

**SENATE  
STATE OF MINNESOTA  
NINETIETH SESSION**

**S.F. No. 780**

**(SENATE AUTHORS: WESTROM)**

<b>DATE</b>	<b>D-PG</b>	<b>OFFICIAL STATUS</b>
02/09/2017	549	Introduction and first reading
		Referred to Agriculture, Rural Development, and Housing Finance
03/23/2017	1645a	Comm report: To pass as amended and re-refer to Finance
03/27/2017	1948a	Comm report: To pass as amended
	1963	Second reading
03/30/2017	2661a	Special Order: Amended
	2669	Third reading Passed
04/06/2017	3140	Returned from House with amendment
	3140	Senate not concur, conference committee of 5 requested
04/18/2017	3170	Senate conferees Westrom; Weber; Goggin; Lang; Eken
04/20/2017	3183	House conferees Hamilton; Anderson, P.; Lueck; Backer; Poppe
05/09/2017		Conference committee report, delete everything
		Senate concurred and repassed bill
		Third reading
		House adopted SCC report and repassed bill
		Presentment date 05/09/17

1.1 A bill for an act

1.2 relating to state government; appropriating money for agriculture and housing

1.3 programs; making changes to programs and policy; establishing a shrimp production

1.4 incentive program; establishing a wolf-livestock conflict prevention pilot program;

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

1.6 1, 2; 18.79, subdivision 18; 18B.03, by adding a subdivision; 41A.20, subdivision

1.7 2; 299F.01, by adding a subdivision; 327C.01, by adding a subdivision; 462A.2035;

1.8 proposing coding for new law in Minnesota Statutes, chapters 41A; 327C; repealing

1.9 Minnesota Statutes 2016, section 41A.20, subdivision 6.

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

1.11 **ARTICLE 1**

1.12 **AGRICULTURE AND RURAL DEVELOPMENT**

1.13 Section 1. **AGRICULTURE APPROPRIATIONS.**

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

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

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

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

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

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

1.20 is fiscal years 2018 and 2019.

	<b><u>APPROPRIATIONS</u></b>	
	<b><u>Available for the Year</u></b>	
	<b><u>Ending June 30</u></b>	
	<b><u>2018</u></b>	<b><u>2019</u></b>
1.21		
1.22		
1.23		
1.24		

1.25 Sec. 2. **DEPARTMENT OF AGRICULTURE**

2.1	<u>Subdivision 1. Total Appropriation</u>		<u>\$ 50,720,000</u>	<u>\$ 50,174,000</u>
2.2	<u>Appropriations by Fund</u>			
2.3		<u>2018</u>	<u>2019</u>	
2.4	<u>General</u>	<u>50,332,000</u>	<u>49,786,000</u>	
2.5	<u>Remediation</u>	<u>388,000</u>	<u>388,000</u>	
2.6	<u>The amounts that may be spent for each</u>			
2.7	<u>purpose are specified in the following</u>			
2.8	<u>subdivisions.</u>			
2.9	<u>Subd. 2. Protection Services</u>		<u>17,041,000</u>	<u>17,041,000</u>
2.10	<u>Appropriations by Fund</u>			
2.11		<u>2018</u>	<u>2019</u>	
2.12	<u>General</u>	<u>16,653,000</u>	<u>16,653,000</u>	
2.13	<u>Remediation</u>	<u>388,000</u>	<u>388,000</u>	
2.14	<u>(a) \$25,000 the first year and \$25,000 the</u>			
2.15	<u>second year are to develop and maintain</u>			
2.16	<u>cottage food license exemption outreach and</u>			
2.17	<u>training materials.</u>			
2.18	<u>(b) \$75,000 the first year and \$75,000 the</u>			
2.19	<u>second year are to coordinate the correctional</u>			
2.20	<u>facility vocational training program.</u>			
2.21	<u>(c) \$388,000 the first year and \$388,000 the</u>			
2.22	<u>second year are from the remediation fund for</u>			
2.23	<u>administrative funding for the voluntary</u>			
2.24	<u>cleanup program.</u>			
2.25	<u>(d) \$175,000 the first year and \$175,000 the</u>			
2.26	<u>second year are for compensation for</u>			
2.27	<u>destroyed or crippled animals under Minnesota</u>			
2.28	<u>Statutes, section 3.737. This appropriation</u>			
2.29	<u>may be spent to compensate for animals that</u>			
2.30	<u>were destroyed or crippled during fiscal year</u>			
2.31	<u>2017. If the amount in the first year is</u>			
2.32	<u>insufficient, the amount in the second year is</u>			
2.33	<u>available in the first year.</u>			

3.1 (e) \$125,000 the first year and \$125,000 the  
3.2 second year are for compensation for crop  
3.3 damage under Minnesota Statutes, section  
3.4 3.7371. If the amount in the first year is  
3.5 insufficient, the amount in the second year is  
3.6 available in the first year.

3.7 If the commissioner determines that claims  
3.8 made under Minnesota Statutes, section 3.737  
3.9 or 3.7371, are unusually high, amounts  
3.10 appropriated for either program may be  
3.11 transferred to the appropriation for the other  
3.12 program.

3.13 (f) \$300,000 the first year and \$300,000 the  
3.14 second year are for deposit in the noxious  
3.15 weed and invasive plant species assistance  
3.16 account established under Minnesota Statutes,  
3.17 section 18.89, to be used to implement the  
3.18 noxious weed grant program under Minnesota  
3.19 Statutes, section 18.90, with preference given  
3.20 to local units of government responding to  
3.21 palmer amaranth or other weeds on the  
3.22 eradicate list. This is a onetime appropriation.

