherwise go unharvested, be discarded, or
12.34 sold in a secondary market. Surplus
12.35 commodities must be distributed statewide to
12.36 food shelves and other charitable organizations

13.1 that are eligible to receive food from the food
 13.2 banks. Surplus food acquired under this
 13.3 appropriation must be from Minnesota
 13.4 producers and processors. Second Harvest
 13.5 Heartland must report in the form prescribed
 13.6 by the commissioner. Second Harvest
 13.7 Heartland may use up to 15 percent of each
 13.8 grant for matching administrative and
 13.9 transportation expenses. Any unencumbered
 13.10 balance does not cancel at the end of the first
 13.11 year and is available for the second year.
 13.12 \$150,000 the first year and \$150,000 the
 13.13 second year are for grants to the Center for
 13.14 Rural Policy and Development.
 13.15 \$235,000 the first year and \$235,000 the
 13.16 second year are for grants to the Minnesota
 13.17 Agricultural Education and Leadership
 13.18 Council for programs of the council under
 13.19 Minnesota Statutes, chapter 41D.
 13.20 \$600,000 the first year and \$600,000 the
 13.21 second year are for grants to the Board of
 13.22 Regents of the University of Minnesota to
 13.23 develop, in consultation with the
 13.24 commissioner of agriculture and the Board of
 13.25 Animal Health, a software tool or application
 13.26 through the Veterinary Diagnostic Laboratory
 13.27 that empowers veterinarians and producers to
 13.28 understand the movement of unique pathogen
 13.29 strains in livestock and poultry production
 13.30 systems, monitor antibiotic resistance, and
 13.31 implement effective biosecurity measures that
 13.32 promote animal health and limit production
 13.33 losses. The base for fiscal year 2020 is \$0.

13.34 **Sec. 3. BOARD OF ANIMAL HEALTH \$ 5,443,000 \$ 5,491,000**

15.1 Minnesota for purposes of Minnesota Statutes,
15.2 section 41A.14.

15.3 To the extent practicable, funds expended
15.4 under Minnesota Statutes, section 41A.14,
15.5 subdivision 1, clauses (1) and (2), must
15.6 supplement and not supplant existing sources
15.7 and levels of funding. The commissioner may
15.8 use up to 4.5 percent of this appropriation for
15.9 costs incurred to administer the program. Any
15.10 unencumbered balance does not cancel at the
15.11 end of the first year and is available for the
15.12 second year.

15.13 \$10,235,000 the first year and ~~\$10,235,000~~
15.14 \$9,541,000 the second year are for the
15.15 agricultural growth, research, and innovation
15.16 program in Minnesota Statutes, section
15.17 41A.12. No later than February 1, 2016, and
15.18 February 1, 2017, the commissioner must
15.19 report to the legislative committees with
15.20 jurisdiction over agriculture policy and finance
15.21 regarding the commissioner's
15.22 accomplishments and anticipated
15.23 accomplishments in the following areas:
15.24 facilitating the start-up, modernization, or
15.25 expansion of livestock operations including
15.26 beginning and transitioning livestock
15.27 operations; developing new markets for
15.28 Minnesota farmers by providing more fruits,
15.29 vegetables, meat, grain, and dairy for
15.30 Minnesota school children; assisting
15.31 value-added agricultural businesses to begin
15.32 or expand, access new markets, or diversify
15.33 products; developing urban agriculture;
15.34 facilitating the start-up, modernization, or
15.35 expansion of other beginning and transitioning

16.1 farms including loans under Minnesota
16.2 Statutes, section 41B.056; sustainable
16.3 agriculture on farm research and
16.4 demonstration; development or expansion of
16.5 food hubs and other alternative
16.6 community-based food distribution systems;
16.7 incentive payments under Minnesota Statutes,
16.8 sections 41A.16, 41A.17, and 41A.18; and
16.9 research on bioenergy, biobased content, or
16.10 biobased formulated products and other
16.11 renewable energy development. The
16.12 commissioner may use up to 4.5 percent of
16.13 this appropriation for costs incurred to
16.14 administer the program. Any unencumbered
16.15 balance does not cancel at the end of the first
16.16 year and is available for the second year.
16.17 Notwithstanding Minnesota Statutes, section
16.18 16A.28, the appropriations encumbered under
16.19 contract on or before June 30, 2017, for
16.20 agricultural growth, research, and innovation
16.21 grants are available until June 30, 2019.

