

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 2741

| (SENATE AUTHORS: PUTNAM) | | |
|--------------------------|------|---|
| DATE | D-PG | OFFICIAL STATUS |
| 03/08/2023 | 1436 | Introduction and first reading |
| | | Referred to Agriculture, Broadband, and Rural Development |
| 03/23/2023 | 2255 | Comm report: To pass and re-referred to Finance |

1.1

A bill for an act

1.2

relating to state government; establishing a budget for the Department of

1.3

Agriculture, the Board of Animal Health, the Agricultural Utilization Research

1.4

Institute, and the Office of Broadband Development; transferring money to the

1.5

border-to-border broadband fund account; making policy and technical changes

1.6

to agriculture provisions; modifying fees; creating accounts; requiring reports;

1.7

providing civil penalties; appropriating money; amending Minnesota Statutes

1.8

2022, sections 17.055, subdivision 1, by adding subdivisions; 17.116, subdivision

1.9

3; 18B.01, subdivision 2b, by adding a subdivision; 18B.051; 18B.055; 18C.425,

1.10

subdivision 6; 18H.02, by adding a subdivision; 18H.03, subdivision 6; 18H.05;

1.11

18H.07, by adding subdivisions; 18H.08, subdivision 2; 18H.09; 18H.13,

1.12

subdivision 3; 18H.15; 25.39, subdivision 1; 28A.08, by adding a subdivision;

1.13

28A.082, subdivision 1; 28A.09, by adding a subdivision; 41A.12, subdivision 4;

1.14

41A.21, subdivision 6; 116J.395, subdivision 7; 223.16, by adding a subdivision;

1.15

223.17, subdivisions 7, 7a; 223.175; 223.19; 232.22, subdivision 5; Laws 2021,

1.16

First Special Session chapter 3, article 1, section 2, subdivision 5, as amended;

1.17

proposing coding for new law in Minnesota Statutes, chapters 17; 223; repealing

1.18

Minnesota Statutes 2022, sections 17.055, subdivision 2; 18H.02, subdivisions

1.19

21, 22, 23; 18H.07, subdivisions 2, 3; 35.156, subdivision 2.

1.20

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

1.21

ARTICLE 1

1.22

APPROPRIATIONS

1.23

Section 1. AGRICULTURE APPROPRIATIONS.

1.24

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

1.25

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

1.26

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

1.27

The figures "2024" and "2025" used in this article mean that the appropriations listed under

1.28

them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively.

2.1 "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium"
2.2 is fiscal years 2024 and 2025.

| | | |
|-----|--------------------------------------|--------------------|
| 2.3 | <u>APPROPRIATIONS</u> | |
| 2.4 | <u>Available for the Year</u> | |
| 2.5 | <u>Ending June 30</u> | |
| 2.6 | <u>2024</u> | <u>2025</u> |

2.7 **Sec. 2. DEPARTMENT OF AGRICULTURE**

2.8 **Subdivision 1. Total Appropriation** **\$ 85,720,000 \$ 77,390,000**

| | | |
|------|-------------------------------|------------------------------|
| 2.9 | <u>Appropriations by Fund</u> | |
| 2.10 | <u>2024</u> | <u>2025</u> |
| 2.11 | <u>General</u> | <u>85,321,000 76,991,000</u> |
| 2.12 | <u>Remediation</u> | <u>399,000 399,000</u> |

2.13 The amounts that may be spent for each
2.14 purpose are specified in the following
2.15 subdivisions.

2.16 **Subd. 2. Protection Services**

| | | |
|------|-------------------------------|------------------------------|
| 2.17 | <u>Appropriations by Fund</u> | |
| 2.18 | <u>2024</u> | <u>2025</u> |
| 2.19 | <u>General</u> | <u>29,717,000 21,590,000</u> |
| 2.20 | <u>Remediation</u> | <u>399,000 399,000</u> |

2.21 (a) \$399,000 the first year and \$399,000 the
2.22 second year are from the remediation fund for
2.23 administrative funding for the voluntary
2.24 cleanup program.

2.25 (b) \$2,000,000 the first year and \$2,000,000
2.26 the second year are for the soil health financial
2.27 assistance program. The commissioner may
2.28 use up to 6.5 percent of this appropriation for
2.29 costs incurred to administer the program. This
2.30 is a onetime appropriation. Any unencumbered
2.31 balance does not cancel at the end of the first
2.32 year and is available in the second year.

2.33 Appropriations encumbered under contract on
2.34 or before June 30, 2025, for soil health

- 3.1 financial assistance grants are available until
3.2 June 30, 2027.
- 3.3 (c) \$100,000 the first year and \$100,000 the
3.4 second year are transferred from the general
3.5 fund to the pollinator research account
3.6 established under Minnesota Statutes, section
3.7 18B.051.
- 3.8 (d) \$400,000 the first year and \$400,000 the
3.9 second year are for transfer to the noxious
3.10 weed and invasive plant species assistance
3.11 account in the agricultural fund to award
3.12 grants to local units of government and Tribal
3.13 Nations under Minnesota Statutes, section
3.14 18.90.
- 3.15 (e) \$175,000 the first year and \$175,000 the
3.16 second year are for compensation for
3.17 destroyed or crippled livestock under
3.18 Minnesota Statutes, section 3.737. The first
3.19 year appropriation may be spent to compensate
3.20 for livestock that were destroyed or crippled
3.21 during fiscal year 2023. If the amount in the
3.22 first year is insufficient, the amount in the
3.23 second year is available in the first year. The
3.24 commissioner may use up to \$5,000 each year
3.25 to reimburse expenses incurred by university
3.26 extension educators to provide fair market
3.27 values of destroyed or crippled livestock. If
3.28 the commissioner receives federal dollars to
3.29 pay claims for destroyed or crippled livestock,
3.30 an equivalent amount of this appropriation
3.31 may be used to reimburse nonlethal prevention
3.32 methods performed by federal wildlife services
3.33 staff.
- 3.34 (f) \$155,000 the first year and \$155,000 the
3.35 second year are for compensation for crop

4.1 damage under Minnesota Statutes, section
4.2 3.7371. If the amount in the first year is
4.3 insufficient, the amount in the second year is
4.4 available in the first year. The commissioner
4.5 may use up to \$10,000 of the appropriation
4.6 each year to reimburse expenses incurred by
4.7 the commissioner or the commissioner's
4.8 approved agent to investigate and resolve
4.9 claims, as well as for costs associated with
4.10 training for approved agents. The
4.11 commissioner may use up to \$20,000 of the
4.12 appropriation each year to make grants to
4.13 producers for measures to protect stored crops
4.14 from elk damage. If the commissioner
4.15 determines that claims made under Minnesota
4.16 Statutes, section 3.737 or 3.7371, are
4.17 unusually high, amounts appropriated for
4.18 either program may be transferred to the
4.19 appropriation for the other program.

4.20 (g) \$5,000,000 the first year is for transfer to
4.21 the grain indemnity account to pay valid
4.22 claims for unpaid grain transactions. This is a
4.23 onetime appropriation and transfer.

4.24 (h) \$825,000 the first year and \$825,000 the
4.25 second year are to replace capital equipment
4.26 in the Department of Agriculture's analytical
4.27 laboratory. The base for fiscal year 2026 and
4.28 thereafter is \$825,000.

4.29 (i) \$75,000 the first year and \$75,000 the
4.30 second year are to support a meat processing
4.31 liaison position to assist new or existing meat
4.32 and poultry processing operations in getting
4.33 started, expanding, growing, or transitioning
4.34 into new business models.

5.1 (j) \$1,862,000 the first year and \$2,562,000
5.2 the second year are additional funding to
5.3 maintain the current level of service delivery
5.4 for programs under this subdivision.

5.5 **Subd. 3. Agricultural Marketing and**
5.6 **Development**

5,374,000

7,005,000

5.7 (a) \$150,000 the first year and \$150,000 the
5.8 second year are to expand international trade
5.9 opportunities and markets for Minnesota
5.10 agricultural products.

5.11 (b) \$261,000 the first year and \$261,000 the
5.12 second year are for transfer to the Minnesota
5.13 grown account and may be used as grants for
5.14 Minnesota grown promotion under Minnesota
5.15 Statutes, section 17.102. Of this amount,
5.16 \$75,000 the first year and \$75,000 the second
5.17 year are for the promotion of locally raised
5.18 and processed meat, poultry, eggs, milk, and
5.19 livestock products. Notwithstanding
5.20 Minnesota Statutes, section 16A.28, the
5.21 appropriations encumbered under contract on
5.22 or before June 30, 2025, for Minnesota grown
5.23 grants in this paragraph are available until June
5.24 30, 2027.

5.25 (c) \$634,000 the first year and \$634,000 the
5.26 second year are for continuation of the dairy
5.27 development and profitability enhancement
5.28 programs including dairy profitability teams
5.29 and dairy business planning grants under
5.30 Minnesota Statutes, section 32D.30.

5.31 (d) \$250,000 the first year and \$250,000 the
5.32 second year are for mental health outreach and
5.33 support to farmers, ranchers, and others in the
5.34 agricultural community and for farm safety
5.35 grant and outreach programs under Minnesota

6.1 Statutes, section 17.1195. Mental health
6.2 outreach and support may include a 24-hour
6.3 hotline, stigma reduction, and education. Of
6.4 this amount, up to \$100,000 each year is for
6.5 a grant to the Minnesota FFA Foundation to
6.6 engage FFA chapters in creating education,
6.7 training, or outreach projects that respond to
6.8 community needs to mitigate stress and
6.9 promote mental health. Notwithstanding
6.10 Minnesota Statutes, section 16A.28, any
6.11 unencumbered balance does not cancel at the
6.12 end of the first year and is available in the
6.13 second year.

6.14 (e) \$350,000 the first year and \$350,000 the
6.15 second year are to award and administer grants
6.16 to facilitate the start-up or expansion of
6.17 aggregation and food hub services at farmers
6.18 markets. This is a onetime appropriation.
6.19 Notwithstanding Minnesota Statutes, section
6.20 16A.28, any unencumbered balance does not
6.21 cancel at the end of the first year and is
6.22 available in the second year.

6.23 (f) The commissioner may use funds
6.24 appropriated in this subdivision for annual
6.25 cost-share payments to resident farmers or
6.26 entities that sell, process, or package
6.27 agricultural products in this state for the costs
6.28 of organic certification. The commissioner
6.29 may allocate these funds for assistance to
6.30 persons transitioning from conventional to
6.31 organic agriculture.

6.32 (g) \$534,000 the first year and \$665,000 the
6.33 second year are to maintain the current level
6.34 of service delivery.

7.1 **Subd. 4. Agriculture, Bioenergy, and Bioproduct**
 7.2 **Advancement**

31,382,000

31,382,000

7.3 (a) \$9,300,000 the first year and \$9,300,000
 7.4 the second year are for transfer to the
 7.5 agriculture research, education, extension, and
 7.6 technology transfer account under Minnesota
 7.7 Statutes, section 41A.14, subdivision 3. Of
 7.8 these amounts: at least \$600,000 the first year
 7.9 and \$600,000 the second year are for the
 7.10 Minnesota Agricultural Experiment Station's
 7.11 agriculture rapid response fund under
 7.12 Minnesota Statutes, section 41A.14,
 7.13 subdivision 1, clause (2); \$2,000,000 the first
 7.14 year and \$2,000,000 the second year are for
 7.15 grants to the Minnesota Agriculture Education
 7.16 Leadership Council to enhance agricultural
 7.17 education with priority given to Farm Business
 7.18 Management challenge grants; \$350,000 the
 7.19 first year and \$350,000 the second year are
 7.20 for potato breeding; and \$450,000 the first
 7.21 year and \$450,000 the second year are for the
 7.22 cultivated wild rice breeding project at the
 7.23 North Central Research and Outreach Center
 7.24 to include a tenure track/research associate
 7.25 plant breeder. The commissioner shall transfer
 7.26 the remaining funds in this appropriation each
 7.27 year to the Board of Regents of the University
 7.28 of Minnesota for purposes of Minnesota
 7.29 Statutes, section 41A.14. Of the amount
 7.30 transferred to the Board of Regents, up to
 7.31 \$1,000,000 each year is for research on avian
 7.32 influenza, salmonella, and other turkey-related
 7.33 diseases. To the extent practicable, money
 7.34 expended under Minnesota Statutes, section
 7.35 41A.14, subdivision 1, clauses (1) and (2),
 7.36 must supplement and not supplant existing

8.1 sources and levels of funding. The
8.2 commissioner may use up to one percent of
8.3 this appropriation for costs incurred to
8.4 administer the program.

