

1.1 CONFERENCE COMMITTEE REPORT ON H. F. No. 3420

1.2 A bill for an act

1.3 relating to drought relief; modifying the disaster recovery loan program; increasing
1.4 funding for agricultural drought relief loans; appropriating money for drought
1.5 relief grants and other financial assistance for eligible farmers; providing financial
1.6 assistance to municipalities, townships, and Tribal governments for increasing
1.7 water efficiency in public water supplies; providing grants for planting shade trees
1.8 and purchasing tree-watering equipment; providing financial assistance to replace
1.9 drought-killed seedlings; appropriating money; amending Minnesota Statutes 2020,
1.10 section 41B.047, subdivision 3.

1.11 May 20, 2022

1.12 The Honorable Melissa Hortman
1.13 Speaker of the House of Representatives

1.14 The Honorable David J. Osmeck
1.15 President of the Senate

1.16 We, the undersigned conferees for H. F. No. 3420 report that we have agreed upon the
1.17 items in dispute and recommend as follows:

1.18 That the Senate recede from its amendments and that H. F. No. 3420 be further amended
1.19 as follows:

1.20 Delete everything after the enacting clause and insert:

1.21 "ARTICLE 1

1.22 AGRICULTURE APPROPRIATIONS

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

1.25 Sec. 2. DEPARTMENT OF AGRICULTURE

1.26			<u>59,303,000</u>		<u>59,410,000</u>
1.27	Subdivision 1. Total Appropriation	\$	<u>60,803,000</u>	\$	<u>65,410,000</u>

2.1	Appropriations by Fund		
2.2		2022	2023
2.3		58,904,000	59,011,000
2.4	General	<u>60,404,000</u>	<u>65,011,000</u>
2.5	Remediation	399,000	399,000

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

2.9 **Subd. 2. Protection Services**

2.10	Appropriations by Fund		
2.11		2022	2023
2.12			19,610,000
2.13	General	19,384,000	<u>20,110,000</u>
2.14	Remediation	399,000	399,000

2.15 (a) \$399,000 the first year and \$399,000 the
 2.16 second year are from the remediation fund for
 2.17 administrative funding for the voluntary
 2.18 cleanup program.

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

3.1 methods performed by federal wildlife services
3.2 staff.

3.3 (c) \$155,000 the first year and \$155,000 the
3.4 second year are for compensation for crop
3.5 damage under Minnesota Statutes, section
3.6 3.7371. If the amount in the first year is
3.7 insufficient, the amount in the second year is
3.8 available in the first year. The commissioner
3.9 may use up to \$10,000 of the appropriation
3.10 each year to reimburse expenses incurred by
3.11 the commissioner or the commissioner's
3.12 approved agent to investigate and resolve
3.13 claims, as well as for costs associated with
3.14 training for approved agents. The
3.15 commissioner may use up to \$20,000 of the
3.16 appropriation each year to make grants to
3.17 producers for measures to protect stored crops
3.18 from elk damage.

3.19 If the commissioner determines that claims
3.20 made under Minnesota Statutes, section 3.737
3.21 or 3.7371, are unusually high, amounts
3.22 appropriated for either program may be
3.23 transferred to the appropriation for the other
3.24 program.

3.25 (d) \$225,000 the first year and \$225,000 the
3.26 second year are for additional funding for the
3.27 noxious weed and invasive plant program.

3.28 (e) \$50,000 the first year is for additional
3.29 funding for the industrial hemp program for
3.30 IT development. This is a onetime
3.31 appropriation and is available until June 30,
3.32 2023.

3.33 (f) \$110,000 the first year and \$110,000 the
3.34 second year are for additional meat and poultry

4.1 inspection services. The commissioner is
4.2 encouraged to seek inspection waivers,
4.3 matching federal dollars, and offer more online
4.4 inspections for the purposes under this
4.5 paragraph.

4.6 (g) \$825,000 the first year and \$825,000 the
4.7 second year are to replace capital equipment
4.8 in the Department of Agriculture's analytical
4.9 laboratory.

4.10 (h) \$274,000 the first year and \$550,000 the
4.11 second year are to maintain the current level
4.12 of service delivery.

4.13 (i) \$630,000 is added to the base of fiscal year
4.14 2024 and each year thereafter for grants to the
4.15 Board of Regents of the University of
4.16 Minnesota to fund the Forever Green Initiative
4.17 and protect the state's natural resources while
4.18 increasing the efficiency, profitability, and
4.19 productivity of Minnesota farmers by
4.20 incorporating perennial and winter-annual
4.21 crops into existing agricultural practices.