16.22 The commissioner may use funds appropriated
16.23 for the agricultural growth, research, and
16.24 innovation program as provided in this
16.25 paragraph. The commissioner may award
16.26 grants to owners of Minnesota facilities
16.27 producing bioenergy, biobased content, or a
16.28 biobased formulated product; to organizations
16.29 that provide for on-station, on-farm field scale
16.30 research and outreach to develop and test the
16.31 agronomic and economic requirements of
16.32 diverse strands of prairie plants and other
16.33 perennials for bioenergy systems; or to certain
16.34 nongovernmental entities. For the purposes of
16.35 this paragraph, "bioenergy" includes
16.36 transportation fuels derived from cellulosic

17.1 material, as well as the generation of energy
17.2 for commercial heat, industrial process heat,
17.3 or electrical power from cellulosic materials
17.4 via gasification or other processes. Grants are
17.5 limited to 50 percent of the cost of research,
17.6 technical assistance, or equipment related to
17.7 bioenergy, biobased content, or biobased
17.8 formulated product production or \$500,000,
17.9 whichever is less. Grants to nongovernmental
17.10 entities for the development of business plans
17.11 and structures related to community ownership
17.12 of eligible bioenergy facilities together may
17.13 not exceed \$150,000. The commissioner shall
17.14 make a good-faith effort to select projects that
17.15 have merit and, when taken together, represent
17.16 a variety of bioenergy technologies, biomass
17.17 feedstocks, and geographic regions of the
17.18 state. Projects must have a qualified engineer
17.19 provide certification on the technology and
17.20 fuel source. Grantees must provide reports at
17.21 the request of the commissioner.

17.22 Of the amount appropriated for the agricultural
17.23 growth, research, and innovation program in
17.24 this subdivision, \$1,000,000 the first year and
17.25 \$1,000,000 the second year are for distribution
17.26 in equal amounts to each of the state's county
17.27 fairs to preserve and promote Minnesota
17.28 agriculture.

17.29 Of the amount appropriated for the agricultural
17.30 growth, research, and innovation program in
17.31 this subdivision, \$500,000 in fiscal year 2016
17.32 and ~~\$1,500,000~~ \$806,000 in fiscal year 2017
17.33 are for incentive payments under Minnesota
17.34 Statutes, sections 41A.16, 41A.17, and
17.35 41A.18. If the appropriation exceeds the total

18.1 amount for which all producers are eligible in
18.2 a fiscal year, the balance of the appropriation
18.3 is available to the commissioner for the
18.4 agricultural growth, research, and innovation
18.5 program. Notwithstanding Minnesota Statutes,
18.6 section 16A.28, the first year appropriation is
18.7 available until June 30, 2017, and the second
18.8 year appropriation is available until June 30,
18.9 2018. The commissioner may use up to 4.5
18.10 percent of the appropriation for administration
18.11 of the incentive payment programs.

18.12 Of the amount appropriated for the agricultural
18.13 growth, research, and innovation program in
18.14 this subdivision, \$250,000 the first year is for
18.15 grants to communities to develop or expand
18.16 food hubs and other alternative
18.17 community-based food distribution systems.

18.18 Of this amount, \$50,000 is for the
18.19 commissioner to consult with existing food
18.20 hubs, alternative community-based food
18.21 distribution systems, and University of
18.22 Minnesota Extension to identify best practices
18.23 for use by other Minnesota communities. No
18.24 later than December 15, 2015, the
18.25 commissioner must report to the legislative
18.26 committees with jurisdiction over agriculture
18.27 and health regarding the status of emerging
18.28 alternative community-based food distribution
18.29 systems in the state along with
18.30 recommendations to eliminate any barriers to
18.31 success. Any unencumbered balance does not
18.32 cancel at the end of the first year and is
18.33 available for the second year. This is a onetime
18.34 appropriation.