3.23 (g) \$150,000 the first year and \$150,000 the  
3.24 second year are for wolf-livestock conflict  
3.25 prevention grants under section 11. The  
3.26 commissioner must submit a report to the  
3.27 chairs and ranking minority members of the  
3.28 legislative committees with jurisdiction over  
3.29 agriculture policy and finance by January 15,  
3.30 2020, on the outcomes of the wolf-livestock  
3.31 conflict prevention grants and whether  
3.32 livestock compensation claims were reduced  
3.33 in the areas that grants were awarded. This is  
3.34 a onetime appropriation.

4.1 **Subd. 3. Agricultural Marketing and**  
 4.2 **Development**

4,096,000

3,996,000

4.3 (a) The commissioner must provide outreach  
 4.4 to urban farmers regarding the department's  
 4.5 financial and technical assistance programs  
 4.6 and must assist urban farmers in applying for  
 4.7 assistance.

4.8 (b) \$186,000 the first year and \$186,000 the  
 4.9 second year are for transfer to the Minnesota  
 4.10 grown account and may be used as grants for  
 4.11 Minnesota grown promotion under Minnesota  
 4.12 Statutes, section 17.102. Grants may be made  
 4.13 for one year. Notwithstanding Minnesota  
 4.14 Statutes, section 16A.28, the appropriations  
 4.15 encumbered under contract on or before June  
 4.16 30, 2019, for Minnesota grown grants in this  
 4.17 paragraph are available until June 30, 2021.

4.18 (c) \$634,000 the first year and \$634,000 the  
 4.19 second year are for continuation of the dairy  
 4.20 development and profitability enhancement  
 4.21 and dairy business planning grant programs  
 4.22 established under Laws 1997, chapter 216,  
 4.23 section 7, subdivision 2, and Laws 2001, First  
 4.24 Special Session chapter 2, section 9,  
 4.25 subdivision 2. The commissioner may allocate  
 4.26 the available sums among permissible  
 4.27 activities, including efforts to improve the  
 4.28 quality of milk produced in the state, in the  
 4.29 proportions that the commissioner deems most  
 4.30 beneficial to Minnesota's dairy farmers. The  
 4.31 commissioner must submit a detailed  
 4.32 accomplishment report and a work plan  
 4.33 detailing future plans for, and anticipated  
 4.34 accomplishments from, expenditures under  
 4.35 this program to the chairs and ranking minority

5.1 members of the legislative committees with  
 5.2 jurisdiction over agriculture policy and finance  
 5.3 on or before the start of each fiscal year. If  
 5.4 significant changes are made to the plans in  
 5.5 the course of the year, the commissioner must  
 5.6 notify the chairs and ranking minority  
 5.7 members.

5.8 (d) \$100,000 the first year is for grants to  
 5.9 ethnic minority chambers of commerce to  
 5.10 connect immigrants and new American  
 5.11 citizens to farming opportunities in this state.  
 5.12 This is a onetime appropriation and is  
 5.13 available until June 30, 2019.

5.14 (e) The commissioner may use funds  
 5.15 appropriated in this subdivision for annual  
 5.16 cost-share payments to resident farmers or  
 5.17 entities that sell, process, or package  
 5.18 agricultural products in this state for the costs  
 5.19 of organic certification. The commissioner  
 5.20 may allocate these funds for assistance for  
 5.21 persons transitioning from conventional to  
 5.22 organic agriculture.

5.23 **Subd. 4. Agriculture, Bioenergy, and Bioproduct**  
 5.24 **Advancement**

21,860,000

21,860,000

5.25 (a) \$8,500,000 the first year and \$8,500,000  
 5.26 the second year are for transfer to the  
 5.27 agriculture research, education, extension, and  
 5.28 technology transfer account under Minnesota  
 5.29 Statutes, section 41A.14, subdivision 3. Of  
 5.30 these amounts, at least \$600,000 each year is  
 5.31 for the Minnesota Agricultural Experiment  
 5.32 Station's Agriculture Rapid Response Fund  
 5.33 under Minnesota Statutes, section 41A.14,  
 5.34 subdivision 1, clause (2). Of the amount  
 5.35 appropriated in this paragraph, for fiscal years

6.1 2018 and 2019 only, \$1,000,000 each year is  
6.2 for transfer to the Board of Regents of the  
6.3 University of Minnesota for research on avian  
6.4 influenza, including prevention measures that  
6.5 can be taken. Of the amount appropriated in  
6.6 this paragraph, \$2,000,000 each year is for  
6.7 grants to the Minnesota Agriculture Education  
6.8 Leadership Council to enhance agricultural  
6.9 education with priority given to Farm Business  
6.10 Management challenge grants. The  
6.11 commissioner shall transfer the remaining  
6.12 grant funds in this appropriation each year to  
6.13 the Board of Regents of the University of  
6.14 Minnesota for purposes of Minnesota Statutes,  
6.15 section 41A.14. The base budget for  
6.16 agriculture research, extension, and technology  
6.17 transfer for fiscal year 2020 and later is  
6.18 \$7,700,000 each fiscal year.

6.19 To the extent practicable, funds expended  
6.20 under Minnesota Statutes, section 41A.14,  
6.21 subdivision 1, clauses (1) and (2), must  
6.22 supplement and not supplant existing sources  
6.23 and levels of funding. The commissioner may  
6.24 use up to 4.5 percent of this appropriation for  
6.25 costs incurred to administer the program. Any  
6.26 unencumbered balance does not cancel at the  
6.27 end of the first year and is available for the  
6.28 second year.