8.5 (b) \$22,082,000 the first year and \$22,082,000
8.6 the second year are for the agricultural growth,
8.7 research, and innovation program under
8.8 Minnesota Statutes, section 41A.12. Except
8.9 as provided below, the commissioner may
8.10 allocate the appropriation each year among
8.11 the following areas: facilitating the start-up,
8.12 modernization, improvement, or expansion of
8.13 livestock operations including beginning and
8.14 transitioning livestock operations with
8.15 preference given to robotic dairy-milking
8.16 equipment; providing funding not to exceed
8.17 \$800,000 each year to develop and enhance
8.18 farm-to-school markets for Minnesota farmers
8.19 by providing more fruits, vegetables, meat,
8.20 grain, and dairy for Minnesota children in
8.21 schools and early childhood education centers
8.22 including, at the commissioner's discretion,
8.23 reimbursing schools and early childhood
8.24 education centers for purchases from local
8.25 farmers; assisting value-added agricultural
8.26 businesses to begin or expand, to access new
8.27 markets, or to diversify, including aquaponics
8.28 systems; providing funding not to exceed
8.29 \$600,000 each year for urban youth
8.30 agricultural education or urban agriculture
8.31 community development; providing funding
8.32 not to exceed \$450,000 each year for the good
8.33 food access program under Minnesota
8.34 Statutes, section 17.1017; facilitating the
8.35 start-up, modernization, or expansion of other
8.36 beginning and transitioning farms including

9.1 by providing loans under Minnesota Statutes,
9.2 section 41B.056; sustainable agriculture
9.3 on-farm research and demonstration;
9.4 development or expansion of food hubs and
9.5 other alternative community-based food
9.6 distribution systems; enhancing renewable
9.7 energy infrastructure and use; crop research,
9.8 including basic and applied turf seed research;
9.9 Farm Business Management tuition assistance;
9.10 and good agricultural practices and good
9.11 handling practices certification assistance. The
9.12 commissioner may use up to 6.5 percent of
9.13 this appropriation for costs incurred to
9.14 administer the program.

9.15 Of the amount appropriated for the agricultural
9.16 growth, research, and innovation program
9.17 under Minnesota Statutes, section 41A.12:

9.18 (1) \$1,000,000 the first year and \$1,000,000
9.19 the second year are for distribution in equal
9.20 amounts to each of the state's county fairs to
9.21 preserve and promote Minnesota agriculture;

9.22 (2) \$8,250,000 the first year and \$8,250,000
9.23 the second year are for incentive payments
9.24 under Minnesota Statutes, sections 41A.16,
9.25 41A.17, 41A.18, and 41A.20. Notwithstanding
9.26 Minnesota Statutes, section 16A.28, the first
9.27 year appropriation is available until June 30,
9.28 2025, and the second year appropriation is
9.29 available until June 30, 2026. If this
9.30 appropriation exceeds the total amount for
9.31 which all producers are eligible in a fiscal
9.32 year, the balance of the appropriation is
9.33 available for other purposes under this
9.34 paragraph. The base under this clause is
9.35 \$10,750,000 in fiscal year 2026 and thereafter;

10.1 (3) \$4,500,000 the first year and \$4,500,000
10.2 the second year are for grants that enable retail
10.3 petroleum dispensers, fuel storage tanks, and
10.4 other equipment to dispense biofuels to the
10.5 public in accordance with the biofuel
10.6 replacement goals established under
10.7 Minnesota Statutes, section 239.7911. A retail
10.8 petroleum dispenser selling petroleum for use
10.9 in spark ignition engines for vehicle model
10.10 years after 2000 is eligible for grant money
10.11 under this clause if the retail petroleum
10.12 dispenser has no more than 10 retail petroleum
10.13 dispensing sites and each site is located in
10.14 Minnesota. The grant money must be used to
10.15 replace or upgrade equipment that does not
10.16 have the ability to be certified for E25. A grant
10.17 award must not exceed 65 percent of the cost
10.18 of the appropriate technology. A grant award
10.19 must not exceed \$200,000 per station. The
10.20 commissioner must cooperate with biofuel
10.21 stakeholders in the implementation of the grant
10.22 program. The commissioner, in cooperation
10.23 with any economic or community development
10.24 financial institution and any other entity with
10.25 which it contracts, must submit a report on the
10.26 biofuels infrastructure financial assistance
10.27 program by January 15 of each year to the
10.28 chairs and ranking minority members of the
10.29 legislative committees and divisions with
10.30 jurisdiction over agriculture policy and
10.31 finance. The annual report must include but
10.32 not be limited to a summary of the following
10.33 metrics: (i) the number and types of projects
10.34 financed; (ii) the amount of dollars leveraged
10.35 or matched per project; (iii) the geographic
10.36 distribution of financed projects; (iv) any

11.1 market expansion associated with upgraded
11.2 infrastructure; (v) the demographics of the
11.3 areas served; (vi) the costs of the program;
11.4 and (vii) the number of grants to
11.5 minority-owned or female-owned businesses;
11.6 (4) \$250,000 the first year and \$250,000 the
11.7 second year are for grants to facilitate the
11.8 start-up, modernization, or expansion of
11.9 copacking facilities, commercial kitchens, and
11.10 other key supply chain infrastructure, such as
11.11 shared cold-chain capacity. Money
11.12 appropriated in this clause may also be used
11.13 to assist value-added processors with food
11.14 safety and environmental sustainability
11.15 guideline planning and third-party certification
11.16 services. The base under this clause is
11.17 \$250,000 in fiscal year 2026 and thereafter;
11.18 and
11.19 (5) \$500,000 the first year and \$500,000 the
11.20 second year are for grants to facilitate the
11.21 start-up, modernization, or expansion of meat,
11.22 poultry, egg, and milk processing facilities. A
11.23 grant award under this clause must not exceed
11.24 \$200,000. Any unencumbered balance at the
11.25 end of the second year does not cancel until
11.26 June 30, 2026, and may be used for other
11.27 purposes under this paragraph. The base under
11.28 this clause is \$500,000 in fiscal year 2026 and
11.29 thereafter.
11.30 Notwithstanding Minnesota Statutes, section
11.31 16A.28, any unencumbered balance does not
11.32 cancel at the end of the first year and is
11.33 available for the second year, and
11.34 appropriations encumbered under contract on
11.35 or before June 30, 2025, for agricultural

12.1 growth, research, and innovation grants are
 12.2 available until June 30, 2028.

12.3 (c) The base for the agricultural growth,
 12.4 research, and innovation program is
 12.5 \$24,582,000 in fiscal year 2026 and
 12.6 \$24,582,000 in fiscal year 2027, and includes
 12.7 funding for incentive payments under
 12.8 Minnesota Statutes, sections 41A.16, 41A.17,
 12.9 41A.18, and 41A.20.

12.10 **Subd. 5. Administration and Financial**
 12.11 **Assistance**

18,848,000

17,014,000

12.12 (a) \$674,000 the first year and \$674,000 the
 12.13 second year are for payments to county and
 12.14 district agricultural societies and associations
 12.15 under Minnesota Statutes, section 38.02,
 12.16 subdivision 1. Aid payments to county and
 12.17 district agricultural societies and associations
 12.18 shall be disbursed no later than July 15 of each
 12.19 year. These payments are the amount of aid
 12.20 from the state for an annual fair held in the
 12.21 previous calendar year.

12.22 (b) \$250,000 the first year and \$250,000 the
 12.23 second year are for grants to the Minnesota
 12.24 Agricultural Education and Leadership
 12.25 Council for programs of the council under
 12.26 Minnesota Statutes, chapter 41D.

12.27 (c) \$2,000 the first year is for grants to the
 12.28 Minnesota State Poultry Association. This is
 12.29 a onetime appropriation. Notwithstanding
 12.30 Minnesota Statutes, section 16A.28, any
 12.31 unencumbered balance does not cancel at the
 12.32 end of the first year and is available for the
 12.33 second year.

- 13.1 (d) \$18,000 the first year and \$18,000 the
13.2 second year are for grants to the Minnesota
13.3 Livestock Breeders Association. This is a
13.4 onetime appropriation.
- 13.5 (e) \$47,000 the first year and \$47,000 the
13.6 second year are for grants to the Northern
13.7 Crops Institute to purchase equipment. This
13.8 is a onetime appropriation.
- 13.9 (f) \$34,000 the first year and \$34,000 the
13.10 second year are for grants to the Minnesota
13.11 State Horticultural Society. This is a onetime
13.12 appropriation.
- 13.13 (g) \$150,000 the first year and \$150,000 the
13.14 second year are for grants to the Center for
13.15 Rural Policy and Development. This is a
13.16 onetime appropriation.
- 13.17 (h) \$75,000 the first year and \$75,000 the
13.18 second year are for grants to the Minnesota
13.19 Turf Seed Council for basic and applied
13.20 research. The Minnesota Turf Seed Council
13.21 may subcontract with a qualified third party
13.22 for some or all of the basic or applied research.
13.23 No later than January 15, 2025, the Minnesota
13.24 Turf Seed Council must submit a report
13.25 outlining the use of the grant money and
13.26 related accomplishments to the chairs and
13.27 ranking minority members of the legislative
13.28 committees with jurisdiction over agriculture.
13.29 This is a onetime appropriation. Any
13.30 unencumbered balance does not cancel at the
13.31 end of the first year and is available in the
13.32 second year.
- 13.33 (i) \$75,000 the first year and \$75,000 the
13.34 second year are for grants to Greater Mankato

14.1 Growth, Inc., for assistance to
14.2 agriculture-related businesses to promote jobs,
14.3 innovation, and synergy development. This is
14.4 a onetime appropriation.

14.5 (j) \$1,950,000 the first year and \$1,950,000
14.6 the second year are for grants to Second
14.7 Harvest Heartland on behalf of Minnesota's
14.8 six Feeding America food banks for the
14.9 following:

14.10 (1) to purchase milk for distribution to
14.11 Minnesota's food shelves and other charitable
14.12 organizations that are eligible to receive food
14.13 from the food banks. Milk purchased under
14.14 the grants must be acquired from Minnesota
14.15 milk processors and based on low-cost bids.
14.16 The milk must be allocated to each Feeding
14.17 America food bank serving Minnesota
14.18 according to the formula used in the
14.19 distribution of United States Department of
14.20 Agriculture commodities under The
14.21 Emergency Food Assistance Program. Second
14.22 Harvest Heartland may enter into contracts or
14.23 agreements with food banks for shared funding
14.24 or reimbursement of the direct purchase of
14.25 milk. Each food bank that receives funding
14.26 under this clause may use up to two percent
14.27 for administrative expenses;

14.28 (2) to compensate agricultural producers and
14.29 processors for costs incurred to harvest and
14.30 package for transfer surplus fruits, vegetables,
14.31 and other agricultural commodities that would
14.32 otherwise go unharvested, be discarded, or
14.33 sold in a secondary market. Surplus
14.34 commodities must be distributed statewide to
14.35 food shelves and other charitable organizations

15.1 that are eligible to receive food from the food
15.2 banks. Surplus food acquired under this clause
15.3 must be from Minnesota producers and
15.4 processors. Second Harvest Heartland may
15.5 use up to 15 percent of each grant awarded
15.6 under this clause for administrative and
15.7 transportation expenses; and

15.8 (3) to purchase and distribute protein products,
15.9 including but not limited to pork, poultry, beef,
15.10 dry legumes, cheese, and eggs to Minnesota's
15.11 food shelves and other charitable organizations
15.12 that are eligible to receive food from the food
15.13 banks. Second Harvest Heartland may use up
15.14 to two percent of each grant awarded under
15.15 this clause for administrative expenses. Protein
15.16 products purchased under the grants must be
15.17 acquired from Minnesota processors and
15.18 producers.

15.19 Of the amount appropriated under this
15.20 paragraph, at least \$850,000 each year must
15.21 be allocated under clause (1). Notwithstanding
15.22 Minnesota Statutes, section 16A.28, any
15.23 unencumbered balance the first year does not
15.24 cancel and is available in the second year.
15.25 Second Harvest Heartland must submit
15.26 quarterly reports to the commissioner and the
15.27 chairs and ranking minority members of the
15.28 legislative committees with jurisdiction over
15.29 agriculture finance in the form prescribed by
15.30 the commissioner. The reports must include
15.31 but are not limited to information on the
15.32 expenditure of funds, the amount of milk or
15.33 other commodities purchased, and the
15.34 organizations to which this food was
15.35 distributed.