4.22 Eligible uses include but are not limited to (1)
4.23 equipment and physical infrastructure to
4.24 support breeding and agronomic activities
4.25 necessary to develop perennial and
4.26 winter-annual crops, and (2) to develop
4.27 enterprises, supply chains, and markets for
4.28 continuous living cover crops and cropping
4.29 systems in the early stage of commercial
4.30 development, Kernza perennial grain, winter
4.31 camelina, hybrid hazelnuts, and elderberry.

4.32 (j) \$500,000 the second year is for the soil
4.33 health financial assistance pilot program. This
4.34 is a onetime appropriation and is available
4.35 until June 30, 2024.

5.1	Subd. 3. Agricultural Marketing and		4,205,000
5.2	Development	4,200,000	<u>4,215,000</u>
5.3	(a) \$186,000 the first year and \$186,000 the		
5.4	second year are for transfer to the Minnesota		
5.5	grown account and may be used as grants for		
5.6	Minnesota grown promotion under Minnesota		
5.7	Statutes, section 17.102. Grants may be made		
5.8	for one year. Notwithstanding Minnesota		
5.9	Statutes, section 16A.28, the appropriations		
5.10	encumbered under contract on or before June		
5.11	30, 2023, for Minnesota grown grants in this		
5.12	paragraph are available until June 30, 2025.		
5.13	(b) \$50,000 the first year is to expand		
5.14	international marketing opportunities for		
5.15	farmers and value-added processors, including		
5.16	in-market representation in Taiwan. This is a		
5.17	onetime appropriation and is available until		
5.18	June 30, 2023.		
5.19	(c) \$634,000 the first year and \$634,000 the		
5.20	second year are for continuation of the dairy		
5.21	development and profitability enhancement		
5.22	programs including dairy profitability teams		
5.23	and dairy business planning grants under		
5.24	Minnesota Statutes, section 32D.30.		
5.25	(d) \$50,000 the first year and \$50,000 the		
5.26	second year are for additional funding for		
5.27	mental health outreach and support to farmers		
5.28	and others in the agricultural community,		
5.29	including a 24-hour hotline, stigma reduction,		
5.30	and educational offerings. These are onetime		
5.31	appropriations.		
5.32	(e) The commissioner may use funds		
5.33	appropriated in this subdivision for annual		
5.34	cost-share payments to resident farmers or		
5.35	entities that sell, process, or package		

6.1 agricultural products in this state for the costs
 6.2 of organic certification. The commissioner
 6.3 may allocate these funds for assistance to
 6.4 persons transitioning from conventional to
 6.5 organic agriculture.

6.6 (f) \$100,000 the first year and \$100,000 the
 6.7 second year are for the farm safety grant and
 6.8 outreach programs under Minnesota Statutes,
 6.9 section 17.1195. Notwithstanding Minnesota
 6.10 Statutes, section 16A.28, any unencumbered
 6.11 balance does not cancel at the end of the first
 6.12 year and is available in the second year. These
 6.13 are onetime appropriations.

6.14 (g) \$54,000 the first year and \$109,000 the
 6.15 second year are to maintain the current level
 6.16 of service delivery.

6.17 (h) \$10,000 the second year is to provide an
 6.18 interim report on the Statewide Cooperative
 6.19 Partnership for Local and Regional Markets,
 6.20 including recommendations for strengthening
 6.21 local and regional food systems. No later than
 6.22 February 1, 2023, the commissioner must
 6.23 submit the report to the legislative committees
 6.24 with jurisdiction over agriculture policy and
 6.25 finance. This is a onetime appropriation.

6.26	Subd. 4. Agriculture, Bioenergy, and Bioproduct		<u>25,357,000</u>
6.27	Advancement	25,343,000	<u>27,257,000</u>

6.28 (a) \$9,300,000 the first year and \$9,300,000
 6.29 the second year are for transfer to the
 6.30 agriculture research, education, extension, and
 6.31 technology transfer account under Minnesota
 6.32 Statutes, section 41A.14, subdivision 3. Of
 6.33 these amounts: at least \$600,000 the first year
 6.34 and \$600,000 the second year are for the
 6.35 Minnesota Agricultural Experiment Station's