6.29 (b) \$350,000 the first year and \$350,000 the  
6.30 second year are for grants to the Board of  
6.31 Regents of the University of Minnesota for  
6.32 potato breeding.

6.33 (c) \$450,000 the first year and \$450,000 the  
6.34 second year are for grants to the Board of  
6.35 Regents of the University of Minnesota for

7.1 the cultivated wild rice breeding project at the  
7.2 North Central Research and Outreach Center.

7.3 (d) \$12,535,000 the first year and \$12,535,000  
7.4 the second year are for the agricultural growth,  
7.5 research, and innovation program in  
7.6 Minnesota Statutes, section 41A.12. Grants  
7.7 may be awarded in the following areas:  
7.8 developing new markets for Minnesota  
7.9 farmers; developing urban agriculture;  
7.10 beginning or expanding livestock operations;  
7.11 assisting value-added agricultural businesses  
7.12 to begin or expand; development or expansion  
7.13 of food hubs and other community-based food  
7.14 distribution systems; expanding or improving  
7.15 biofuels infrastructure at the retail and  
7.16 distribution level; farm business management  
7.17 scholarships; and research on bioenergy,  
7.18 biobased content, or biobased formulated  
7.19 products.

7.20 Of the amount appropriated for the agricultural  
7.21 growth, research, and innovation program in  
7.22 Minnesota Statutes, section 41A.12:

7.23 (1) \$1,000,000 the first year and \$1,000,000  
7.24 the second year are for distribution in equal  
7.25 amounts to each of the state's county fairs to  
7.26 preserve and promote Minnesota agriculture;

7.27 (2) \$1,500,000 the first year and \$1,500,000  
7.28 the second year are for incentive payments  
7.29 under Minnesota Statutes, sections 41A.16,  
7.30 41A.17, and 41A.18;

7.31 (3) \$3,000,000 the first year and \$3,000,000  
7.32 the second year are for livestock investment  
7.33 grants under Minnesota Statutes, section  
7.34 17.118;

8.1 (4) \$3,000,000 the first year and \$3,000,000  
8.2 the second year are for value-added agriculture  
8.3 grants;

8.4 (5) \$1,000,000 the first year and \$1,000,000  
8.5 the second year are for grants to install  
8.6 equipment necessary to store or dispense  
8.7 biofuels to the public in order to meet the  
8.8 biofuel requirement goals established under  
8.9 Minnesota Statutes, section 239.7911; and

8.10 (6) \$350,000 the first year and \$350,000 the  
8.11 second year are for grants to expand  
8.12 Minnesota agriculture, including  
8.13 Minnesota-grown hemp, to new markets.

8.14 For value-added agriculture grants under  
8.15 clause (4), the commissioner may award up  
8.16 to two grants of up to \$750,000 per grant for  
8.17 new or expanding livestock product processing  
8.18 facilities or dairy product processing facilities  
8.19 that provide significant economic impact to  
8.20 the region. The remaining value-added  
8.21 agriculture grants are for awards between  
8.22 \$1,000 and \$200,000 per grant. The  
8.23 appropriations in clauses (3), (4), (5), and (6),  
8.24 are onetime. If the appropriation for incentive  
8.25 payments in clause (2) exceeds the total  
8.26 amount for which all producers are eligible in  
8.27 a fiscal year, the balance of the appropriation  
8.28 is available for the agricultural growth,  
8.29 research, and innovation program. Any  
8.30 unencumbered balance does not cancel at the  
8.31 end of the first year and is available for the  
8.32 second year.

8.33 Notwithstanding Minnesota Statutes, section  
8.34 16A.28, the appropriations encumbered under  
8.35 contract before June 30, 2019, under the



10.1 under Minnesota Statutes, section 38.02,  
10.2 subdivision 1. Aid payments to county and  
10.3 district agricultural societies and associations  
10.4 shall be disbursed no later than July 15 of each  
10.5 year. These payments are the amount of aid  
10.6 from the state for an annual fair held in the  
10.7 previous calendar year.

10.8 (b) \$1,000 the first year and \$1,000 the second  
10.9 year are for grants to the Minnesota State  
10.10 Poultry Association.

10.11 (c) \$18,000 the first year and \$18,000 the  
10.12 second year are for grants to the Minnesota  
10.13 Livestock Breeders Association.

10.14 (d) \$47,000 the first year and \$47,000 the  
10.15 second year are for the Northern Crops  
10.16 Institute. These appropriations may be spent  
10.17 to purchase equipment.

10.18 (e) \$200,000 the first year and \$200,000 the  
10.19 second year are for farm advocate services.

10.20 (f) \$17,000 the first year and \$17,000 the  
10.21 second year are for grants to the Minnesota  
10.22 Horticultural Society.

10.23 (g) \$108,000 the first year and \$108,000 the  
10.24 second year are for annual grants to the  
10.25 Minnesota Turf Seed Council for basic and  
10.26 applied research on: (1) the improved  
10.27 production of forage and turf seed related to  
10.28 new and improved varieties; and (2) native  
10.29 plants, including plant breeding, nutrient  
10.30 management, pest management, disease  
10.31 management, yield, and viability. The grant  
10.32 recipient may subcontract with a qualified  
10.33 third party for some or all of the basic or  
10.34 applied research. Any unencumbered balance

11.1 does not cancel at the end of the first year and  
11.2 is available for the second year. This is a  
11.3 onetime appropriation.

11.4 (h) \$113,000 the first year and \$113,000 the  
11.5 second year are for transfer to the Board of  
11.6 Trustees of the Minnesota State Colleges and  
11.7 Universities for statewide mental health  
11.8 counseling support to farm families and  
11.9 business operators. South Central College shall  
11.10 serve as the fiscal agent.