- 16.1 (k) \$25,000 the first year and \$25,000 the
16.2 second year are for grants to the Southern
16.3 Minnesota Initiative Foundation to promote
16.4 local foods through an annual event that raises
16.5 public awareness of local foods and connects
16.6 local food producers and processors with
16.7 potential buyers.
- 16.8 (l) \$100,000 the first year and \$100,000 the
16.9 second year are for grants to The Good Acre
16.10 for the Local Emergency Assistance Farmer
16.11 Fund (LEAFF) program to compensate
16.12 emerging farmers for crops donated to hunger
16.13 relief organizations in Minnesota. The base is
16.14 \$100,000 in fiscal year 2026 and thereafter.
- 16.15 (m) \$250,000 the first year and \$250,000 the
16.16 second year are for grants to organizations that
16.17 provide technical and culturally relevant
16.18 services to emerging farmers and related
16.19 businesses.
- 16.20 (n) \$425,000 the first year and \$575,000 the
16.21 second year are to expand the Emerging
16.22 Farmer Office. The Emerging Farmer Office
16.23 must engage and support emerging farmers
16.24 regarding resources and opportunities
16.25 available throughout the Department of
16.26 Agriculture and the state. For purposes of this
16.27 paragraph, "emerging farmer" has the meaning
16.28 given in Minnesota Statutes, section 17.055,
16.29 subdivision 1. Of the amount appropriated
16.30 each year, \$25,000 is for translation services.
16.31 The base is \$625,000 in fiscal year 2026 and
16.32 thereafter.
- 16.33 (o) \$337,000 the first year and \$337,000 the
16.34 second year are for farm advocate services.
16.35 Of these amounts, \$50,000 the first year and

17.1 \$50,000 the second year are for the
17.2 continuation of the farmland transition
17.3 programs and may be used for grants to
17.4 farmland access teams to provide technical
17.5 assistance to potential beginning farmers.
17.6 Farmland access teams must assist existing
17.7 farmers and beginning farmers on transitioning
17.8 farm ownership and farm operation. Services
17.9 provided by teams may include but are not
17.10 limited to mediation assistance, designing
17.11 contracts, financial planning, tax preparation,
17.12 estate planning, and housing assistance.

17.13 (p) \$260,000 the first year and \$260,000 the
17.14 second year are for a pass-through grant to
17.15 Region Five Development Commission to
17.16 provide, in collaboration with Farm Business
17.17 Management, statewide mental health
17.18 counseling support to Minnesota farm
17.19 operators, families, and employees, and
17.20 individuals who work with Minnesota farmers
17.21 in a professional capacity. Region Five
17.22 Development Commission may use up to 6.5
17.23 percent of the grant awarded under this
17.24 paragraph for administration.

17.25 (q) \$1,500,000 the first year is for transfer to
17.26 the agricultural emergency account established
17.27 under Minnesota Statutes, section 17.041. This
17.28 is a onetime transfer.

17.29 (r) \$1,784,000 the first year and \$1,200,000
17.30 the second year are to support IT
17.31 modernization efforts, including laying the
17.32 technology foundations needed for improving
17.33 customer interactions with the department for
17.34 licensing and payments.

- 18.1 (s) \$150,000 the first year and \$150,000 the
18.2 second year are to coordinate climate-related
18.3 activities and services within the Department
18.4 of Agriculture and counterparts in local, state,
18.5 and federal agencies and to hire a full-time
18.6 climate implementation coordinator. The
18.7 climate implementation coordinator must
18.8 coordinate efforts seeking federal funding for
18.9 Minnesota's agricultural climate adaptation
18.10 and mitigation efforts and develop strategic
18.11 partnerships with the private sector and
18.12 nongovernment organizations.
- 18.13 (t) \$2,000,000 first year and \$2,000,000 the
18.14 second year are transferred to the agricultural
18.15 and environmental revolving loan account
18.16 established under Minnesota Statutes, section
18.17 17.117, subdivision 5a, for low-interest loans
18.18 to farmers, rural landowners, and agricultural
18.19 businesses through the agriculture best
18.20 management practices loan program. The base
18.21 is \$3,000,000 in fiscal year 2026 and
18.22 thereafter.
- 18.23 (u) \$200,000 the first year and \$200,000 the
18.24 second year are to award and administer
18.25 beginning farmer equipment and infrastructure
18.26 grants under Minnesota Statutes, section
18.27 17.055.
- 18.28 (v) \$150,000 the first year and \$150,000 the
18.29 second year are for administrative support for
18.30 the Rural Finance Authority.
- 18.31 (w) The commissioner shall continue to
18.32 increase connections with ethnic minority and
18.33 immigrant farmers to farming opportunities
18.34 and farming programs throughout the state.

19.1 (x) \$1,015,000 the first year and \$1,417,000
 19.2 the second year are to maintain the current
 19.3 level of service delivery.

19.4 (y) \$250,000 the second year is for a grant to
 19.5 the Board of Regents of the University of
 19.6 Minnesota to purchase equipment for the
 19.7 Veterinary Diagnostic Laboratory to test for
 19.8 chronic wasting disease, African swine fever,
 19.9 avian influenza, and other animal diseases.
 19.10 The Veterinary Diagnostic Laboratory must
 19.11 report expenditures under this paragraph to
 19.12 the legislative committees with jurisdiction
 19.13 over agriculture finance and higher education
 19.14 with initial reports completed by January 3,
 19.15 2025, and January 3, 2026, and a final report
 19.16 by September 1, 2027. The reports must
 19.17 include a list of equipment purchased,
 19.18 including the cost of each item. The base for
 19.19 this appropriation is \$250,000 in fiscal year
 19.20 2026 and \$0 in fiscal year 2027.

19.21 **Sec. 3. BOARD OF ANIMAL HEALTH** **\$ 6,780,000 \$ 6,946,000**

19.22 (a) \$173,000 the first year and \$173,000 the
 19.23 second year are to cover increased costs
 19.24 associated with importing companion animals
 19.25 from parts of the world with a high prevalence
 19.26 of animal diseases.

19.27 (b) \$560,000 the first year and \$560,000 the
 19.28 second year are for agricultural emergency
 19.29 preparedness and response.

19.30 **Sec. 4. AGRICULTURAL UTILIZATION**
 19.31 **RESEARCH INSTITUTE** **\$ 4,543,000 \$ 4,243,000**

19.32 \$300,000 the first year is for equipment
 19.33 upgrades, equipment replacement, installation
 19.34 expenses, and laboratory infrastructure at the
 19.35 Agricultural Utilization Research Institute's

20.1

laboratories in Crookston, Marshall, and

20.2

Waseca.

20.3

Sec. 5. Laws 2021, First Special Session chapter 3, article 1, section 2, subdivision 5, as

20.4

amended by Laws 2022, chapter 95, article 1, section 1, subdivision 5, is amended to read:

20.5

Subd. 5. **Administration and Financial**

20.6

Assistance

11,477,000

13,429,000

20.7

(a) \$474,000 the first year and \$474,000 the

20.8

second year are for payments to county and

20.9

district agricultural societies and associations

20.10

under Minnesota Statutes, section 38.02,

20.11

subdivision 1. Aid payments to county and

20.12

district agricultural societies and associations

20.13

shall be disbursed no later than July 15 of each

20.14

year. These payments are the amount of aid

20.15

from the state for an annual fair held in the

20.16

previous calendar year.

20.17

(b) \$387,000 the first year and \$337,000 the

20.18

second year are for farm advocate services.

20.19

Of these amounts, \$100,000 the first year and

20.20

\$50,000 the second year are for a pilot

20.21

program creating farmland access teams to

20.22

provide technical assistance to potential

20.23

beginning farmers. The farmland access teams

20.24

must assist existing farmers and beginning

20.25

farmers on transitioning farm ownership and

20.26

operation. Services provided by teams may

20.27

include but are not limited to providing

20.28

mediation assistance, designing contracts,

20.29

financial planning, tax preparation, estate

20.30

planning, and housing assistance. Of this

20.31

amount for farm transitions, up to \$50,000 the

20.32

first year may be used to upgrade the

20.33

Minnesota FarmLink web application that

20.34

connects farmers looking for land with farmers

20.35

looking to transition their land.

21.1 (c) \$47,000 the first year and \$47,000 the
21.2 second year are for grants to the Northern
21.3 Crops Institute that may be used to purchase
21.4 equipment. These are onetime appropriations.

21.5 (d) \$238,000 the first year and \$260,000 the
21.6 second year are for a pass-through grant to
21.7 Region Five Development Commission to
21.8 provide, in collaboration with Farm Business
21.9 Management, statewide mental health
21.10 counseling support to Minnesota farm
21.11 operators, families, and employees, and
21.12 individuals who work with Minnesota farmers
21.13 in a professional capacity. Region Five
21.14 Development Commission may use up to 6.5
21.15 percent of the grant awarded under this
21.16 paragraph for administration. The base for this
21.17 appropriation is \$260,000 in fiscal year 2024
21.18 and later.

21.19 (e) \$1,700,000 the first year and \$1,700,000
21.20 the second year are for grants to Second
21.21 Harvest Heartland on behalf of Minnesota's
21.22 six Feeding America food banks for the
21.23 following:

21.24 (1) to purchase milk for distribution to
21.25 Minnesota's food shelves and other charitable
21.26 organizations that are eligible to receive food
21.27 from the food banks. Milk purchased under
21.28 the grants must be acquired from Minnesota
21.29 milk processors and based on low-cost bids.
21.30 The milk must be allocated to each Feeding
21.31 America food bank serving Minnesota
21.32 according to the formula used in the
21.33 distribution of United States Department of
21.34 Agriculture commodities under The
21.35 Emergency Food Assistance Program. Second

22.1 Harvest Heartland may enter into contracts or
22.2 agreements with food banks for shared funding
22.3 or reimbursement of the direct purchase of
22.4 milk. Each food bank that receives funding
22.5 under this clause may use up to two percent
22.6 for administrative expenses;

22.7 (2) to compensate agricultural producers and
22.8 processors for costs incurred to harvest and
22.9 package for transfer surplus fruits, vegetables,
22.10 and other agricultural commodities that would
22.11 otherwise go unharvested, be discarded, or
22.12 sold in a secondary market. Surplus
22.13 commodities must be distributed statewide to
22.14 food shelves and other charitable organizations
22.15 that are eligible to receive food from the food
22.16 banks. Surplus food acquired under this clause
22.17 must be from Minnesota producers and
22.18 processors. Second Harvest Heartland may
22.19 use up to 15 percent of each grant awarded
22.20 under this clause for administrative and
22.21 transportation expenses; and

22.22 (3) to purchase and distribute protein products,
22.23 including but not limited to pork, poultry, beef,
22.24 dry legumes, cheese, and eggs to Minnesota's
22.25 food shelves and other charitable organizations
22.26 that are eligible to receive food from the food
22.27 banks. Second Harvest Heartland may use up
22.28 to two percent of each grant awarded under
22.29 this clause for administrative expenses. Protein
22.30 products purchased under the grants must be
22.31 acquired from Minnesota processors and
22.32 producers.

22.33 Of the amount appropriated under this
22.34 paragraph, at least \$600,000 each year must
22.35 be allocated under clause (1). Notwithstanding

23.1 Minnesota Statutes, section 16A.28, any
23.2 unencumbered balance the first year does not
23.3 cancel and is available in the second year.
23.4 Second Harvest Heartland must submit
23.5 quarterly reports to the commissioner and the
23.6 chairs and ranking minority members of the
23.7 legislative committees with jurisdiction over
23.8 agriculture finance in the form prescribed by
23.9 the commissioner. The reports must include
23.10 but are not limited to information on the
23.11 expenditure of funds, the amount of milk or
23.12 other commodities purchased, and the
23.13 organizations to which this food was
23.14 distributed.

23.15 (f) \$250,000 the first year and \$250,000 the
23.16 second year are for grants to the Minnesota
23.17 Agricultural Education and Leadership
23.18 Council for programs of the council under
23.19 Minnesota Statutes, chapter 41D.

23.20 (g) \$1,437,000 the first year and \$1,437,000
23.21 the second year are for transfer to the
23.22 agricultural and environmental revolving loan
23.23 account established under Minnesota Statutes,
23.24 section 17.117, subdivision 5a, for low-interest
23.25 loans under Minnesota Statutes, section
23.26 17.117. The base for appropriations under this
23.27 paragraph in fiscal year 2024 and thereafter
23.28 is \$1,425,000. The commissioner must
23.29 examine how the department could use up to
23.30 one-third of the amount transferred to the
23.31 agricultural and environmental revolving loan
23.32 account under this paragraph to award grants
23.33 to rural landowners to replace septic systems
23.34 that inadequately protect groundwater. No
23.35 later than February 1, 2022, the commissioner

24.1 must report to the legislative committees with
24.2 jurisdiction over agriculture finance and
24.3 environment finance on the results of the
24.4 examination required under this paragraph.

24.5 The commissioner's report may include other
24.6 funding sources for septic system replacement
24.7 that are available to rural landowners.

24.8 (h) \$150,000 the first year and \$150,000 the
24.9 second year are for grants to the Center for
24.10 Rural Policy and Development. These are
24.11 onetime appropriations.