19.1 \$250,000 the first year and \$250,000 the
19.2 second year are for grants that enable retail
19.3 petroleum dispensers to dispense biofuels to
19.4 the public in accordance with the biofuel
19.5 replacement goals established under
19.6 Minnesota Statutes, section 239.7911. A retail
19.7 petroleum dispenser selling petroleum for use
19.8 in spark ignition engines for vehicle model
19.9 years after 2000 is eligible for grant money
19.10 under this paragraph if the retail petroleum
19.11 dispenser has no more than 15 retail petroleum
19.12 dispensing sites and each site is located in
19.13 Minnesota. The grant money received under
19.14 this paragraph must be used for the installation
19.15 of appropriate technology that uses fuel
19.16 dispensing equipment appropriate for at least
19.17 one fuel dispensing site to dispense gasoline
19.18 that is blended with 15 percent of
19.19 agriculturally derived, denatured ethanol, by
19.20 volume, and appropriate technical assistance
19.21 related to the installation. A grant award must
19.22 not exceed 85 percent of the cost of the
19.23 technical assistance and appropriate
19.24 technology, including remetering of and
19.25 retrofits for retail petroleum dispensers and
19.26 replacement of petroleum dispenser projects.
19.27 The commissioner may use up to \$35,000 of
19.28 this appropriation for administrative expenses.
19.29 The commissioner shall cooperate with biofuel
19.30 stakeholders in the implementation of the grant
19.31 program. The commissioner must report to
19.32 the legislative committees with jurisdiction
19.33 over agriculture policy and finance by
19.34 February 1 each year, detailing the number of
19.35 grants awarded under this paragraph and the
19.36 projected effect of the grant program on

20.1 meeting the biofuel replacement goals under
 20.2 Minnesota Statutes, section 239.7911. These
 20.3 are onetime appropriations.
 20.4 \$25,000 the first year and \$25,000 the second
 20.5 year are for grants to the Southern Minnesota
 20.6 Initiative Foundation to promote local foods
 20.7 through an annual event that raises public
 20.8 awareness of local foods and connects local
 20.9 food producers and processors with potential
 20.10 buyers.

20.11 **Sec. 6. BASE BUDGET REPORT REQUIRED.**

20.12 No later than October 15, 2018, the commissioner of agriculture must submit a report
 20.13 detailing the agency's base budget, including any prior appropriation riders, to the chairs
 20.14 and ranking minority members of the legislative committees with jurisdiction over agriculture
 20.15 finance.

20.16 **Sec. 7. TRANSFER REQUIRED.**

20.17 Of the amount appropriated from the general fund for transfer to the agricultural
 20.18 emergency account in Laws 2016, chapter 189, article 2, section 2, the commissioner of
 20.19 management and budget must transfer \$450,000 back to the general fund on July 1, 2017.
 20.20 This is a onetime transfer.

20.21 **Sec. 8. APPROPRIATION CANCELLATION.**

20.22 All unspent funds, estimated to be \$694,000, appropriated for the agricultural growth,
 20.23 research, and innovation program and designated for bioeconomy incentive payments under
 20.24 Laws 2015, First Special Session chapter 4, article 1, section 2, subdivision 4, as amended
 20.25 by Laws 2016, chapter 184, section 11, and Laws 2016, chapter 189, article 2, section 26,
 20.26 are canceled to the general fund.

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

20.28 **ARTICLE 2**

20.29 **AGRICULTURAL POLICY**

20.30 Section 1. Minnesota Statutes 2016, section 3.7371, is amended to read:

21.1 **3.7371 COMPENSATION FOR CROP OR FENCE DAMAGE CAUSED BY ELK.**

21.2 Subdivision 1. **Authorization.** Notwithstanding section 3.736, subdivision 3, paragraph
21.3 (e), or any other law, a person who owns an agricultural crop or pasture shall be compensated
21.4 by the commissioner of agriculture for an agricultural crop, or fence surrounding the crop
21.5 or pasture, that is damaged or destroyed by elk as provided in this section.

21.6 Subd. 2. **Claim form.** The ~~crop or pasture~~ owner must prepare a claim on forms provided
21.7 by the commissioner and available at on the county extension agent's office Department of
21.8 Agriculture's Web site or by request from the commissioner. The claim form must be filed
21.9 with the commissioner.