11.11 (i) \$550,000 the first year and \$550,000 the  
11.12 second year are for grants to Second Harvest  
11.13 Heartland on behalf of Minnesota's six  
11.14 Feeding America food banks for the purchase  
11.15 of milk for distribution to Minnesota's food  
11.16 shelves and other charitable organizations that  
11.17 are eligible to receive food from the food  
11.18 banks. Milk purchased under the grants must  
11.19 be acquired from Minnesota milk processors  
11.20 and based on low-cost bids. The milk must be  
11.21 allocated to each Feeding America food bank  
11.22 serving Minnesota according to the formula  
11.23 used in the distribution of United States  
11.24 Department of Agriculture commodities under  
11.25 The Emergency Food Assistance Program  
11.26 (TEFAP). Second Harvest Heartland must  
11.27 submit quarterly reports to the commissioner  
11.28 on forms prescribed by the commissioner. The  
11.29 reports must include, but are not limited to,  
11.30 information on the expenditure of funds, the  
11.31 amount of milk purchased, and the  
11.32 organizations to which the milk was  
11.33 distributed. Second Harvest Heartland may  
11.34 enter into contracts or agreements with food  
11.35 banks for shared funding or reimbursement of

12.1 the direct purchase of milk. Each food bank  
12.2 receiving money from this appropriation may  
12.3 use up to two percent of the grant for  
12.4 administrative expenses. Any unencumbered  
12.5 balance does not cancel at the end of the first  
12.6 year and is available for the second year.

12.7 (j) \$1,100,000 the first year and \$1,100,000  
12.8 the second year are for grants to Second  
12.9 Harvest Heartland on behalf of the six Feeding  
12.10 America food banks that serve Minnesota to  
12.11 compensate agricultural producers and  
12.12 processors for costs incurred to harvest and  
12.13 package for transfer surplus fruits, vegetables,  
12.14 and other agricultural commodities that would  
12.15 otherwise go unharvested, be discarded, or  
12.16 sold in a secondary market. Surplus  
12.17 commodities must be distributed statewide to  
12.18 food shelves and other charitable organizations  
12.19 that are eligible to receive food from the food  
12.20 banks. Surplus food acquired under this  
12.21 appropriation must be from Minnesota  
12.22 producers and processors. Second Harvest  
12.23 Heartland must report when required by, and  
12.24 in the form prescribed by, the commissioner.  
12.25 Second Harvest Heartland may use up to 11  
12.26 percent of any grant received for  
12.27 administrative expenses, and up to four percent  
12.28 of the grant for transportation expenses. Any  
12.29 unencumbered balance does not cancel at the  
12.30 end of the first year and is available for the  
12.31 second year.

12.32 (k) \$150,000 the first year and \$150,000 the  
12.33 second year are for grants to the Center for  
12.34 Rural Policy and Development.

- 13.1 (l) \$235,000 the first year and \$235,000 the  
13.2 second year are for grants to the Minnesota  
13.3 Agricultural Education and Leadership  
13.4 Council for programs of the council under  
13.5 Minnesota Statutes, chapter 41D.
- 13.6 (m) \$600,000 the first year and \$600,000 the  
13.7 second year are for grants to the Board of  
13.8 Regents of the University of Minnesota to  
13.9 develop, in consultation with the  
13.10 commissioner of agriculture and the Board of  
13.11 Animal Health, a software tool or application  
13.12 through the Veterinary Diagnostic Laboratory  
13.13 that empowers veterinarians and producers to  
13.14 understand the movement of unique pathogen  
13.15 strains in livestock and poultry production  
13.16 systems, monitor antibiotic resistance, and  
13.17 implement effective biosecurity measures that  
13.18 promote animal health and limit production  
13.19 losses. This is a onetime appropriation.
- 13.20 (n) \$150,000 the first year is for tractor  
13.21 rollover protection grants under Minnesota  
13.22 Statutes, section 17.119. This is a onetime  
13.23 appropriation and is available until June 30,  
13.24 2019.
- 13.25 (o) \$296,000 the first year is for a grant to the  
13.26 Board of Regents of the University of  
13.27 Minnesota to fund the Forever Green  
13.28 Agriculture initiative to protect the state's  
13.29 natural resources while increasing the  
13.30 efficiency, profitability, and productivity of  
13.31 Minnesota farmers by incorporating perennial  
13.32 and winter annual crops into existing  
13.33 agricultural practices. This is a onetime  
13.34 appropriation and is available until June 30,  
13.35 2021.

14.1 By January 15, 2018, the commissioner shall  
 14.2 submit a report to the chairs and ranking  
 14.3 minority members of the legislative  
 14.4 committees with jurisdiction over agricultural  
 14.5 policy and finance with a list of inspections  
 14.6 the department conducts at more frequent  
 14.7 intervals than federal law requires, an  
 14.8 explanation of why the additional inspections  
 14.9 are necessary, and provide recommendations  
 14.10 for eliminating any unnecessary inspections.