7.1 agriculture rapid response fund under
7.2 Minnesota Statutes, section 41A.14,
7.3 subdivision 1, clause (2); \$2,000,000 the first
7.4 year and \$2,000,000 the second year are for
7.5 grants to the Minnesota Agriculture Education
7.6 Leadership Council to enhance agricultural
7.7 education with priority given to Farm Business
7.8 Management challenge grants; \$350,000 the
7.9 first year and \$350,000 the second year are
7.10 for potato breeding; and \$450,000 the first
7.11 year and \$450,000 the second year are for the
7.12 cultivated wild rice breeding project at the
7.13 North Central Research and Outreach Center
7.14 to include a tenure track/research associate
7.15 plant breeder. The commissioner shall transfer
7.16 the remaining funds in this appropriation each
7.17 year to the Board of Regents of the University
7.18 of Minnesota for purposes of Minnesota
7.19 Statutes, section 41A.14. Of the amount
7.20 transferred to the Board of Regents, up to
7.21 \$1,000,000 each year is for research on avian
7.22 influenza, salmonella, and other turkey-related
7.23 diseases. By January 15, 2023, entities
7.24 receiving grants for potato breeding and wild
7.25 rice breeding are requested to report to the
7.26 chairs and ranking minority members of the
7.27 legislative committees with jurisdiction over
7.28 agriculture and higher education regarding the
7.29 use of the grant money and to provide an
7.30 update on the status of research and related
7.31 accomplishments.

7.32 To the extent practicable, money expended
7.33 under Minnesota Statutes, section 41A.14,
7.34 subdivision 1, clauses (1) and (2), must
7.35 supplement and not supplant existing sources
7.36 and levels of funding. The commissioner may

8.1 use up to one percent of this appropriation for
8.2 costs incurred to administer the program.

8.3 (b) \$16,028,000 the first year and ~~\$16,028,000~~
8.4 \$17,928,000 the second year are for the
8.5 agricultural growth, research, and innovation
8.6 program under Minnesota Statutes, section
8.7 41A.12. Except as provided below, the
8.8 commissioner may allocate the appropriation
8.9 each year among the following areas:
8.10 facilitating the start-up, modernization,
8.11 improvement, or expansion of livestock
8.12 operations including beginning and
8.13 transitioning livestock operations with
8.14 preference given to robotic dairy-milking
8.15 equipment; providing funding not to exceed
8.16 \$800,000 each year to develop and enhance
8.17 farm-to-school markets for Minnesota farmers
8.18 by providing more fruits, vegetables, meat,
8.19 grain, and dairy for Minnesota children in
8.20 school and child care settings including, at the
8.21 commissioner's discretion, reimbursing
8.22 schools for purchases from local farmers;
8.23 assisting value-added agricultural businesses
8.24 to begin or expand, to access new markets, or
8.25 to diversify, including aquaponics systems;
8.26 providing funding not to exceed \$600,000
8.27 each year for urban youth agricultural
8.28 education or urban agriculture community
8.29 development of which \$10,000 each year is
8.30 for transfer to the emerging farmer account
8.31 under Minnesota Statutes, section 17.055,
8.32 subdivision 1a; providing funding not to
8.33 exceed \$450,000 each year for the good food
8.34 access program under Minnesota Statutes,
8.35 section 17.1017; facilitating the start-up,
8.36 modernization, or expansion of other

9.1 beginning and transitioning farms including
9.2 by providing loans under Minnesota Statutes,
9.3 section 41B.056; sustainable agriculture
9.4 on-farm research and demonstration;
9.5 development or expansion of food hubs and
9.6 other alternative community-based food
9.7 distribution systems; enhancing renewable
9.8 energy infrastructure and use; crop 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) \$4,500,000 the first year and ~~\$4,500,000~~
9.23 \$5,750,000 the second year are for incentive
9.24 payments under Minnesota Statutes, sections
9.25 41A.16, 41A.17, 41A.18, and 41A.20.