21.10 Subd. 3. **Compensation.** (a) The crop owner is entitled to the target price or the market
21.11 price, whichever is greater, of the damaged or destroyed crop plus adjustments for yield
21.12 loss determined according to agricultural stabilization and conservation service programs
21.13 for individual farms, adjusted annually, as determined by the commissioner, upon
21.14 recommendation of the ~~county extension~~ commissioner's approved agent for the owner's
21.15 county. Verification of fence damage or destruction by elk may be provided by submitting
21.16 photographs or other evidence and documentation together with a statement from an
21.17 independent witness using forms prescribed by the commissioner. The commissioner, upon
21.18 recommendation of the commissioner's approved agent, shall determine whether the crop
21.19 damage or destruction or damage to or destruction of a fence surrounding a crop or pasture
21.20 is caused by elk and, if so, the amount of the crop or fence that is damaged or destroyed. In
21.21 any fiscal year, an owner may not be compensated for a damaged or destroyed crop or fence
21.22 surrounding a crop or pasture that is less than \$100 in value and may be compensated up
21.23 to \$20,000, as determined under this section, if normal harvest procedures for the area are
21.24 followed.

21.25 (b) In any fiscal year, the commissioner may provide compensation for claims filed
21.26 under this section up to the amount expressly appropriated for this purpose.

21.27 Subd. 4. **Insurance deduction.** Payments authorized by this section must be reduced
21.28 by amounts received by the owner as proceeds from an insurance policy covering crop
21.29 losses or damage to or destruction of a fence surrounding a crop or pasture, or from any
21.30 other source for the same purpose including, but not limited to, a federal program.

21.31 Subd. 5. **Decision on claims; opening land to hunting.** If the commissioner finds that
21.32 the ~~crop or pasture~~ owner has shown that the damage or destruction of the owner's crop or
21.33 damage to or destruction of a fence surrounding a crop or pasture was caused more probably
21.34 than not by elk, the commissioner shall pay compensation as provided in this section and

22.1 the rules of the commissioner. ~~A crop~~ An owner who receives compensation under this
 22.2 section may, by written permission, permit hunting on the land at the landowner's discretion.

22.3 Subd. 6. **Denial of claim; appeal.** (a) If the commissioner denies compensation claimed
 22.4 by ~~a crop or pasture~~ an owner under this section, the commissioner shall issue a written
 22.5 decision based upon the available evidence including a statement of the facts upon which
 22.6 the decision is based and the conclusions on the material issues of the claim. A copy of the
 22.7 decision must be mailed to the ~~crop or pasture~~ owner.

22.8 (b) A decision denying compensation claimed under this section is not subject to the
 22.9 contested case review procedures of chapter 14, but ~~a crop or pasture~~ an owner may have
 22.10 the claim reviewed in a trial de novo in a court in the county where the loss occurred. The
 22.11 decision of the court may be appealed as in other civil cases. Review in court may be obtained
 22.12 by filing a petition for review with the administrator of the court within 60 days following
 22.13 receipt of a decision under this section. Upon the filing of a petition, the administrator shall
 22.14 mail a copy to the commissioner and set a time for hearing within 90 days after the filing.

22.15 Subd. 7. **Rules.** The commissioner shall adopt rules and may amend rules to carry out
 22.16 this section. The commissioner may use the expedited rulemaking process in section 14.389
 22.17 to adopt and amend rules authorized in this section. The rules must include:

22.18 (1) methods of valuation of crops damaged or destroyed;

22.19 (2) criteria for determination of the cause of the crop damage or destruction;

22.20 (3) notice requirements by the owner of the damaged or destroyed crop;

22.21 (4) compensation rates for fence damage or destruction that ~~shall include a minimum~~
 22.22 ~~claim of \$75.00 per incident and a maximum of~~ must not exceed \$1,800 per claimant per
 22.23 fiscal year; and

22.24 (5) any other matters determined necessary by the commissioner to carry out this section.

22.25 Subd. 8. **Report.** The commissioner must submit a report to the chairs of the house of
 22.26 representatives and senate committees and divisions with jurisdiction over agriculture and
 22.27 environment and natural resources by December 15 each year that details the total amount
 22.28 of damages paid, by elk herd, in the previous two fiscal years.