24.12 (i) \$150,000 the first year is to provide grants
24.13 to Central Lakes College for the purposes of
24.14 designing, building, and offering credentials
24.15 in the area of meat cutting and butchery that
24.16 align with industry needs as advised by local
24.17 industry advisory councils. Notwithstanding
24.18 Minnesota Statutes, section 16A.28, any
24.19 unencumbered balance does not cancel at the
24.20 end of the first year and is available for the
24.21 second year. The commissioner may only
24.22 award a grant under this paragraph if the grant
24.23 is matched by a like amount from another
24.24 funding source. The commissioner must seek
24.25 matching dollars from Minnesota State
24.26 Colleges and Universities or other entities.

24.27 The appropriation is onetime and is available
24.28 until June 30, 2024. Any money remaining on
24.29 June 30, 2024, must be transferred to the
24.30 agricultural growth, research, and innovation
24.31 program under Minnesota Statutes, section
24.32 41A.12, and is available until June 30, 2025.
24.33 Grants may be used for costs including but
24.34 not limited to:

25.1 (1) facility renovation to accommodate meat
25.2 cutting;

25.3 (2) curriculum design and approval from the
25.4 Higher Learning Commission;

25.5 (3) program operational start-up costs;

25.6 (4) equipment required for a meat cutting
25.7 program; and

25.8 (5) meat handling start-up costs in regard to
25.9 meat access and market channel building.

25.10 No later than January 15, 2023, Central Lakes
25.11 College must submit a report outlining the use
25.12 of grant money to the chairs and ranking
25.13 minority members of the legislative
25.14 committees and divisions with jurisdiction
25.15 over agriculture and higher education.

25.16 (j) \$2,000 the first year is for grants to the
25.17 Minnesota State Poultry Association. This is
25.18 a onetime appropriation. Notwithstanding
25.19 Minnesota Statutes, section 16A.28, any
25.20 unencumbered balance does not cancel at the
25.21 end of the first year and is available for the
25.22 second year.

25.23 (k) \$17,000 the first year and \$17,000 the
25.24 second year are for grants to the Minnesota
25.25 State Horticultural Society. These are onetime
25.26 appropriations.

25.27 (l) \$18,000 the first year and \$18,000 the
25.28 second year are for grants to the Minnesota
25.29 Livestock Breeders Association. These are
25.30 onetime appropriations.

25.31 (m) The commissioner shall continue to
25.32 increase connections with ethnic minority and

26.1 immigrant farmers to farming opportunities
26.2 and farming programs throughout the state.

26.3 (n) \$25,000 the first year and \$25,000 the
26.4 second year are for grants to the Southern
26.5 Minnesota Initiative Foundation to promote
26.6 local foods through an annual event that raises
26.7 public awareness of local foods and connects
26.8 local food producers and processors with
26.9 potential buyers.

26.10 (o) \$75,000 the first year and \$75,000 the
26.11 second year are for grants to Greater Mankato
26.12 Growth, Inc., for assistance to
26.13 agriculture-related businesses to promote jobs,
26.14 innovation, and synergy development. These
26.15 are onetime appropriations.

26.16 (p) \$75,000 the first year and \$75,000 the
26.17 second year are for grants to the Minnesota
26.18 Turf Seed Council for basic and applied
26.19 research. The Minnesota Turf Seed Council
26.20 may subcontract with a qualified third party
26.21 for some or all of the basic or applied research.
26.22 No later than January 15, 2023, the Minnesota
26.23 Turf Seed Council must submit a report
26.24 outlining the use of the grant money and
26.25 related accomplishments to the chairs and
26.26 ranking minority members of the legislative
26.27 committees with jurisdiction over agriculture.
26.28 These are onetime appropriations. Any
26.29 unencumbered balance does not cancel at the
26.30 end of the first year and is available for the
26.31 second year.

26.32 (q) \$150,000 the first year and \$150,000 the
26.33 second year are to establish an emerging
26.34 farmer office and hire a full-time emerging
26.35 farmer outreach coordinator. The emerging

27.1 farmer outreach coordinator must engage and
27.2 support emerging farmers regarding resources
27.3 and opportunities available throughout the
27.4 Department of Agriculture and the state. For
27.5 purposes of this paragraph, "emerging farmer"
27.6 has the meaning provided in Minnesota
27.7 Statutes, section 17.055, subdivision 1. Of the
27.8 amount appropriated each year, \$25,000 is for
27.9 translation services for farmers and cottage
27.10 food producers.

27.11 (r) \$222,000 the first year and \$286,000 the
27.12 second year are to maintain the current level
27.13 of service delivery.

27.14 (s) \$827,000 the second year is to award and
27.15 administer grants to:

27.16 (1) organizations to provide technical and
27.17 culturally appropriate services to emerging
27.18 farmers and related businesses;

27.19 (2) organizations to help emerging farmers
27.20 pay for up to 65 percent of premium expenses
27.21 each year up to two years under the federal
27.22 micro farm insurance program; and

27.23 (3) The Good Acre for the Local Emergency
27.24 Assistance Farmer Fund (LEAFF) program to
27.25 compensate emerging farmers for crops
27.26 donated to hunger relief organizations in
27.27 Minnesota.

27.28 This is a onetime appropriation and is
27.29 available until June 30, 2024.

27.30 (t) \$750,000 the second year is to support the
27.31 IT modernization efforts, including laying the
27.32 technology foundations needed for improving
27.33 customer interactions with the department for
27.34 licensing and payments. The base for this

28.1 appropriation is \$584,000 in fiscal year 2024
28.2 and \$0 in fiscal year 2025.

28.3 (u) \$1,500,000 the first year is for transfer to
28.4 the agricultural emergency account established
28.5 under Minnesota Statutes, section 17.041. This
28.6 is a onetime transfer. This transfer is in
28.7 addition to the appropriations made in Laws
28.8 2022, chapter 47, section 2.

28.9 Notwithstanding Minnesota Statutes, section
28.10 17.041, the commissioner may use the amount
28.11 to be transferred for the purposes identified
28.12 under Laws 2022, chapter 47, section 2,
28.13 paragraph (b). This paragraph expires on
28.14 December 31, 2022.

28.15 (v) \$250,000 in the second year is for a grant
28.16 to the Board of Regents of the University of
28.17 Minnesota to purchase equipment for the
28.18 Veterinary Diagnostic Laboratory to test for
28.19 chronic wasting disease, African swine fever,
28.20 avian influenza, and other animal diseases.
28.21 The Veterinary Diagnostic Laboratory must
28.22 report expenditures under this paragraph to
28.23 the legislative committees with jurisdiction
28.24 over agriculture finance and higher education
28.25 with initial reports completed by January 3,
28.26 2023, and January 3, 2024, and a final report
28.27 by September 1, 2025. The reports must
28.28 include a list of equipment purchased,
28.29 including the cost of each item. The base for
28.30 this appropriation is \$250,000 in fiscal year
28.31 2024 and \$0 in fiscal year 2025.

28.32 (w) \$141,000 the second year is for additional
28.33 funding to administer the beginning farmer
28.34 tax credit. The base for this appropriation is
28.35 \$56,000 in fiscal year 2024 and later.

29.1 (x) \$750,000 the second year is for a grant to
29.2 the Ag Innovation Campus to continue
29.3 construction of a soybean processing and
29.4 research facility. This is a onetime
29.5 appropriation.

29.6 The commissioner shall submit a report on the
29.7 utilization of the grants to the chairs and
29.8 ranking minority members of the legislative
29.9 committees and divisions with jurisdiction
29.10 over agriculture policy and finance by
29.11 February 1, 2024.

29.12 (y) \$50,000 is added to the base for fiscal year
29.13 2024 and \$0 for fiscal year 2025 to provide
29.14 technical assistance and leadership in the
29.15 development of a comprehensive and
29.16 well-documented state aquaculture plan. The
29.17 commissioner must provide the state
29.18 aquaculture plan to the legislative committees
29.19 with jurisdiction over agriculture finance and
29.20 policy by February 15, 2025.

29.21 (z) \$500,000 the second year is to award and
29.22 administer down payment assistance grants
29.23 under Minnesota Statutes, section 17.133. The
29.24 base for this appropriation is \$750,000 in fiscal
29.25 year 2024 and thereafter. Any unspent funds
29.26 are available until the end of the following
29.27 fiscal year.

29.28 (aa) \$350,000 the second year is to provide
29.29 grants to secondary career and technical
29.30 education programs for the purpose of offering
29.31 instruction in meat cutting and butchery. By
29.32 January 15, 2023, the commissioner must
29.33 report to the chairs and ranking minority
29.34 members of the committees with jurisdiction
29.35 over agriculture finance and education finance

30.1 by listing the grants made under this paragraph
30.2 by county and noting the number and amount
30.3 of grant requests not fulfilled. The report may
30.4 include additional information as determined
30.5 by the commissioner, including but not limited
30.6 to information regarding the outcomes
30.7 produced by these grants. If additional grants
30.8 are awarded under this paragraph that were
30.9 not covered in the report due by January 15,
30.10 2023, the commissioner must submit an
30.11 additional report to the chairs and ranking
30.12 minority members of the committees with
30.13 jurisdiction over agriculture finance and
30.14 education finance regarding all grants issued
30.15 under this paragraph by November 1, 2023.

30.16 This is a onetime appropriation. Grants may
30.17 be used for costs, including but not limited to:

30.18 (1) equipment required for a meat cutting
30.19 program;

30.20 (2) facility renovation to accommodate meat
30.21 cutting; and

30.22 (3) training faculty to teach the fundamentals
30.23 of meat processing.

30.24 A grant recipient may be awarded a grant of
30.25 up to \$70,000 and may use up to ten percent
30.26 of the grant for faculty training.

30.27 Priority may be given to applicants who are
30.28 coordinating with meat cutting and butchery
30.29 programs at Minnesota State Colleges and
30.30 Universities system and local industry
30.31 partners.

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

31.1 **ARTICLE 2**

31.2 **AGRICULTURE STATUTORY CHANGES**

31.3 Section 1. Minnesota Statutes 2022, section 17.055, subdivision 1, is amended to read:

31.4 Subdivision 1. **Emerging farmer working group.** To advise the commissioner and
31.5 legislature regarding the development and implementation of programs and initiatives that
31.6 support emerging farmers in this state, the commissioner must periodically convene a
31.7 working group consisting, to the extent possible, of persons who are, and organizations that
31.8 represent, farmers or aspiring farmers who are women, veterans, persons with disabilities,
31.9 American Indian or Alaskan Natives, members of a community of color, young, and urban,
31.10 and any other emerging farmers as determined by the commissioner. ~~No later than January~~
31.11 ~~15 each year, the commissioner must update the chairs and ranking minority members of~~
31.12 ~~the legislative committees and divisions with jurisdiction over agriculture regarding the~~
31.13 ~~working group's activities and recommendations.~~

31.14 Sec. 2. Minnesota Statutes 2022, section 17.055, is amended by adding a subdivision to
31.15 read:

31.16 Subd. 2a. **Emerging Farmers Office.** The Emerging Farmers Office exists to support
31.17 emerging and aspiring farmers. For purposes of this paragraph, "emerging farmer" has the
31.18 meaning given in subdivision 1. At a minimum, the office must coordinate:

31.19 (1) the emerging farmer working group;

31.20 (2) the beginning farmer equipment and infrastructure grant program; and

31.21 (3) the annual distribution of money to organizations that provide culturally appropriate
31.22 services to immigrant and Black, Indigenous, and People of Color agricultural producers
31.23 and food system-related businesses.

31.24 Sec. 3. Minnesota Statutes 2022, section 17.055, is amended by adding a subdivision to
31.25 read:

31.26 Subd. 3. **Beginning farmer equipment and infrastructure grants.** The commissioner
31.27 may award and administer equipment and infrastructure grants to beginning farmers. The
31.28 commissioner shall give preference to applicants who are emerging farmers as defined in
31.29 subdivision 1. Grant money may be used for equipment and infrastructure development.

32.1 Sec. 4. Minnesota Statutes 2022, section 17.055, is amended by adding a subdivision to
32.2 read:

32.3 Subd. 3a. **Process.** The commissioner shall develop competitive eligibility criteria and
32.4 may allocate grants on a needs basis.

32.5 Sec. 5. Minnesota Statutes 2022, section 17.055, is amended by adding a subdivision to
32.6 read:

32.7 Subd. 3b. **Grant awards.** Grant projects may continue for up to two years.

32.8 Sec. 6. Minnesota Statutes 2022, section 17.055, is amended by adding a subdivision to
32.9 read:

32.10 Subd. 4. **Report.** No later than February 1 each year, the commissioner must submit a
32.11 report to the chairs and ranking minority members of the legislative committees and divisions
32.12 with jurisdiction over agriculture regarding the emerging farmer working group's activities,
32.13 recommendations, and any grants awarded under this section.