9.26 Notwithstanding Minnesota Statutes, section
9.27 16A.28, the first year appropriation is
9.28 available until June 30, 2023, and the second
9.29 year appropriation is available until June 30,
9.30 2024. If this appropriation exceeds the total
9.31 amount for which all producers are eligible in
9.32 a fiscal year, the balance of the appropriation
9.33 is available for other purposes under this
9.34 paragraph. The base appropriation under this

10.1 clause is \$5,750,000 in fiscal year 2024 and
10.2 thereafter;

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

11.1 or matched per project; (iii) the geographic
11.2 distribution of financed projects; (iv) any
11.3 market expansion associated with upgraded
11.4 infrastructure; (v) the demographics of the
11.5 areas served; (vi) the costs of the program;
11.6 and (vii) the number of grants to
11.7 minority-owned or female-owned businesses;

11.8 (4) \$750,000 the first year and ~~\$750,000~~
11.9 \$1,400,000 the second year are for grants to
11.10 facilitate the start-up, modernization, or
11.11 expansion of meat, poultry, egg, and milk
11.12 processing facilities. A grant award under this
11.13 clause must not exceed \$200,000. Any
11.14 unencumbered balance at the end of the second
11.15 year does not cancel until June 30, 2024, and
11.16 may be used for other purposes under this
11.17 paragraph. ~~The appropriations under this~~
11.18 ~~clause are onetime~~ The base appropriation
11.19 under this clause is \$250,000 in fiscal year
11.20 2024 and thereafter; and

11.21 (5) \$1,400,000 the first year and \$1,400,000
11.22 the second year are for livestock investment
11.23 grants under Minnesota Statutes, section
11.24 17.118. Any unencumbered balance at the end
11.25 of the second year does not cancel until June
11.26 30, 2024, and may be used for other purposes
11.27 under this paragraph. The appropriations under
11.28 this clause are onetime.

11.29 Notwithstanding Minnesota Statutes, section
11.30 16A.28, any unencumbered balance does not
11.31 cancel at the end of the first year and is
11.32 available for the second year, and
11.33 appropriations encumbered under contract on
11.34 or before June 30, 2023, for agricultural

12.1 growth, research, and innovation grants are
 12.2 available until June 30, 2026.

12.3 The base amount for the agricultural growth,
 12.4 research, and innovation program is
 12.5 ~~\$16,053,000~~ \$17,553,000 in fiscal year 2024
 12.6 and ~~\$16,053,000~~ \$17,553,000 in fiscal year
 12.7 2025, and includes funding for incentive
 12.8 payments under Minnesota Statutes, sections
 12.9 41A.16, 41A.17, 41A.18, and 41A.20.

12.10 (c) \$15,000 the first year and \$29,000 the
 12.11 second year are to maintain the current level
 12.12 of service delivery.

12.13 Subd. 5. Administration and Financial	9,977,000	9,839,000
12.14 Assistance	<u>11,477,000</u>	<u>13,429,000</u>

12.15 (a) \$474,000 the first year and \$474,000 the
 12.16 second year are for payments to county and
 12.17 district agricultural societies and associations
 12.18 under Minnesota Statutes, section 38.02,
 12.19 subdivision 1. Aid payments to county and
 12.20 district agricultural societies and associations
 12.21 shall be disbursed no later than July 15 of each
 12.22 year. These payments are the amount of aid
 12.23 from the state for an annual fair held in the
 12.24 previous calendar year.

12.25 (b) \$387,000 the first year and \$337,000 the
 12.26 second year are for farm advocate services.
 12.27 Of these amounts, \$100,000 the first year and
 12.28 \$50,000 the second year are for a pilot
 12.29 program creating farmland access teams to
 12.30 provide technical assistance to potential
 12.31 beginning farmers. The farmland access teams
 12.32 must assist existing farmers and beginning
 12.33 farmers on transitioning farm ownership and
 12.34 operation. Services provided by teams may
 12.35 include but are not limited to providing

13.1 mediation assistance, designing contracts,
13.2 financial planning, tax preparation, estate
13.3 planning, and housing assistance. Of this
13.4 amount for farm transitions, up to \$50,000 the
13.5 first year may be used to upgrade the
13.6 Minnesota FarmLink web application that
13.7 connects farmers looking for land with farmers
13.8 looking to transition their land.

13.9 (c) \$47,000 the first year and \$47,000 the
13.10 second year are for grants to the Northern
13.11 Crops Institute that may be used to purchase
13.12 equipment. These are onetime appropriations.