22.29 Sec. 2. [17.112] FARM SAFETY WORKING GROUP.

22.30 Subdivision 1. Establishment. The Farm Safety Working Group is established to advise
 22.31 the commissioner and the legislature on farm safety issues and to perform the other duties
 22.32 specified in this section.

- 23.1 Subd. 2. **Membership; appointments; compensation.** (a) The Farm Safety Working
23.2 Group consists of:
- 23.3 (1) the commissioner of agriculture or the commissioner's designee, who must serve as
23.4 the chair;
- 23.5 (2) the commissioner of health or the commissioner's designee;
- 23.6 (3) the commissioner of labor and industry or the commissioner's designee;
- 23.7 (4) a representative of the Minnesota State Colleges and Universities;
- 23.8 (5) a representative of University of Minnesota Extension;
- 23.9 (6) a representative of the University of Minnesota's Upper Midwest Agricultural Safety
23.10 and Health Center;
- 23.11 (7) a representative of the Minnesota Farm Bureau;
- 23.12 (8) a representative of the Minnesota Farmers Union;
- 23.13 (9) a representative of the Minnesota Safety Council;
- 23.14 (10) a representative of the Minnesota-South Dakota Equipment Dealers Association;
- 23.15 (11) a representative of the Minnesota Agriculture Education Leadership Council;
- 23.16 (12) a representative of the Minnesota Council on Latino Affairs;
- 23.17 (13) a representative of the Latino Economic Development Center; and
- 23.18 (14) three citizen members appointed by the commissioner.
- 23.19 (b) Members in paragraph (a), clauses (4) to (13), must be appointed by the specified
23.20 organization and serve at the pleasure of the organization. Members appointed by the
23.21 commissioner serve two-year terms.
- 23.22 (c) Members must serve without compensation.
- 23.23 Subd. 3. **Meetings; staff.** The commissioner must convene meetings as appropriate and
23.24 provide staff to support the working group.
- 23.25 Subd. 4. **Duties.** The working group must serve as a forum to discuss farm safety issues
23.26 and organize a collective effort to improve farm safety in this state. The working group also
23.27 must:
- 23.28 (1) coordinate the work and resources of member organizations;
- 23.29 (2) monitor the impact of farm safety initiatives in Minnesota;

24.1 (3) explore the feasibility and desirability of creating a farm safety certification program
 24.2 to recognize farmers who participate in safety programs and meet safety standards, and
 24.3 identify appropriate financial incentives for participating farmers; and

24.4 (4) increase farmer awareness of the state's workplace safety consultation program.

24.5 Subd. 5. **Expiration.** This section expires June 30, 2021.

24.6 Sec. 3. Minnesota Statutes 2016, section 17.119, subdivision 1, is amended to read:

24.7 Subdivision 1. **Grants; eligibility.** (a) The commissioner must award ~~cost-share~~ grants
 24.8 to Minnesota farmers who retrofit eligible tractors and Minnesota schools that retrofit eligible
 24.9 tractors with eligible rollover protective structures.

24.10 (b) Grants for farmers are limited to 70 percent of the farmer's or school's documented
 24.11 cost to purchase, ship, and install an eligible rollover protective structure. The commissioner
 24.12 must increase the a farmer's grant award amount over the 70 percent grant limitation
 24.13 requirement if necessary to limit a farmer's or school's cost per tractor to no more than \$500.

24.14 (c) Schools are eligible for grants that cover the full amount of a school's documented
 24.15 cost to purchase, ship, and install an eligible rollover protective structure.

24.16 ~~(b)~~ (d) A rollover protective structure is eligible if it meets or exceeds SAE International
 24.17 standard J2194 is certified to appropriate national or international rollover protection structure
 24.18 standards with a seat belt.

24.19 ~~(e)~~ (e) A tractor is eligible if the tractor was built before 1987.

24.20 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2016.

24.21 Sec. 4. Minnesota Statutes 2016, section 17.119, subdivision 2, is amended to read:

24.22 Subd. 2. **Promotion; administration.** The commissioner may spend up to ~~20~~ six percent
 24.23 of total program dollars each fiscal year to promote and administer the program to Minnesota
 24.24 farmers and schools.