32.14 Sec. 7. Minnesota Statutes 2022, section 17.116, subdivision 3, is amended to read:

32.15 Subd. 3. **Awarding of grants.** (a) Applications for grants must be made to the
32.16 commissioner on forms prescribed by the commissioner.

32.17 (b) The applications must be reviewed, ranked, and recommended by a technical review
32.18 panel appointed by the commissioner. The technical review panel shall consist of a soil
32.19 scientist, an agronomist, a representative from a postsecondary educational institution, an
32.20 agricultural marketing specialist, two resident farmers of the state using sustainable
32.21 agriculture methods, two resident farmers of the state using organic agriculture methods,
32.22 and a chair from the department.

32.23 (c) The technical review panel shall rank applications according to the following criteria:

32.24 (1) direct or indirect energy savings or production;

32.25 (2) environmental benefit;

32.26 (3) farm profitability;

32.27 (4) the number of farms able to apply the techniques or the technology proposed;

32.28 (5) the effectiveness of the project as a demonstration;

32.29 (6) the immediate transferability of the project to farms; and

33.1 (7) the ability of the project to accomplish its goals.

33.2 (d) The commissioner shall consider the recommendations of the technical review panel
33.3 and may award grants for eligible projects. Priority must be given to applicants who are
33.4 farmers or groups of farmers.

33.5 (e) Grants for eligible projects may not exceed \$25,000 unless the portion above \$25,000
33.6 is matched on an equal basis by the applicant's cash ~~or in-kind land use contribution.~~
33.7 contribution or the value of the applicant's in-kind land use, equipment use, or personal
33.8 labor. Grant recipients who are not required to provide a match and grant recipients whose
33.9 in-kind contributions exceed the amount needed to meet matching requirements may submit
33.10 the value of the grant recipients' labor or equipment use as an expense eligible for payment
33.11 from grant money. Grant funding of projects may not exceed \$50,000 under this section,
33.12 but applicants may utilize other funding sources. A portion of each grant must be targeted
33.13 for public information activities of the project.

33.14 (f) A project may continue for up to three years. Multiyear projects must be reevaluated
33.15 by the technical review panel and the commissioner before second or third year funding is
33.16 approved. A project is limited to one grant for its funding.

33.17 Sec. 8. Minnesota Statutes 2022, section 18B.01, is amended by adding a subdivision to
33.18 read:

33.19 Subd. 2c. **Bee kill incident.** "Bee kill incident" means an acute pesticide poisoning of
33.20 a bee colony or colonies located within one-half mile of each other at a single time point.

33.21 Sec. 9. Minnesota Statutes 2022, section 18B.01, subdivision 2b, is amended to read:

33.22 Subd. 2b. **Bee owner.** "Bee owner" means a person who owns ~~an apiary~~ a bee colony
33.23 or colonies.

33.24 Sec. 10. Minnesota Statutes 2022, section 18B.051, is amended to read:

33.25 **18B.051 POLLINATOR RESEARCH ACCOUNT.**

33.26 Subdivision 1. **Account established.** A pollinator research account is established in the
33.27 agricultural fund. Money in the account, including interest, is appropriated to the Board of
33.28 Regents of the University of Minnesota for pollinator research and outreach, including, but
33.29 not limited to, ~~science-based best practices and the identification and establishment of habitat~~
33.30 ~~beneficial to pollinators.;~~

33.31 (1) the identification and establishment of habitat beneficial to pollinators;

34.1 (2) the development and promotion of science-based best management practices;

34.2 (3) the development and promotion of practices that can reduce the effects of pesticides
34.3 on pollinators;

34.4 (4) the effects of seed treatments on pollinators; and

34.5 (5) the development and promotion of integrated pest management, including pest
34.6 economic thresholds.

34.7 The University of Minnesota must select projects in consultation with the Minnesota
34.8 Department of Agriculture.

34.9 Subd. 2. **Expiration.** This section expires July 1, 2025 ~~2027~~.

34.10 Sec. 11. Minnesota Statutes 2022, section 18B.055, is amended to read:

34.11 **18B.055 COMPENSATION FOR BEES KILLED BY PESTICIDE;**
34.12 **APPROPRIATION.**

34.13 Subdivision 1. **Compensation required.** (a) The commissioner must compensate a
34.14 ~~person~~ bee owner for an acute pesticide poisoning resulting in the death of bees or loss of
34.15 bee colonies owned by the ~~person, provided:~~ bee owner.

34.16 ~~(1) the person who applied the pesticide cannot be determined;~~

34.17 ~~(2) the person who applied the pesticide did so in a manner consistent with the pesticide~~
34.18 ~~product's label or labeling; or~~

34.19 ~~(3) the person who applied the pesticide did so in a manner inconsistent with the pesticide~~
34.20 ~~product's label or labeling.~~

34.21 (b) Except as provided in this section, the bee owner is entitled to the fair market value
34.22 of the dead bees and bee colonies losses as determined by the commissioner upon
34.23 recommendation by academic experts and bee keepers. ~~In any fiscal year,~~ A bee owner must
34.24 not be compensated for a claim that is less than \$100 or compensated more than ~~\$20,000~~
34.25 ~~for all eligible claims.~~ \$10,000 for a bee kill incident. A bee owner may only make one
34.26 claim for a single bee kill incident.

34.27 (c) A bee owner must not be compensated more than \$20,000 in a fiscal year for bee
34.28 kill incidents.

34.29 ~~(e)~~ (d) To be eligible for compensation under this section, the bee owner and the affected
34.30 apiary must be registered prior to the bee kill incident with a commonly utilized pesticide
34.31 registry program, as designated by the commissioner.

35.1 **Subd. 2. Applicator responsible.** In the event a person applies a pesticide in a manner
35.2 inconsistent with the pesticide product's label or labeling requirements as approved by the
35.3 commissioner and is determined to have caused the acute pesticide poisoning of bees,
35.4 resulting in death or loss of a bee colony kept for commercial purposes, then the person so
35.5 identified must bear the responsibility of restitution for the value of the bees to the owner.
35.6 In these cases the commissioner must not provide compensation as provided in this section.

35.7 **Subd. 3. Claim form.** Within three months of the commissioner making a determination
35.8 of whether the death of bees or loss of bee colonies was caused by acute pesticide poisoning,
35.9 the bee owner must file a claim on forms provided by the commissioner and available on
35.10 the Department of Agriculture's website.

35.11 **Subd. 4. Determination.** The commissioner must determine whether the death of the
35.12 bees or loss of bee colonies was caused by an acute pesticide poisoning, whether the pesticide
35.13 applicator can be determined, and whether the pesticide applicator applied the pesticide
35.14 product in a manner consistent with the pesticide product's label or labeling.

35.15 **Subd. 5. Payments; denial of compensation.** ~~(a) If the commissioner determines the~~
35.16 ~~bee death or loss of bee colony was caused by an acute pesticide poisoning and either the~~
35.17 ~~pesticide applicator cannot be determined or the pesticide applicator applied the pesticide~~
35.18 ~~product in a manner consistent with the pesticide product's label or labeling, the commissioner~~
35.19 ~~may award compensation from the pesticide regulatory account. If the pesticide applicator~~
35.20 ~~can be determined and the applicator applied the pesticide product in a manner inconsistent~~
35.21 ~~with the product's label or labeling, the commissioner may collect a penalty from the pesticide~~
35.22 ~~applicator sufficient to compensate the bee owner for the fair market value of the dead bees~~
35.23 ~~and bee colonies losses, and must award the money to the bee owner.~~

35.24 ~~(b)~~ (a) If the commissioner denies compensation claimed by a bee owner under this
35.25 section, the commissioner must issue a written decision based upon the available evidence.
35.26 The decision must include specification of the facts upon which the decision is based and
35.27 the conclusions on the material issues of the claim. The commissioner must mail a copy of
35.28 the decision to the bee owner.

35.29 ~~(e)~~ (b) A decision to deny compensation claimed under this section is not subject to the
35.30 contested case review procedures of chapter 14, but may be reviewed upon a trial de novo
35.31 in a court in the county where the loss occurred. The decision of the court may be appealed
35.32 as in other civil cases. Review in court may be obtained by filing a petition for review with
35.33 the administrator of the court within 60 days following receipt of a decision under this

section. Upon the filing of a petition, the administrator must mail a copy to the commissioner and set a time for hearing within 90 days of the filing.

Subd. 6. **Deduction from payment.** The commissioner must reduce payments made under this section by any compensation received by the bee owner for dead bees and bee colonies losses as proceeds from an insurance policy or from another source.

Subd. 6a. **Enhanced penalty factor.** If the commissioner determines that a bee death or loss of bee colony was caused by acute pesticide poisoning, is able to determine the pesticide applicator that was responsible, and determines that the applicator applied the pesticide in a manner inconsistent with the product's label or labeling, the commissioner may add the amount that the bee owner received from the bee owner's claim to any penalty amount assessed by the commissioner under any penalty actions against the pesticide applicator under section 18D.315 or 18D.325.

Subd. 7. **Appropriation.** The amount necessary to pay claims under this section, not to exceed \$150,000 per fiscal year, is appropriated from the pesticide regulatory account in section 18B.05.

Sec. 12. Minnesota Statutes 2022, section 18C.425, subdivision 6, is amended to read:

Subd. 6. **Payment of inspection fee.** (a) The person who registers and distributes in the state a specialty fertilizer, soil amendment, or plant amendment under section 18C.411 shall pay the inspection fee to the commissioner.

(b) The person licensed under section 18C.415 who distributes a fertilizer to a person not required to be so licensed shall pay the inspection fee to the commissioner, except as exempted under section 18C.421, subdivision 1, paragraph (b).

(c) The person responsible for payment of the inspection fees for fertilizers, soil amendments, or plant amendments sold and used in this state must pay an inspection fee of ~~39~~64 cents per ton, and until June 30, 2024, an additional 40 cents per ton, of fertilizer, soil amendment, and plant amendment sold or distributed in this state, with a minimum of \$10 on all tonnage reports. Notwithstanding section 18C.131, the commissioner must deposit all revenue from the additional 40 cents per ton fee in the agricultural fertilizer research and education account in section 18C.80. Products sold or distributed to manufacturers or exchanged between them are exempt from the inspection fee imposed by this subdivision if the products are used exclusively for manufacturing purposes.

37.1 (d) A registrant or licensee must retain invoices showing proof of fertilizer, plant
37.2 amendment, or soil amendment distribution amounts and inspection fees paid for a period
37.3 of three years.

37.4 Sec. 13. Minnesota Statutes 2022, section 18H.02, is amended by adding a subdivision to
37.5 read:

37.6 Subd. 15a. **Live plant dealer.** "Live plant dealer" means an entity who:

37.7 (1) raises, grows, or propagates nursery stock for sale, outdoors or indoors;

37.8 (2) acquires and further distributes nursery stock, including through landscaping or
37.9 distribution with a tree spade; or

37.10 (3) operates a business in Minnesota selling nursery stock with or without taking
37.11 ownership or handling the nursery stock.

37.12 Sec. 14. Minnesota Statutes 2022, section 18H.03, subdivision 6, is amended to read:

37.13 Subd. 6. **Dissemination of information.** The commissioner may disseminate information
37.14 among ~~growers~~ live plant dealers relative to treatment of nursery stock in both prevention
37.15 and elimination of attack by plant pests and diseases.

37.16 Sec. 15. Minnesota Statutes 2022, section 18H.05, is amended to read:

37.17 **18H.05 NURSERY CERTIFICATE REQUIREMENTS.**

37.18 (a) No person may offer for sale or distribute certified nursery stock as a ~~nursery stock~~
37.19 ~~grower or~~ live plant dealer without first obtaining the appropriate nursery stock certificate
37.20 from the commissioner. The commissioner may not issue a certificate to a person who does
37.21 not sell certified nursery stock. Certificates are issued solely for these purposes and may
37.22 not be used for other purposes.

37.23 (b) A certificate issued by the commissioner expires on December 31 of the year it is
37.24 issued.

37.25 (c) A person required to be certified by this section must apply for a certificate or for
37.26 renewal on a form furnished by the commissioner which must contain:

37.27 (1) the name and address of the applicant, the number of locations to be operated by the
37.28 applicant and their addresses, and the assumed business name of the applicant;

37.29 (2) if other than an individual, a statement whether a person is a partnership, corporation,
37.30 or other organization;

38.1 (3) the type of business to be operated and, if the applicant is an agent, the principals
38.2 the applicant represents; and

38.3 (4) source or sources of purchased nursery stock.

38.4 (d) No person may:

38.5 (1) falsely claim to be a certified live plant dealer, ~~grower, broker, or agent~~;

38.6 (2) make willful false statements when applying for a certificate; or

38.7 (3) sell or distribute certified nursery stock to an uncertified ~~nursery stock~~ live plant
38.8 dealer who is required to be certified ~~or nursery stock grower~~.