14.11 Sec. 3. **BOARD OF ANIMAL HEALTH**                   \$        5,384,000 \$        5,384,000

14.12 Sec. 4. **AGRICULTURAL UTILIZATION**  
 14.13 **RESEARCH INSTITUTE**                                 \$        3,793,000 \$        3,793,000

14.14 Sec. 5. Minnesota Statutes 2016, section 17.119, subdivision 1, is amended to read:

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

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

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

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

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

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

15.1 Sec. 6. Minnesota Statutes 2016, section 17.119, subdivision 2, is amended to read:

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

15.5 Sec. 7. Minnesota Statutes 2016, section 18.79, subdivision 18, is amended to read:

15.6 Subd. 18. **Noxious weed education and notification.** (a) The commissioner shall  
15.7 disseminate information and conduct educational campaigns with respect to control of  
15.8 noxious weeds or invasive plants to enhance regulatory compliance and voluntary efforts  
15.9 to eliminate or manage these plants. The commissioner shall call and attend meetings and  
15.10 conferences dealing with the subject of noxious weeds. The commissioner shall maintain  
15.11 on the department's Web site noxious weed management information including but not  
15.12 limited to the roles and responsibilities of citizens and government entities under sections  
15.13 18.76 to 18.91 and specific guidance as to whom a person should contact to report a noxious  
15.14 weed issue.

15.15 (b) The commissioner shall post notice on the commissioner's Web site and in appropriate  
15.16 agricultural media when a weed on the eradicate list is confirmed for the first time in a  
15.17 county. The commissioner shall work with stakeholders, including the Board of Water and  
15.18 Soil Resources, the commissioner of natural resources, soil and water conservation districts,  
15.19 University of Minnesota Extension, county agricultural inspectors, and local weed inspectors  
15.20 to eradicate the weed in Minnesota.

15.21 Sec. 8. Minnesota Statutes 2016, section 18B.03, is amended by adding a subdivision to  
15.22 read:

15.23 Subd. 5. **Label compliance.** Unless explicitly required by the FIFRA, the commissioner  
15.24 must not require an applicator to demonstrate label compliance or need prior to applying a  
15.25 pesticide.

15.26 Sec. 9. Minnesota Statutes 2016, section 41A.20, subdivision 2, is amended to read:

15.27 Subd. 2. **Eligibility.** (a) A facility eligible for payment under this section must source  
15.28 at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or less from  
15.29 the state border, raw materials may be sourced from within a 100-mile radius. Raw materials  
15.30 must be from forest resources. The facility must be located in Minnesota, must begin  
15.31 production at a specific location by June 30, 2025, and must not begin operating before July  
15.32 1, ~~2017~~ 2019. Eligible facilities include existing companies and facilities that are adding

16.1 siding production capacity, or retrofitting existing capacity, as well as new companies and  
16.2 facilities. Eligible siding production facilities must produce at least 200,000,000 siding  
16.3 square feet on a 3/8 inch nominal basis of siding each year.

16.4 (b) No payments shall be made for siding production that occurs after June 30, 2035,  
16.5 for those eligible producers under paragraph (a).

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

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

16.10 Sec. 10. [41A.21] SHRIMP PRODUCTION INCENTIVE.

16.11 Subdivision 1. Definitions. (a) For the purposes of this section, the terms defined in this  
16.12 subdivision have the meanings given them.

16.13 (b) "Commissioner" means the commissioner of agriculture.

16.14 (c) "Feed" means pelletized material produced from agricultural sources.

16.15 Subd. 2. Eligibility. (a) A facility eligible for payment under this section must acquire  
16.16 at least 80 percent of feed from Minnesota. The facility must be located in Minnesota, must  
16.17 begin production at a specific location by June 30, 2025, and must not begin production  
16.18 before July 1, 2019. Eligible facilities include existing companies and facilities that are  
16.19 adding shrimp production capacity, or retrofitting existing capacity, as well as new companies  
16.20 and facilities. Eligible shrimp production facilities must produce at least 25,000 pounds of  
16.21 shrimp each quarter.

16.22 (b) No payments shall be made for shrimp production that occurs after June 30, 2030,  
16.23 for those eligible producers under paragraph (a).

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

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

16.28 Subd. 3. Payment amounts; limits. (a) The commissioner shall make payments to  
16.29 eligible producers of shrimp. The amount of the payment for each eligible producer's  
16.30 quarterly production is 69 cents per pound of shrimp produced at a specific location for five  
16.31 years after the start of production.

17.1 (b) Total payments under this section to an eligible shrimp producer in a quarter may  
 17.2 not exceed the amount necessary for 2,000,000 pounds of shrimp produced. Total payments  
 17.3 under this section to all eligible shrimp producers in a quarter may not exceed \$1,250,000.  
 17.4 If the total amount for which all shrimp producers are eligible in a quarter exceeds the  
 17.5 amount available for payments, the commissioner shall award payments on a pro rata basis  
 17.6 within the limits of available funding.

17.7 (c) For purposes of this section, an entity that holds a controlling interest in more than  
 17.8 one shrimp facility is considered a single eligible producer.

17.9 Subd. 4. **Claims.** (a) By the last day of October, January, April, and July, each eligible  
 17.10 shrimp producer shall file a claim for payment for shrimp production during the preceding  
 17.11 three calendar months. An eligible shrimp producer that files a claim under this subdivision  
 17.12 shall include a statement of the eligible producer's total pounds of shrimp produced during  
 17.13 the quarter covered by the claim. For each claim and statement of total pounds of shrimp  
 17.14 filed under this subdivision, the pounds of shrimp produced must be examined by a certified  
 17.15 public accounting firm with a valid permit to practice under chapter 326A, in accordance  
 17.16 with Statements on Standards for Attestation Engagements established by the American  
 17.17 Institute of Certified Public Accountants.

17.18 (b) The commissioner must issue payments by November 15, February 15, May 15, and  
 17.19 August 15. A separate payment must be made for each claim filed.

17.20 Subd. 5. **Report.** By January 15 each year, the commissioner shall report on the program  
 17.21 under this section to the legislative committees with jurisdiction over agricultural policy  
 17.22 and finance. The report shall include information on production and incentive expenditures  
 17.23 under the program.