24.25 Sec. 5. Minnesota Statutes 2016, section 18.79, subdivision 18, is amended to read:

24.26 Subd. 18. **Noxious weed education and notification.** (a) The commissioner shall
 24.27 disseminate information and conduct educational campaigns with respect to control of
 24.28 noxious weeds or invasive plants to enhance regulatory compliance and voluntary efforts
 24.29 to eliminate or manage these plants. The commissioner shall call and attend meetings and
 24.30 conferences dealing with the subject of noxious weeds. The commissioner shall maintain

25.1 on the department's Web site noxious weed management information including but not
 25.2 limited to the roles and responsibilities of citizens and government entities under sections
 25.3 18.76 to 18.91 and specific guidance as to whom a person should contact to report a noxious
 25.4 weed issue.

25.5 (b) The commissioner shall post notice on the Department of Agriculture's Web site and
 25.6 alert appropriate media outlets when a weed on the eradicate list is confirmed for the first
 25.7 time in a county.

25.8 **Sec. 6. [18B.051] POLLINATOR HABITAT AND RESEARCH ACCOUNT.**

25.9 A pollinator habitat and research account is established in the agricultural fund. Money
 25.10 in the account, including interest, is appropriated to the Board of Regents of the University
 25.11 of Minnesota for pollinator research and outreach including, but not limited to, science-based
 25.12 best practices and the identification and establishment of habitat beneficial to pollinators.

25.13 Sec. 7. Minnesota Statutes 2016, section 28A.081, is amended to read:

25.14 **28A.081 CERTIFICATE FEES.**

25.15 Subdivision 1. Fee. A fee of ~~\$75~~ \$125 for each certificate shall be charged to ~~all food~~
 25.16 ~~establishments that request certificates~~ any person who requests a certificate issued by the
 25.17 Minnesota Department of Agriculture to facilitate the movement of Minnesota processed
 25.18 and manufactured foods destined for export from the state of Minnesota. Certificates include,
 25.19 but are not limited to, a certificate of free sale, certificate of export, certificate of sanitation,
 25.20 sanitary certificate, certificate of origin and/or free sale, certificate of health and/or free
 25.21 sale, sanitation, and purity, certificate of free trade, certificate of free sale, sanitation, purity,
 25.22 and origin, certificate of health, sanitation, purity, and free sale, and letter of plant
 25.23 certification.

25.24 The commissioner shall bill ~~a food establishment~~ the requesting person within seven
 25.25 days after issuing a certificate to the ~~establishment person~~. ~~The operator of the food~~
 25.26 ~~establishment~~ requesting person must submit payment for a certificate within ten days of
 25.27 the billing date. If a certificate fee payment is not received within 15 days of the billing
 25.28 date, the commissioner may not issue any future certificates to the requesting person until
 25.29 previous fees due are paid in full. Fees paid under this section must be deposited in the food
 25.30 certificate account established under subdivision 2 or another account in the agricultural
 25.31 fund if the expenses for the certificate will be paid from that other account.

26.1 Subd. 2. **Food certificate account; appropriation.** A food certificate account is
26.2 established in the agricultural fund. Money in the account, including interest, is appropriated
26.3 to the commissioner for expenses relating to certifying Minnesota processed and
26.4 manufactured foods under chapters 28 to 34A or rules adopted under one of those chapters.

26.5 Sec. 8. Minnesota Statutes 2016, section 41A.12, subdivision 3, is amended to read:

26.6 Subd. 3. **Oversight.** The commissioner, ~~in consultation with the chairs and ranking~~
26.7 ~~minority members of the house of representatives and senate committees with jurisdiction~~
26.8 ~~over agriculture finance,~~ must allocate available appropriated funds among eligible uses as
26.9 provided by law, develop competitive eligibility criteria, and award funds on a needs basis.
26.10 By February 1 each year, the commissioner shall report to the legislature ~~on the allocation~~
26.11 ~~among eligible uses and any financial assistance provided~~ the outcomes achieved under
26.12 this section.

APPENDIX
Article locations in H0895-2

ARTICLE 1 AGRICULTURE APPROPRIATIONS Page.Ln 1.10
ARTICLE 2 AGRICULTURAL POLICY Page.Ln 20.28