38.9 (e) Each application for a certificate must be accompanied by the appropriate certificate
38.10 fee under section 18H.07.

38.11 (f) Certificates issued by the commissioner must be prominently displayed to the public
38.12 in the place of business where certified nursery stock is sold or distributed.

38.13 (g) The commissioner may refuse to issue a certificate for cause.

38.14 (h) Each ~~grower or~~ live plant dealer is entitled to one sales location under the certificate
38.15 ~~of the grower or dealer~~. Each additional sales location maintained by the person requires
38.16 the payment of the full certificate fee for each additional sales outlet.

38.17 ~~(i) A grower who is also a dealer is certified only as a grower for that specific site.~~

38.18 ~~(i)~~ (i) A certificate is personal to the applicant and may not be transferred. A new
38.19 certificate is necessary if the business entity is changed or if the membership of a partnership
38.20 is changed, whether or not the business name is changed.

38.21 ~~(j)~~ (j) The certificate issued to a live plant dealer ~~or grower~~ applies to the particular
38.22 premises named in the certificate. However, if prior approval is obtained from the
38.23 commissioner, the place of business may be moved to the other premises or location without
38.24 an additional certificate fee.

38.25 ~~(k)~~ (k) A collector of nursery stock from the wild is required to obtain a ~~dealer's~~ live
38.26 plant dealer certificate from the commissioner and is subject to all the requirements that
38.27 apply to the inspection of nursery stock. All collected nursery stock must be labeled as
38.28 "collected from the wild."

39.1 Sec. 16. Minnesota Statutes 2022, section 18H.07, is amended by adding a subdivision to
39.2 read:

39.3 Subd. 3a. **New live plant dealer certificate.** An entity that was not distributing certified
39.4 nursery stock for the past two full calendar years is considered a new applicant for the basis
39.5 of fee determination. A new live plant dealer must pay the following fees:

39.6 (1) \$50 fee for a live plant dealer certificate that allows for one retail sales location. A
39.7 \$50 certificate is required for each additional retail sales location; and

39.8 (2) a live plant dealer growing nursery stock requires an inspection for certification of
39.9 that nursery stock prior to sale of the nursery stock and must be assessed an additional
39.10 charge of \$100 plus \$10 per acre up to 200 acres. Acreage to be certified should be rounded
39.11 to the nearest one acre. For the basis of fee determination, "growing nursery stock" means
39.12 the purchase of seeds, seedlings, or small plants and the cultivation of the plants in fields
39.13 or containers in Minnesota for eventual sale, including cutting, splitting, and propagating
39.14 plants.

39.15 Sec. 17. Minnesota Statutes 2022, section 18H.07, is amended by adding a subdivision to
39.16 read:

39.17 Subd. 3b. **Live plant dealer renewal certificate.** (a) A renewal certificate is for a live
39.18 plant dealer that has had a certificate in at least one of the past two full calendar years. A
39.19 live plant dealer must pay an annual fee based on the following criteria:

39.20 (1) a \$50 fee for a live plant dealer certificate that allows for one retail sales location.
39.21 A \$50 certificate is required for each additional retail sales location;

39.22 (2) a fee of gross annual purchases of certified nursery stock as noted in the table below
39.23 with the intent to resell in the same year. These are plants that are watered and maintained
39.24 only for the purposes of keeping the plants alive. Gross annual purchases are calculated for
39.25 nursery stock purchases from January 1 through December 31 of the most recent certificate
39.26 year according to the following table;

| | <u>Purchases</u> | <u>Fee</u> |
|-------|--------------------------------------|--------------|
| 39.27 | | |
| 39.28 | <u>\$0</u> <u>to \$3,000</u> | <u>\$0</u> |
| 39.29 | <u>\$3,001</u> <u>to \$10,000</u> | <u>\$50</u> |
| 39.30 | <u>\$10,001</u> <u>to \$20,000</u> | <u>\$100</u> |
| 39.31 | <u>\$20,001</u> <u>to \$50,000</u> | <u>\$225</u> |
| 39.32 | <u>\$50,001</u> <u>to \$100,000</u> | <u>\$425</u> |
| 39.33 | <u>\$100,001</u> <u>to \$150,000</u> | <u>\$600</u> |

| | | | |
|-------|----------------------------|-----------------------|--------------------------------------|
| 40.1 | <u>\$150,001</u> | <u>to \$200,000</u> | <u>\$750</u> |
| 40.2 | <u>\$200,001</u> | <u>to \$300,000</u> | <u>\$975</u> |
| 40.3 | <u>\$300,001</u> | <u>to \$400,000</u> | <u>\$1,200</u> |
| 40.4 | <u>\$400,001</u> | <u>to \$500,000</u> | <u>\$1,250</u> |
| 40.5 | <u>\$500,001</u> | <u>to \$600,000</u> | <u>\$1,350</u> |
| 40.6 | <u>\$600,001</u> | <u>to \$700,000</u> | <u>\$1,400</u> |
| 40.7 | <u>\$700,001</u> | <u>to \$800,000</u> | <u>\$1,500</u> |
| 40.8 | <u>\$800,001</u> | <u>to \$900,000</u> | <u>\$1,600</u> |
| 40.9 | <u>\$900,001</u> | <u>to \$1,000,000</u> | <u>\$1,700</u> |
| 40.10 | <u>\$1,000,001</u> | <u>to \$2,000,000</u> | <u>\$1,800</u> |
| 40.11 | <u>\$2,000,001</u> | <u>to \$3,000,000</u> | <u>\$1,900</u> |
| 40.12 | <u>\$3,000,001 or more</u> | | <u>.0005 x annual purchases; and</u> |

40.13 (3) a live plant dealer growing nursery stock requires an inspection for certification of
 40.14 that nursery stock prior to sale and must be assessed an additional charge of \$100 plus \$10
 40.15 per acre up to 200 acres. Acreage to be certified should be rounded to the nearest one acre.
 40.16 For the basis of fee determination, "growing nursery stock" is the purchase of seeds,
 40.17 seedlings, or small plants and the cultivation of plants in fields or containers in Minnesota
 40.18 for eventual sale, including cutting, splitting, and propagating plants.

40.19 (b) In addition to the fees in paragraph (a), a penalty of 25 percent of the fee due may
 40.20 be charged or a portion thereof, if the fee is delinquent or any application for renewal is not
 40.21 postmarked or electronically date stamped by December 31 of the current year.

40.22 (c) A live plant dealer operating without a valid certificate must not offer nursery stock
 40.23 for sale or sell nursery stock until a certificate is issued to the live plant dealer by the
 40.24 commissioner and the live plant dealer has paid any applicable fees and penalties in full.

40.25 Sec. 18. Minnesota Statutes 2022, section 18H.08, subdivision 2, is amended to read:

40.26 Subd. 2. **Virus disease-free certification.** The commissioner may provide special
 40.27 services such as virus disease-free certification and other similar programs. Participation
 40.28 by ~~nursery stock growers~~ live plant dealers is voluntary. Plants offered for sale as certified
 40.29 virus-free must be grown according to certain procedures in a manner defined by the
 40.30 commissioner for the purpose of eliminating viruses and other injurious disease or insect
 40.31 pests. The commissioner shall collect reasonable fees from participating ~~nursery stock~~
 40.32 ~~growers~~ live plant dealers for services and materials that are necessary to conduct this type
 40.33 of work.

41.1 Sec. 19. Minnesota Statutes 2022, section 18H.09, is amended to read:

41.2 **18H.09 NURSERY STOCK CERTIFICATION REQUIREMENTS.**

41.3 (a) All nursery stock growing at sites identified by ~~nursery stock dealers or nursery stock~~
41.4 ~~growers~~ live plant dealers and submitted for inspection must be inspected by the
41.5 commissioner within the previous 12 months prior to sale and found apparently free from
41.6 quarantine and regulated nonquarantine pests as well as significantly dangerous or potentially
41.7 damaging plant pests. The commissioner may waive a site inspection under the following
41.8 conditions:

41.9 (1) the nursery stock is not going to be sold within 12 months;

41.10 (2) the nursery stock will not be moved out of Minnesota; and

41.11 (3) the nursery site or stock is not subject to certification requirements associated with
41.12 a state or federally regulated or quarantined plant pest.

41.13 All nursery stock originating from out of state and offered for sale in Minnesota must
41.14 have been inspected by the appropriate state or federal agency during the previous 12 months
41.15 and found free from quarantine and regulated nonquarantine pests as well as significantly
41.16 dangerous or potentially damaging plant pests. A nursery stock certificate is valid from
41.17 January 1 to December 31.

41.18 (b) Nursery stock must be accessible to the commissioner for inspection during regular
41.19 business hours. Weeds or other growth that hinder a proper inspection are grounds to suspend
41.20 or withhold a certificate or require a reinspection.

41.21 (c) Inspection reports issued to ~~growers~~ live plant dealers must contain a list of the plant
41.22 pests found at the time of inspection. Withdrawal-from-distribution orders are considered
41.23 part of the inspection reports. A withdrawal-from-distribution order must contain a list of
41.24 plants withdrawn from distribution and the location of the plants.

41.25 (d) The commissioner may post signs to delineate sections withdrawn from distribution.
41.26 These signs must remain in place until the commissioner removes them or grants written
41.27 permission to the grower to remove the signs.

41.28 (e) Inspection reports issued to live plant dealers must outline the violations involved
41.29 and corrective actions to be taken including withdrawal-from-distribution orders which
41.30 would specify nursery stock that could not be distributed from a certain area.

(f) Optional inspections of plants may be conducted by the commissioner upon request by any persons desiring an inspection. A fee as provided in section 18H.07 must be charged for such an inspection.

Sec. 20. Minnesota Statutes 2022, section 18H.13, subdivision 3, is amended to read:

Subd. 3. **Reciprocal agreements.** The commissioner may cooperate with and enter into reciprocal agreements with other states regarding licensing and movement of nursery stock. Reciprocal agreements with other states do not prevent the commissioner from prohibiting the distribution in Minnesota of any nursery stock that fails to meet minimum criteria for nursery stock of Minnesota certified ~~growers, dealers, or both~~ live plant dealers. An official directory of certified nurseries and related nursery industry businesses from other states is acceptable in lieu of individual nursery certificates.

Sec. 21. Minnesota Statutes 2022, section 18H.15, is amended to read:

18H.15 VIOLATIONS.

(a) A person who offers to distribute nursery stock that is uncertified, uninspected, or falsely labeled or advertised possesses an illegal regulated commodity that is considered infested or infected with harmful plant pests and subject to regulatory action and control. If the commissioner determines that the provisions of this section have been violated, the commissioner may order the destruction of all of the plants unless the person:

(1) provides proper phytosanitary preclearance, phytosanitary certification, or nursery stock certification;

(2) agrees to have the plants, plant materials, or nursery stock returned to the consignor; and

(3) provides proper documentation, certification, or compliance to support advertising claims.

(b) The plant owner is liable for all costs associated with a withdrawal-from-distribution order or the quarantine, treatment, or destruction of plants. The commissioner is not liable for actual or incidental costs incurred by a person due to the commissioner's actions. The commissioner must be reimbursed by the owner of the plants for the actual expenses incurred in carrying out a withdrawal-from-distribution order or the quarantine, treatment, or destruction of any plants.

(c) It is unlawful for a person to:

(1) misrepresent, falsify, or knowingly distribute, sell, advertise, or display damaged, mislabeled, misrepresented, infested, or infected nursery stock;

(2) fail to obtain a nursery certificate as required by the commissioner;

(3) fail to renew a nursery certificate, but continue business operations;

(4) fail to display a nursery certificate;

(5) misrepresent or falsify a nursery certificate;

(6) refuse to submit to a nursery inspection;

(7) fail to provide the cooperation necessary to conduct a successful nursery inspection;

(8) offer for sale uncertified plants, plant materials, or nursery stock;

(9) possess an illegal regulated commodity;

(10) violate or disobey a commissioner's order;

(11) violate a quarantine issued by the commissioner;

(12) fail to obtain phytosanitary certification for plant material or nursery stock brought into Minnesota;

(13) deface, mutilate, or destroy a nursery stock certificate, phytosanitary certificate, or phytosanitary preclearance certificate, or other commissioner mark, permit, or certificate;

(14) fail to notify the commissioner of an uncertified shipment of plants, plant materials, or nursery stock;

(15) transport uncertified plants, plant materials, or nursery stock in Minnesota; or

(16) sell nursery stock to an uncertified ~~nursery stock~~ live plant dealer who is required to be certified.