17.24 Sec. 11. **WOLF-LIVESTOCK CONFLICT PREVENTION PILOT PROGRAM.**

17.25 (a) The commissioner of agriculture may award grants to livestock producers to prevent  
 17.26 wolf-livestock conflicts. Livestock producers located in Minnesota are eligible to apply for  
 17.27 reimbursement for the cost of practices to prevent wolf-livestock conflicts. The commissioner  
 17.28 may establish a cap on the amount a recipient may receive annually.

17.29 (b) To be eligible for the grant under this section, a livestock producer must raise livestock  
 17.30 within Minnesota's wolf range or on property determined by the commissioner to be affected  
 17.31 by wolf-livestock conflicts.

17.32 (c) Eligible wolf-livestock conflict prevention activities include, but are not limited to:

17.33 (1) the purchase of guard animals;

- 18.1 (2) veterinary costs for guard animals;
- 18.2 (3) the installation of wolf barriers; wolf barriers may include pens, fladry, and fencing;
- 18.3 (4) the installation of wolf-detering lights and alarms; and
- 18.4 (5) calving or lambing shelters.
- 18.5 (d) Eligible grant recipients must:
- 18.6 (1) make a good-faith effort to avoid wolf-livestock conflicts;
- 18.7 (2) make a good-faith effort to care for guard animals paid for under this section;
- 18.8 (3) retain proper documentation of expenses;
- 18.9 (4) report annually to the commissioner on the effectiveness of the nonlethal methods
- 18.10 employed; and
- 18.11 (5) allow follow-up evaluation and monitoring by the commissioner.
- 18.12 (e) Grant recipients shall continue to be eligible for depredation payments under
- 18.13 Minnesota Statutes, section 3.737.

18.14 Sec. 12. **REPEALER.**

18.15 Minnesota Statutes 2016, section 41A.20, subdivision 6, is repealed.

18.16 **ARTICLE 2**

18.17 **HOUSING**

18.18 Section 1. **HOUSING APPROPRIATIONS.**

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

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

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

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

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

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

18.25 is fiscal years 2018 and 2019.

18.26	<b><u>APPROPRIATIONS</u></b>	
18.27	<b><u>Available for the Year</u></b>	
18.28	<b><u>Ending June 30</u></b>	
18.29	<b><u>2018</u></b>	<b><u>2019</u></b>

18.30 Sec. 2. **HOUSING FINANCE AGENCY**



20.1 increase the maximum amount if the cost of  
 20.2 repair or replacement of the residential  
 20.3 property exceeds the total of the maximum  
 20.4 loan amount and any assistance available from  
 20.5 FEMA, other federal government agencies,  
 20.6 including the Small Business Administration,  
 20.7 and private insurance and flood insurance  
 20.8 benefits.

20.9 (b)(1) \$600,000 each year is for housing in  
 20.10 communities and regions that have: low  
 20.11 housing vacancy rates; cooperatively  
 20.12 developed a plan that identifies current and  
 20.13 future housing needs; evidence of anticipated  
 20.14 job expansion; are located outside the  
 20.15 metropolitan area as defined in Minnesota  
 20.16 Statutes, section 473.121, subdivision 2; and  
 20.17 have a significant portion of area employees  
 20.18 who commute more than 30 miles between  
 20.19 their residence and their employment;

20.20 (2) among comparable housing proposals,  
 20.21 preference must be given to proposals that:  
 20.22 include a meaningful contribution from area  
 20.23 employers that reduces the need for deferred  
 20.24 loan or grant funds from state resources; or  
 20.25 provide housing opportunities for an expanded  
 20.26 range of household incomes within a  
 20.27 community or that provide housing  
 20.28 opportunities for a wide range of incomes  
 20.29 within the development; and

20.30 (3) Notwithstanding Minnesota Statutes,  
 20.31 section 462A.33, subdivision 5, or other law  
 20.32 to the contrary, this appropriation is not  
 20.33 subject to income limitations for occupants.

20.34 **Subd. 3. Housing Trust Fund**

11,646,000

11,646,000

21.1	<u>This appropriation is for deposit in the housing</u>		
21.2	<u>trust fund account created under Minnesota</u>		
21.3	<u>Statutes, section 462A.201, and may be used</u>		
21.4	<u>for the purposes provided in that section.</u>		
21.5	<b><u>Subd. 4. Rental Assistance for Mentally Ill</u></b>	<u>4,088,000</u>	<u>4,088,000</u>
21.6	<u>This appropriation is for the rental housing</u>		
21.7	<u>assistance program for persons with a mental</u>		
21.8	<u>illness or families with an adult member with</u>		
21.9	<u>a mental illness under Minnesota Statutes,</u>		
21.10	<u>section 462A.2097. Among comparable</u>		
21.11	<u>proposals, the agency shall prioritize those</u>		
21.12	<u>proposals that target, in part, eligible persons</u>		
21.13	<u>who desire to move to more integrated,</u>		
21.14	<u>community-based settings.</u>		
21.15	<b><u>Subd. 5. Family Homeless Prevention</u></b>	<u>8,519,000</u>	<u>8,519,000</u>
21.16	<u>This appropriation is for the family homeless</u>		
21.17	<u>prevention and assistance programs under</u>		
21.18	<u>Minnesota Statutes, section 462A.204.</u>		
21.19	<b><u>Subd. 6. Home Ownership Assistance Fund</u></b>	<u>885,000</u>	<u>885,000</u>
21.20	<u>This appropriation is for the home ownership</u>		
21.21	<u>assistance program under Minnesota Statutes,</u>		
21.22	<u>section 462A.21, subdivision 8. The base</u>		
21.23	<u>amount for fiscal year 2020 and later is</u>		
21.24	<u>\$1,385,000 each fiscal year.</u>		
21.25	<b><u>Subd. 7. Affordable Rental Investment Fund</u></b>	<u>4,218,000</u>	<u>4,218,000</u>
21.26	<u>(a) This appropriation is for the affordable</u>		
21.27	<u>rental investment fund program under</u>		
21.28	<u>Minnesota Statutes, section 462A.21,</u>		
21.29	<u>subdivision 8b, to finance the acquisition,</u>		
21.30	<u>rehabilitation, and debt restructuring of</u>		
21.31	<u>federally assisted rental property and for</u>		
21.32	<u>making equity take-out loans under Minnesota</u>		
21.33	<u>Statutes, section 462A.05, subdivision 39.</u>		

22.1 (b) The owner of federally assisted rental  
 22.2 property must agree to participate in the  
 22.3 applicable federally assisted housing program  
 22.4 and to extend any existing low-income  
 22.5 affordability restrictions on the housing for  
 22.6 the maximum term permitted. The owner must  
 22.7 also enter into an agreement that gives local  
 22.8 units of government, housing and  
 22.9 redevelopment authorities, and nonprofit  
 22.10 housing organizations the right of first refusal  
 22.11 if the rental property is offered for sale.  
 22.12 Priority must be given among comparable  
 22.13 federally assisted rental properties to  
 22.14 properties with the longest remaining term  
 22.15 under an agreement for federal assistance.  
 22.16 Priority must also be given among comparable  
 22.17 rental housing developments to developments  
 22.18 that are or will be owned by local government  
 22.19 units, a housing and redevelopment authority,  
 22.20 or a nonprofit housing organization.

22.21 (c) The appropriation also may be used to  
 22.22 finance the acquisition, rehabilitation, and debt  
 22.23 restructuring of existing supportive housing  
 22.24 properties. For purposes of this paragraph,  
 22.25 "supportive housing" means affordable rental  
 22.26 housing with links to services necessary for  
 22.27 individuals, youth, and families with children  
 22.28 to maintain housing stability.

22.29 **Subd. 8. Housing Rehabilitation**

22.30 This appropriation is for the housing  
 22.31 rehabilitation program under Minnesota  
 22.32 Statutes, section 462A.05, subdivision 14. Of  
 22.33 this amount, \$2,772,000 each year is for the  
 22.34 rehabilitation of owner-occupied housing and  
 22.35 \$3,143,000 each year is for the rehabilitation

5,915,0005,915,000

23.1 of eligible rental housing. In administering a  
 23.2 rehabilitation program for rental housing, the  
 23.3 agency may apply the processes and priorities  
 23.4 adopted for administration of the economic  
 23.5 development and housing challenge program  
 23.6 under Minnesota Statutes, section 462A.33.

23.7 **Subd. 9. Manufactured Home Park**  
 23.8 **Infrastructure Grants**

500,000

500,000

23.9 This appropriation is for manufactured home  
 23.10 park infrastructure grants under Minnesota  
 23.11 Statutes, section 462A.2035, subdivision 1b.  
 23.12 This is a onetime appropriation and is  
 23.13 available until June 30, 2021.

23.14 **Subd. 10. Homeownership Education,**  
 23.15 **Counseling, and Training**

857,000

857,000

23.16 This appropriation is for the homeownership  
 23.17 education, counseling, and training program  
 23.18 under Minnesota Statutes, section 462A.209.  
 23.19 Build Wealth MN shall be eligible for a grant  
 23.20 under this subdivision.

23.21 **Subd. 11. Capacity-Building Grants**

645,000

645,000

23.22 This appropriation is for nonprofit  
 23.23 capacity-building grants under Minnesota  
 23.24 Statutes, section 462A.21, subdivision 3b. Of  
 23.25 this amount, \$125,000 each year is for support  
 23.26 of the Homeless Management Information  
 23.27 System (HMIS).

23.28 Sec. 3. Minnesota Statutes 2016, section 299F.01, is amended by adding a subdivision to  
 23.29 read:

23.30 **Subd. 4. Mandatory fire sprinklers prohibited.** (a) The State Building Code, the State  
 23.31 Fire Code, or a political subdivision of the state by code or ordinance, must not require the  
 23.32 installation of fire sprinklers, any fire sprinkler system components, or automatic  
 23.33 fire-extinguishing equipment or devices in any new or existing single-family detached

24.1 dwelling unit, two-family dwelling unit, townhome, or accessory structure such as a garage,  
 24.2 covered patio, deck, porch, storage shed, or similar structure.

24.3 (b) This subdivision does not affect or limit a requirement for smoke or fire detectors,  
 24.4 alarms, or their components.

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

24.6 Sec. 4. Minnesota Statutes 2016, section 327C.01, is amended by adding a subdivision to  
 24.7 read:

24.8 Subd. 13. **Class I manufactured home park.** A "Class I manufactured home park"  
 24.9 means a park that complies with the provisions of section 327C.16.

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

24.11 Sec. 5. **[327C.16] CLASS I MANUFACTURED HOME PARK.**

24.12 Subdivision 1. **Qualifications.** (a) To qualify as a Class I manufactured home park, as  
 24.13 defined in section 327C.01, subdivision 12, a park owner, or on-site attendant as an employee  
 24.14 of the manufactured home park, must satisfy 12 hours of qualifying education courses every  
 24.15 three years, as prescribed in this subdivision. Park owners or on-site attendants may begin  
 24.16 accumulating qualifying hours to qualify as a Class I manufactured home park beginning  
 24.17 in 2017.