Sec. 22. Minnesota Statutes 2022, section 25.39, subdivision 1, is amended to read:

Subdivision 1. **Amount of fee.** (a) An inspection fee at the rate of 16 cents per ton must be paid to the commissioner on commercial feeds distributed in this state by the person who first distributes the commercial feed, except that:

(1) no fee need be paid on any feed ingredient in a customer formula feed that has been directly furnished by the customer; or

(2) no fee need be paid on a first distribution if made to a qualified buyer who, with approval from the commissioner, is responsible for the fee. Such license-specific

tonnage-fee-exemption permits shall be issued on a calendar year basis to commercial feed licensees who distribute feed or feed ingredients outside the state, and who submit a \$100 nonrefundable application fee and comply with rules adopted by the commissioner relative to record keeping, tonnage of commercial feed distributed in Minnesota, total of all commercial feed tonnage distributed, and all other information which the commissioner may require so as to ensure that proper inspection fee payment has been made.

(b) In the case of pet food or specialty pet food distributed in the state only in packages of ten pounds or less, a distributor must register each product ~~and submit a current label for each product~~ annually on forms provided by the commissioner, accompanied by an annual application fee of \$100 for each product in lieu of the inspection fee, and within five business days, submit a current label for each product upon the request of the commissioner. This annual fee must be received by the commissioner on or before June 30 or postmarked on or before June 30. The inspection fee required by paragraph (a) applies to pet food or specialty pet food distributed in packages exceeding ten pounds.

(c) The minimum inspection fee is \$75 per annual reporting period.

Sec. 23. Minnesota Statutes 2022, section 28A.08, is amended by adding a subdivision to read:

Subd. 4. Food handler license account; appropriation. A food handler license account is established in the agricultural fund. Fees paid under subdivision 3 must be deposited in this account. Money in the account, including interest, is appropriated to the commissioner for expenses relating to licensing and inspecting food handlers under chapters 28 to 34A or rules adopted under one of those chapters.

Sec. 24. Minnesota Statutes 2022, section 28A.082, subdivision 1, is amended to read:

Subdivision 1. **Fees; application.** (a) The fees for review of food handler facility floor plans under the Minnesota Food Code are based upon the square footage of the structure being newly constructed, remodeled, or converted. The fees for the review shall be:

| square footage | review fee |
|---------------------------------------|--------------------|
| 0 - 4,999 <u>999</u> | \$ 200.00 |
| <u>1,000</u> - 4,999..... | <u>\$ 400.00</u> |
| | 275.00 |
| 5,000 - 24,999..... | \$ <u>800.00</u> |
| | 425.00 |
| 25,000 plus..... | \$ <u>1,000.00</u> |

(b) The applicant must submit the required fee, review application, plans, equipment specifications, materials lists, and other required information on forms supplied by the department at least 30 days prior to commencement of construction, remodeling, or conversion. The commissioner may waive this fee after determining that the facility's principal mode of business is not the sale of food and that the facility sells only prepackaged foods.

(c) The fee for a remodel of a licensed food establishment by the license holder is based on the total square footage in paragraph (a) of the remodeled food preparation, service, display, and storage areas only. This paragraph does not apply to a retail food handler who is applying for a new license that includes the conversion of an existing building or structure that was previously licensed as a food establishment.

Sec. 25. Minnesota Statutes 2022, section 28A.09, is amended by adding a subdivision to read:

Subd. 3. **Vending machine inspection account; appropriation.** A vending machine inspection account is established in the agricultural fund. Fees paid under subdivision 1 must be deposited in this account. Money in the account, including interest, is appropriated to the commissioner for expenses relating to identifying and inspecting food vending machines under chapters 28 to 34A or rules adopted under one of those chapters.

Sec. 26. Minnesota Statutes 2022, section 41A.12, subdivision 4, is amended to read:

Subd. 4. **Sunset.** This section expires on June 30, ~~2025~~ 2035.

Sec. 27. Minnesota Statutes 2022, section 41A.21, subdivision 6, is amended to read:

Subd. 6. **Appropriation.** (a) In fiscal year 2025, a sum sufficient to make the payments required by this section, not to exceed \$1,500,000, is appropriated from the general fund to the commissioner. This is a onetime appropriation. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.

(b) From fiscal year 2026 through fiscal year 2034, 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. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.

Sec. 28. Minnesota Statutes 2022, section 223.16, is amended by adding a subdivision to read:

Subd. 3c. **Failure.** "Failure" means a determination by the commissioner that a grain buyer or grain warehouse has failed to pay for delivered grain, breached a contract, breached more than one contract, or failed to redeliver stored grain to a producer.

Sec. 29. Minnesota Statutes 2022, section 223.17, subdivision 7, is amended to read:

Subd. 7. **Action on a bond breach of contract.** A producer claiming to be damaged by a breach of a contract for the purchase of grain by a ~~licensed~~ grain buyer may file a written claim with the commissioner. The claim must state the facts constituting the claim. ~~The claim must be filed with the commissioner within 180 days of the breach of the contract.~~ If a claim is valid, the commissioner may immediately suspend the license, in which case the licensee shall surrender the license to the commissioner. Within 15 days the licensee may request an administrative hearing subject to chapter 14 to determine whether the license should be revoked. If no request is made within 15 days, the commissioner shall revoke the license.

Sec. 30. Minnesota Statutes 2022, section 223.17, subdivision 7a, is amended to read:

Subd. 7a. **Bond requirements; ~~claims~~.** For entities licensed under this chapter and chapter 232, the bond requirements and ~~claims~~ actions against the bond are governed under section ~~232.22, subdivision 6a~~ 223.24, subdivision 13.

Sec. 31. Minnesota Statutes 2022, section 223.175, is amended to read:

223.175 WRITTEN VOLUNTARY EXTENSION OF CREDIT CONTRACTS; FORM.

A written confirmation required under section 223.177, subdivision 2, and a written voluntary extension of credit contract must include those items prescribed by the commissioner by rule. A contract shall include a statement of the legal and financial responsibilities of grain buyers and sellers established in this chapter. A contract shall also include the following statement in not less than ten point, all capital type, framed in a box with space provided for the seller's signature: "THIS CONTRACT CONSTITUTES A VOLUNTARY EXTENSION OF CREDIT. ~~THIS CONTRACT IS NOT COVERED BY ANY GRAIN BUYER'S BOND~~ MAY NOT BE COVERED COMPLETELY BY THE GRAIN INDEMNITY ACCOUNT." If a written contract is provided at the time the grain is delivered to the grain buyer, the seller shall sign the contract in the space provided beneath

the statement. A transaction that does not meet the provisions of a voluntary extension of credit, including the issuance and signing of a voluntary extension of credit contract, is a cash sale.

Sec. 32. Minnesota Statutes 2022, section 223.19, is amended to read:

223.19 RULES.

The commissioner may make rules pursuant to chapter 14 to carry out the provisions of sections 223.15 to ~~223.23~~ 223.24.

Sec. 33. **223.24] GRAIN INDEMNITY ACCOUNT.**

Subdivision 1. Establishment. The grain indemnity account is established under the direction and control of the commissioner of agriculture. The grain indemnity account shall consist of grain indemnity premiums, money from any other source, and interest.

Subd. 2. Account; appropriation. (a) A grain indemnity account is established in the agricultural fund. Money in the grain indemnity account, including interest, is appropriated to the commissioner to pay valid claims and to administer this section.

(b) The commissioner shall direct payments from the grain indemnity account only for the following purposes:

(1) the payment of valid claims;

(2) the payment of grain indemnity premium refunds;

(3) the payment of administrative expenses under paragraph (c);

(4) the payment of legal fees and legal expenses under subdivision 7; or

(5) the payment of a trustee appointed under subdivision 6.

(c) The commissioner shall allocate money from the grain indemnity account to a separate administrative expenses account to pay or reimburse the agency for grain indemnity account expenses. Administrative expenses under this paragraph include the actual cost of processing payments and refunds, enforcement, record keeping, ordinary management and investment fees connected with the operation of the grain indemnity account, and legal expenses.

Subd. 3. Eligibility. A producer is eligible to receive a grain indemnity payment from the commissioner if the producer sold grain to a grain buyer as defined in this chapter or stored grain with a public grain warehouse operator under chapter 232 and the producer is

48.1 damaged by the grain buyer's or public grain warehouse operator's failure to pay for or
48.2 redeliver grain.

48.3 Subd. 4. **Application.** (a) A producer asserting eligibility under subdivision 3 must file
48.4 a completed claim with the commissioner. The producer must state the facts constituting
48.5 the claim and all other information required by the commissioner.

48.6 (b) Upon receiving a claim, the commissioner must promptly determine the validity of
48.7 the claim and notify the claimant of the commissioner's determination.

48.8 (c) An aggrieved party may appeal the commissioner's determination by requesting,
48.9 within 15 days, that the commissioner initiate a contested case proceeding under chapter
48.10 14.

48.11 Subd. 5. **Payment limitation.** (a) For each failure, the commissioner must pay the eligible
48.12 producer:

48.13 (1) the amount equal to the value of the grain sold on cash sale, grain assigned to
48.14 warehouse receipt, or grain assigned to open storage less than 180 days from the deposit;

48.15 (2) the total amount owed to the seller for a deferred or delayed payment contract for
48.16 which a price has been established when the contract originated within 120 days of the
48.17 breach of contract;

48.18 (3) the lesser of \$750,000 or 75 percent of the amount owed to the seller for a voluntary
48.19 extension of credit contract when the contract originated within 180 days of the breach of
48.20 contract;

48.21 (4) the lesser of \$500,000 or 50 percent for an open storage assignment or a voluntary
48.22 extension of credit contract when the open storage assignment or contract originated between
48.23 181 days and 18 months from the failure; or

48.24 (5) the lesser of \$250,000 or 25 percent for an open storage assignment or a voluntary
48.25 extension of credit contract when the open storage assignment or contract originated between
48.26 19 months and 36 months from the failure.

48.27 (b) Claims filed more than 36 months from the failure are not eligible for payment.

48.28 (c) For the purposes of this subdivision, multiple breaches of contract with a single entity
48.29 constitute one failure.

48.30 (d) If a grain buyer holds both a Minnesota grain buyer license, as defined in chapter
48.31 223, and a license with the United States Department of Agriculture (USDA) under the
48.32 United States Warehouse Act, a seller may only file a claim with the grain indemnity account

if the seller sold grain as a cash sale or under a voluntary extension of credit contract. The commissioner must deny any claims for stored grain from a seller that holds both a Minnesota grain buyer license and a license with the USDA under the United States Warehouse Act.

(e) If valid claims exceed the amount of money available in the grain indemnity account, the commissioner must pay claims to producers in the order that the claims were received. When additional money becomes available, the commissioner must resume issuing grain indemnity payments to each eligible producer until each producer receives the maximum amount payable under paragraph (a).

Subd. 6. **Court order.** (a) The commissioner may apply to a district court for an order appointing a trustee or receiver to manage and supervise the operations of a grain buyer or public grain warehouse operator in default. The commissioner may participate in any resulting court proceeding as an interested party.

(b) The commissioner may recover the cost of the appointed trustee using money appropriated under subdivision 2.

Subd. 7. **Debt obligation; subrogated claim.** (a) Money paid by the commissioner to satisfy a valid claim constitutes a debt obligation of the grain buyer or public grain warehouse operator in default. The commissioner may take action against the grain buyer or public grain warehouse operator to recover the amount of any claim payment plus reasonable costs, attorney fees, and interest computed at the rate provided in section 270C.40. The commissioner must deposit any amount recovered under this subdivision in the grain indemnity account.

(b) As a condition of payment from the commissioner, a producer must subrogate the producer's interest in a voluntary extension of credit contract to the commissioner in an amount equal to any claim payment or payments that the producer received under this section.

(c) The commissioner may recover any debt to the grain indemnity account from a member of the board or management who acted negligently or fraudulently.

Subd. 8. **Grain indemnity premiums.** (a) Except as provided in subdivision 10, producers of grain must be charged a grain indemnity premium as determined and published by the commissioner, not to exceed 0.2 percent of the price on all marketed grain that is sold to a grain buyer as defined in chapter 223.

(b) The grain indemnity premiums required under this section are in addition to any other fees or assessments required by law.

50.1 Subd. 9. Collection and submission of grain indemnity premiums. (a) Each producer
50.2 must pay to the commissioner a grain indemnity premium of not more than 0.2 percent of
50.3 the net proceeds from all grain sold by the producer to a grain buyer purchasing grain in
50.4 Minnesota. When grain is sold to a grain buyer, the grain buyer must deduct the grain
50.5 indemnity premium from the proceeds of the sale and pay the grain indemnity premium to
50.6 the commissioner on behalf of the producer.

50.7 (b) When purchasing grain from a producer, a grain buyer must deduct the grain
50.8 indemnity premium described in paragraph (a) from the proceeds of the sale and notify the
50.9 producer of the amount of the deduction in writing. The grain buyer must forward the grain
50.10 indemnity premium to the commissioner for a deposit into the grain indemnity account on
50.11 behalf of the producer as described in this subdivision.