24.18 (b) The qualifying education courses required for classification under this subdivision  
 24.19 must be continuing education courses approved by the Department of Labor and Industry  
 24.20 or the Department of Commerce for:

24.21 (1) continuing education in real estate; or

24.22 (2) continuing education for residential contractors and manufactured home installers.

24.23 (c) The qualifying education courses must include:

24.24 (1) two hours on fair housing, approved for real estate licensure or residential contractor  
 24.25 licensure;

24.26 (2) one hour on the American with Disabilities Act, approved for real estate licensure  
 24.27 or residential contractor licensure;

24.28 (3) four hours on legal compliance related to any of the following: landlord/tenant,  
 24.29 licensing requirements, or home financing under chapters 58, 327, 327B, 327C, and 504B  
 24.30 and Minnesota Rules, chapter 1350 or 4630;

25.1 (4) three hours of general education approved for real estate, residential contractors, or  
 25.2 manufactured home installers; and

25.3 (5) two hours of HUD-specific manufactured home installer courses as required under  
 25.4 section 327B.041.

25.5 (d) If the qualifying owner or employee attendant is no longer the person meeting the  
 25.6 requirements under this subdivision, but did qualify during the current assessment year,  
 25.7 then the manufactured home park shall still qualify for the class rate provided for class 4c  
 25.8 property classified under section 273.13, subdivision 25, paragraph (d), clause (5), item  
 25.9 (iii).

25.10 Subd. 2. **Proof of compliance.** (a) A park owner that has met the requirements of  
 25.11 subdivision 1 shall provide an affidavit to its county assessor certifying that the park owner  
 25.12 or on-site manager has complied with subdivision 1 and that the park meets the definition  
 25.13 of a Class I manufactured home park, and is entitled to the property tax classification rate  
 25.14 for Class I manufactured home parks in section 273.13, subdivision 25.

25.15 (b) A park owner is required to provide the county assessor notice of any change in  
 25.16 status of the manufactured home park no later than December 15 of the assessment year.

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

25.18 Sec. 6. Minnesota Statutes 2016, section 462A.2035, is amended to read:

25.19 **462A.2035 MANUFACTURED HOME PARK REDEVELOPMENT PROGRAM.**

25.20 Subdivision 1. **Establishment.** The agency shall establish a manufactured home park  
 25.21 redevelopment program for the purpose of making manufactured home park redevelopment  
 25.22 grants or loans to cities, counties, ~~or~~ community action programs, nonprofit organizations,  
 25.23 and cooperatives created under chapter 308A or 308B.

25.24 Subd. 1a. **Individual assistance grants.** ~~Cities, counties, and community action programs~~  
 25.25 Eligible recipients may use individual assistance grants and loans under this program to:

25.26 (1) provide current residents of manufactured home parks with buy-out assistance not  
 25.27 to exceed \$4,000 per home with preference given to older manufactured homes; and

25.28 (2) provide down-payment assistance for the purchase of new and preowned manufactured  
 25.29 homes that comply with the current version of the State Building Code in effect at the time  
 25.30 of the sale, not to exceed \$10,000 per home; ~~and.~~

25.31 ~~(3) make improvements in manufactured home parks as requested by the grant recipient.~~

26.1 Subd. 1b. **Park infrastructure grants.** Eligible recipients may use park infrastructure  
 26.2 grants under this program for:

26.3 (1) improvements in manufactured home parks; and

26.4 (2) infrastructure, including storm shelters and community facilities.

26.5 Subd. 2. **Eligibility requirements.** For individual assistance grants under subdivision  
 26.6 1a, households assisted ~~under this section~~ must have an annual household income at or  
 26.7 below 80 percent of the area median household income. Cities, counties, or community  
 26.8 action programs receiving funds under the program must give preference to households at  
 26.9 or below 50 percent of the area median household income. Participation in the program is  
 26.10 voluntary and no park resident shall be required to participate.

26.11 Subd. 3. **Statewide program.** The agency shall attempt to make grants and loans in  
 26.12 approximately equal amounts to applicants outside and within the metropolitan area. Grants  
 26.13 and loans under this section shall be provided in a manner consistent with the agency's  
 26.14 policies and purposes in section 462A.02.

26.15 Subd. 4. **Infrastructure repair and replacement fund.** Each recipient receiving a grant  
 26.16 under subdivision 1b shall provide from year-to-year, on a cumulative basis, for adequate  
 26.17 reserve funds to cover the repair and replacement of the private infrastructure systems  
 26.18 serving the community.

26.19 Sec. 7. **MINNESOTA HOUSING FINANCE AGENCY REPORT.**

26.20 By February 1, 2018, and February 1, 2019, the Housing Finance Agency shall provide  
 26.21 to the chairs and ranking minority members of the house of representatives and senate  
 26.22 committees with jurisdiction over the agency:

26.23 (1) a draft and final version of its affordable housing plan before and after it has been  
 26.24 submitted to the agency board for consideration; and

26.25 (2) a report on the actual and anticipated funds available within the Housing Affordability  
 26.26 Fund, or Pool 3, and the actual and anticipated uses of those funds.

APPENDIX  
Article locations in S0780-3

ARTICLE 1	AGRICULTURE AND RURAL DEVELOPMENT .....	Page.Ln 1.11
ARTICLE 2	HOUSING .....	Page.Ln 18.16

APPENDIX  
Repealed Minnesota Statutes: S0780-3

**41A.20 SIDING PRODUCTION INCENTIVE.**

Subd. 6. **Appropriation.** A sum sufficient to make the payments required by this section, not to exceed \$3,000,000 in a fiscal year, is annually appropriated from the general fund to the commissioner.