50.12 (c) A grain buyer must clearly indicate the grain indemnity premiums collected under
50.13 paragraph (b) in the grain buyer's books and records. A grain buyer must retain books and
50.14 records containing the grain indemnity premiums for at least three years. A grain buyer
50.15 must make the grain buyer's books and records available for inspection by the commissioner
50.16 during regular business hours. The department must take steps reasonably necessary to
50.17 verify the accuracy of the grain indemnity premiums as recorded in the grain buyer's books
50.18 and records. Any record or portion thereof seized or copied by the commissioner under this
50.19 paragraph is private or nonpublic data as provided in section 13.02, except that the
50.20 commissioner may disclose this data to aid in the law enforcement process.

50.21 (d) A grain buyer must submit grain indemnity premiums collected under paragraph (a)
50.22 to the commissioner for the purpose of financing or contributing to the financing of the
50.23 grain indemnity account by:

50.24 (1) January 31 for grain indemnity premiums collected during the months of July, August,
50.25 September, October, November, and December; and

50.26 (2) July 31 for grain indemnity premiums collected during the months of January,
50.27 February, March, April, May, and June.

50.28 Subd. 10. Amount in grain indemnity account; basis for suspension and
50.29 reinstatement of grain indemnity premium collection. (a) The grain indemnity premiums
50.30 required under subdivision 8 must be collected until the grain indemnity account contains
50.31 more than \$15,000,000, as of June 30 of any given year.

50.32 (b) Except as provided in paragraph (c), after the grain indemnity account reaches
50.33 \$15,000,000, the commissioner may not require the collection of additional grain indemnity
50.34 premiums until the amount in the account drops below \$9,000,000. In a year when the

51.1 commissioner determines that the account is at or below \$9,000,000, the commissioner may
51.2 reinstate the collection described in this section.

51.3 (c) The commissioner shall announce the intention to collect the grain indemnity
51.4 premiums described in this section by May 1 with collection to begin July 1 until the grain
51.5 indemnity account contains at least \$15,000,000. The commissioner must notify the public
51.6 of the commissioner's intent to reinstate collection of additional grain indemnity premiums
51.7 through publication in the State Register and by notifying each licensee of the licensee's
51.8 obligation to collect premiums.

51.9 Subd. 11. **Grain indemnity refund; opt out.** (a) Subject to subdivision 9, a producer
51.10 that has paid a grain indemnity premium, either directly or collected by a licensee, may
51.11 receive a refund of that premium from the grain indemnity account by submitting a written
51.12 demand for a refund to the commissioner, delivered personally or by first-class mail within
51.13 12 months after the producer paid the grain indemnity premium.

51.14 (b) A producer must submit a demand for a refund of a grain indemnity premium under
51.15 paragraph (a) on a demand for refund form developed by the commissioner. The
51.16 commissioner must make the form available to a licensee, producer, or member of the public
51.17 upon request.

51.18 (c) If a producer is entitled to a refund of a grain indemnity premium under this section,
51.19 the commissioner must pay the refund within 90 days of receiving the demand for a refund.
51.20 If the grain indemnity account balance is insufficient to pay refunds under this subdivision
51.21 and valid claims exist, once money is deposited into the grain indemnity account, the
51.22 commissioner must issue pending refunds for grain indemnity premium payments before
51.23 issuing payments to claimants.

51.24 (d) If the commissioner announces grain indemnity premiums as required under
51.25 subdivision 10 by June 30, the commissioner must send a notice to each producer who
51.26 requested a refund of a grain indemnity premium during the previous three fiscal years. The
51.27 notice must inform the producer of the deadline for and method of submitting a demand for
51.28 a refund to the commissioner under paragraphs (a) and (b) and the method for reentering
51.29 the grain indemnity program under paragraph (e).

51.30 (e) A producer that receives a refund of a grain indemnity premium under paragraph (a)
51.31 is not entitled to participate in the grain indemnity program or to receive any payment under
51.32 this section unless the producer reenters the grain indemnity program by meeting all of the
51.33 following conditions:

52.1 (1) the producer must submit a request for reentry into the grain indemnity program to
52.2 the commissioner. The producer must submit the request on the form required by the
52.3 commissioner and must deliver the request to the commissioner;

52.4 (2) the producer's request is approved by the commissioner; and

52.5 (3) the producer must pay into the grain indemnity account all grain indemnity premiums
52.6 that were refunded to the producer and interest on the refunds as determined by the
52.7 commissioner.

52.8 (f) A producer that reenters the grain indemnity program under paragraph (e) is eligible
52.9 to be reimbursed for claims under the grain indemnity program for any breach of contract
52.10 that occurs at least 90 days after reentry.

52.11 (g) A producer is not eligible for a refund of a grain indemnity premium under this
52.12 section if the producer has received payment from the grain indemnity account for a valid
52.13 claim within the preceding 36 months.

52.14 Subd. 12. **Penalties; enforcement action; costs and expenses.** (a) In addition to any
52.15 other penalty or remedy provided by law, a person who knowingly or intentionally commits
52.16 any of the following is subject to civil penalties under section 18J.10:

52.17 (1) refusing or failing to collect any grain indemnity premiums as required under this
52.18 section;

52.19 (2) refusing or failing to pay to the commissioner any grain indemnity premiums collected
52.20 under this section;

52.21 (3) making a false statement, representation, or certification or knowingly failing to
52.22 make a required statement, representation, or certification in a record, report, or other
52.23 document required under this section or filed with the commissioner; or

52.24 (4) resisting, preventing, impeding, or interfering with the commissioner in the
52.25 performance of the commissioner's duties under this section.

52.26 (b) In addition to the civil penalty described in paragraph (a), the commissioner in an
52.27 enforcement action for a violation described in paragraph (a), clause (1) or (2), must order
52.28 the grain buyer to pay into the grain indemnity account any grain indemnity premiums
52.29 collected by the grain buyer that the grain buyer owes to the grain indemnity account and
52.30 may order the grain buyer to pay interest on the amount that the grain buyer owes to the
52.31 grain indemnity account.

53.1 Subd. 13. **Grain bonds; new license holders.** (a) Except as provided in paragraph (b),
53.2 before the commissioner issues a grain buyer or public grain warehouse operator license,
53.3 a person who has not been licensed to buy grain or operate a public grain warehouse in the
53.4 previous licensing period must file with the commissioner a grain bond in a penal sum of
53.5 \$100,000. A grain bond must remain in effect for the first three years of the license.

53.6 (b) A grain buyer who purchases grain immediately upon delivery solely with cash; a
53.7 certified check; a cashier's check; or a postal, bank, or express money order is exempt from
53.8 this subdivision if the grain buyer's gross annual purchases are \$1,000,000 or less.

53.9 (c) The commissioner may require a supplemental bond in an amount prescribed by the
53.10 commissioner based on the financial statements required in section 223.17, subdivision 6.

53.11 (d) A grain bond must be on a form provided by the commissioner.

53.12 (e) A grain bond required under paragraphs (a) and (c) must provide for the payment of
53.13 any loss caused by the grain buyer's failure to pay upon the owner's demand, including loss
53.14 caused by the grain buyer's failure to pay within the time required. A grain bond must be
53.15 conditioned upon the grain buyer being duly licensed. A grain bond required under paragraphs
53.16 (a) and (c) that is obtained by a public grain warehouse operator must be conditioned that
53.17 the public grain warehouse operator issuing a grain warehouse receipt is liable to the depositor
53.18 for the delivery of the kind, grade, and net quantity of grain called for by the receipt. The
53.19 grain bond must be conditioned upon the operator being duly licensed. For those entities
53.20 licensed under this chapter, the entire grain bond must be available to any claims against
53.21 the grain bond filed under this chapter.

53.22 (f) A grain bond must not be cumulative from one licensing period to the next. The
53.23 maximum liability of the grain bond must be the grain bond's face value for the licensing
53.24 period.

53.25 (g) A grain bond must be continuous until canceled. To cancel a grain bond, a surety
53.26 must provide 90 days' written notice of the grain bond's termination date to the licensee and
53.27 the commissioner.

53.28 (h) Upon the commissioner's determination that a claim is valid, the surety for any claims
53.29 against the grain bond must make payments to the grain indemnity account.

53.30 **EFFECTIVE DATE.** This section is effective July 1, 2023.

54.1 Sec. 34. Minnesota Statutes 2022, section 232.22, subdivision 5, is amended to read:

54.2 Subd. 5. **Statement of grain in storage; reports.** ~~(a) All public grain warehouse operators~~
54.3 ~~must by February 15 of each year file with the commissioner on a form approved by the~~
54.4 ~~commissioner a report showing the annual average liability of all grain outstanding on grain~~
54.5 ~~warehouse receipts, open storage, and grain stored for feed processing that occurred during~~
54.6 ~~the preceding calendar year. This report shall be used for the purpose of establishing the~~
54.7 ~~penal sum of the bond.~~

54.8 ~~(b) Warehouse operators that are at a maximum bond and want to continue at maximum~~
54.9 ~~bond do not need to file this report.~~

54.10 ~~(c) It is a violation of this chapter for any public grain warehouse operator to fail to file~~
54.11 ~~the report required in paragraph (a).~~

54.12 ~~(d)~~ (a) Every public grain warehouse operator shall keep in a place of safety complete
54.13 and accurate records and accounts relating to any grain warehouse operated. The records
54.14 shall reflect each commodity received and shipped daily, the balance remaining in the grain
54.15 warehouse at the close of each business day, a listing of all unissued grain warehouse receipts
54.16 in the operator's possession, a record of all grain warehouse receipts issued which remain
54.17 outstanding and a record of all grain warehouse receipts which have been returned for
54.18 cancellation. Copies of grain warehouse receipts or other documents evidencing ownership
54.19 of grain by a depositor, or other liability of the grain warehouse operator, shall be retained
54.20 as long as the liability exists but must be kept for a minimum of three years.

54.21 ~~(e)~~ (b) Every public grain warehouse operator must maintain in the grain warehouse at
54.22 all times grain of proper grade and sufficient quantity to meet delivery obligations on all
54.23 outstanding grain warehouse receipts.

54.24 Sec. 35. **[17.033] LICENSE AND PERMIT SURCHARGES.**

54.25 The commissioner of agriculture may collect license and permit surcharges on all
54.26 licensing and permitting transactions conducted by the Department of Agriculture for which
54.27 a fee is charged. The surcharge applies to all initial and renewal license and permit
54.28 applications and is calculated based on the license or permit base fee. Late penalties or other
54.29 assessments are not included in the calculation of the surcharge. The fee is set at five percent
54.30 beginning August 1, 2023, with a minimum fee of \$5 for each transaction. The surcharge
54.31 rate must be reviewed and set annually by the commissioner and may be assessed at a rate
54.32 of between three and eight percent of the licensing or permitting fee, with a minimum fee
54.33 of \$5 for each transaction. The fees collected for this surcharge must be deposited in a

dedicated account in the agriculture fund. Money in the account, including interest, is appropriated to the commissioner for the information technology improvement activities needed to create electronic systems for conducting licensing and permitting transactions and to modernize the department's inspection and customer management systems.

Sec. 36. **REPEALER.**

Minnesota Statutes 2022, sections 17.055, subdivision 2; 18H.02, subdivisions 21, 22, and 23; 18H.07, subdivisions 2 and 3; and 35.156, subdivision 2, are repealed.

ARTICLE 3
BROADBAND

Section 1. **BROADBAND DEVELOPMENT APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

| <u>APPROPRIATIONS</u> | | | |
|---|--------------------|---------------------------|--|
| <u>Available for the Year</u> | | | |
| <u>Ending June 30</u> | | | |
| | <u>2024</u> | | <u>2025</u> |
| Sec. 2. <u>DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT</u> | <u>\$</u> | <u>163,350,000</u> | <u>\$</u> <u>138,350,000</u> |
| <u>(a) \$350,000 each year is for the Office of Broadband Development.</u> | | | |
| <u>(b) \$163,000,000 the first year and \$138,000,000 the second year are transferred from the general fund to the border-to-border broadband fund account established in Minnesota Statutes, section 116J.396. These appropriations and transfers are onetime.</u> | | | |

56.1 Sec. 3. Minnesota Statutes 2022, section 116J.395, subdivision 7, is amended to read:

56.2 Subd. 7. **Limitation.** (a) No grant awarded under this section may fund more than 50
56.3 percent of the total cost of a project if the project does not also receive federal funding. If
56.4 the project receives federal funding, a grant awarded under this section may fund up to 75
56.5 percent of the total cost.

56.6 (b) Grants awarded to a single project under this section must not exceed \$5,000,000 if
56.7 the project does not also receive federal funding. If the project receives federal funding, a
56.8 grant awarded under this section must not exceed \$10,000,000.