13.13 (d) \$238,000 the first year and ~~\$238,000~~
13.14 \$260,000 the second year are for ~~transfer to~~
13.15 ~~the Board of Trustees of the Minnesota State~~
13.16 ~~Colleges and Universities for statewide mental~~
13.17 ~~health counseling support to farm families and~~
13.18 ~~business operators through the Minnesota State~~
13.19 ~~Agricultural Centers of Excellence. South~~
13.20 ~~Central College and Central Lakes College~~
13.21 ~~shall serve as the fiscal agents. a pass-through~~
13.22 grant to Region Five Development
13.23 Commission to provide, in collaboration with
13.24 Farm Business Management, statewide mental
13.25 health counseling support to Minnesota farm
13.26 operators, families, and employees, and
13.27 individuals who work with Minnesota farmers
13.28 in a professional capacity. Region Five
13.29 Development Commission may use up to 6.5
13.30 percent of the grant awarded under this
13.31 paragraph for administration. The base for this
13.32 appropriation is \$260,000 in fiscal year 2024
13.33 and later.

13.34 (e) \$1,700,000 the first year and \$1,700,000
13.35 the second year are for grants to Second

14.1 Harvest Heartland on behalf of Minnesota's
14.2 six Feeding America food banks for the
14.3 following:

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

14.22 (2) to compensate agricultural producers and
14.23 processors for costs incurred to harvest and
14.24 package for transfer surplus fruits, vegetables,
14.25 and other agricultural commodities that would
14.26 otherwise go unharvested, be discarded, or
14.27 sold in a secondary market. Surplus
14.28 commodities must be distributed statewide to
14.29 food shelves and other charitable organizations
14.30 that are eligible to receive food from the food
14.31 banks. Surplus food acquired under this clause
14.32 must be from Minnesota producers and
14.33 processors. Second Harvest Heartland may
14.34 use up to 15 percent of each grant awarded

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

15.14 Of the amount appropriated under this
15.15 paragraph, at least \$600,000 each year must
15.16 be allocated under clause (1). Notwithstanding
15.17 Minnesota Statutes, section 16A.28, any
15.18 unencumbered balance the first year does not
15.19 cancel and is available in the second year.

15.20 Second Harvest Heartland must submit
15.21 quarterly reports to the commissioner and the
15.22 chairs and ranking minority members of the
15.23 legislative committees with jurisdiction over
15.24 agriculture finance in the form prescribed by
15.25 the commissioner. The reports must include
15.26 but are not limited to information on the
15.27 expenditure of funds, the amount of milk or
15.28 other commodities purchased, and the
15.29 organizations to which this food was
15.30 distributed.

15.31 (f) \$250,000 the first year and \$250,000 the
15.32 second year are for grants to the Minnesota
15.33 Agricultural Education and Leadership
15.34 Council for programs of the council under
15.35 Minnesota Statutes, chapter 41D.

16.1 (g) \$1,437,000 the first year and \$1,437,000
16.2 the second year are for transfer to the
16.3 agricultural and environmental revolving loan
16.4 account established under Minnesota Statutes,
16.5 section 17.117, subdivision 5a, for low-interest
16.6 loans under Minnesota Statutes, section
16.7 17.117. The base for appropriations under this
16.8 paragraph in fiscal year 2024 and thereafter
16.9 is \$1,425,000. The commissioner must
16.10 examine how the department could use up to
16.11 one-third of the amount transferred to the
16.12 agricultural and environmental revolving loan
16.13 account under this paragraph to award grants
16.14 to rural landowners to replace septic systems
16.15 that inadequately protect groundwater. No
16.16 later than February 1, 2022, the commissioner
16.17 must report to the legislative committees with
16.18 jurisdiction over agriculture finance and
16.19 environment finance on the results of the
16.20 examination required under this paragraph.
16.21 The commissioner's report may include other
16.22 funding sources for septic system replacement
16.23 that are available to rural landowners.

16.24 (h) \$150,000 the first year and \$150,000 the
16.25 second year are for grants to the Center for
16.26 Rural Policy and Development. These are
16.27 onetime appropriations.

16.28 (i) \$150,000 the first year is to provide grants
16.29 to Central Lakes College for the purposes of
16.30 designing, building, and offering credentials
16.31 in the area of meat cutting and butchery that
16.32 align with industry needs as advised by local
16.33 industry advisory councils. Notwithstanding
16.34 Minnesota Statutes, section 16A.28, any
16.35 unencumbered balance does not cancel at the

17.1 end of the first year and is available for the
17.2 second year. The commissioner may only
17.3 award a grant under this paragraph if the grant
17.4 is matched by a like amount from another
17.5 funding source. The commissioner must seek
17.6 matching dollars from Minnesota State
17.7 Colleges and Universities or other entities.
17.8 The appropriation is onetime and is available
17.9 until June 30, 2024. Any money remaining on
17.10 June 30, 2024, must be transferred to the
17.11 agricultural growth, research, and innovation
17.12 program under Minnesota Statutes, section
17.13 41A.12, and is available until June 30, 2025.
17.14 Grants may be used for costs including but
17.15 not limited to:

17.16 (1) facility renovation to accommodate meat
17.17 cutting;

17.18 (2) curriculum design and approval from the
17.19 Higher Learning Commission;

17.20 (3) program operational start-up costs;

17.21 (4) equipment required for a meat cutting
17.22 program; and

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

17.25 No later than January 15, 2023, Central Lakes
17.26 College must submit a report outlining the use
17.27 of grant money to the chairs and ranking
17.28 minority members of the legislative
17.29 committees and divisions with jurisdiction
17.30 over agriculture and higher education.

17.31 (j) \$2,000 the first year is for grants to the
17.32 Minnesota State Poultry Association. This is
17.33 a onetime appropriation. Notwithstanding
17.34 Minnesota Statutes, section 16A.28, any

18.1 unencumbered balance does not cancel at the
18.2 end of the first year and is available for the
18.3 second year.

18.4 (k) \$17,000 the first year and \$17,000 the
18.5 second year are for grants to the Minnesota
18.6 State Horticultural Society. These are onetime
18.7 appropriations.

18.8 (l) \$18,000 the first year and \$18,000 the
18.9 second year are for grants to the Minnesota
18.10 Livestock Breeders Association. These are
18.11 onetime appropriations.

18.12 (m) The commissioner shall continue to
18.13 increase connections with ethnic minority and
18.14 immigrant farmers to farming opportunities
18.15 and farming programs throughout the state.

18.16 (n) \$25,000 the first year and \$25,000 the
18.17 second year are for grants to the Southern
18.18 Minnesota Initiative Foundation to promote
18.19 local foods through an annual event that raises
18.20 public awareness of local foods and connects
18.21 local food producers and processors with
18.22 potential buyers.

18.23 (o) \$75,000 the first year and \$75,000 the
18.24 second year are for grants to Greater Mankato
18.25 Growth, Inc., for assistance to
18.26 agriculture-related businesses to promote jobs,
18.27 innovation, and synergy development. These
18.28 are onetime appropriations.

18.29 (p) \$75,000 the first year and \$75,000 the
18.30 second year are for grants to the Minnesota
18.31 Turf Seed Council for basic and applied
18.32 research. The Minnesota Turf Seed Council
18.33 may subcontract with a qualified third party
18.34 for some or all of the basic or applied research.

19.1 No later than January 15, 2023, the Minnesota
19.2 Turf Seed Council must submit a report
19.3 outlining the use of the grant money and
19.4 related accomplishments to the chairs and
19.5 ranking minority members of the legislative
19.6 committees with jurisdiction over agriculture.
19.7 These are onetime appropriations. Any
19.8 unencumbered balance does not cancel at the
19.9 end of the first year and is available for the
19.10 second year.

19.11 (q) \$150,000 the first year and \$150,000 the
19.12 second year are to establish an emerging
19.13 farmer office and hire a full-time emerging
19.14 farmer outreach coordinator. The emerging
19.15 farmer outreach coordinator must engage and
19.16 support emerging farmers regarding resources
19.17 and opportunities available throughout the
19.18 Department of Agriculture and the state. For
19.19 purposes of this paragraph, "emerging farmer"
19.20 has the meaning provided in Minnesota
19.21 Statutes, section 17.055, subdivision 1. Of the
19.22 amount appropriated each year, \$25,000 is for
19.23 translation services for farmers and cottage
19.24 food producers.

19.25 (r) \$222,000 the first year and \$286,000 the
19.26 second year are to maintain the current level
19.27 of service delivery.

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

19.30 (1) organizations to provide technical and
19.31 culturally appropriate services to emerging
19.32 farmers and related businesses;

19.33 (2) organizations to help emerging farmers
19.34 pay for up to 65 percent of premium expenses

20.1 each year up to two years under the federal
20.2 micro farm insurance program; and

20.3 (3) The Good Acre for the Local Emergency
20.4 Assistance Farmer Fund (LEAFF) program to
20.5 compensate emerging farmers for crops
20.6 donated to hunger relief organizations in
20.7 Minnesota.

20.8 This is a onetime appropriation and is
20.9 available until June 30, 2024.

20.10 (t) \$750,000 the second year is to support the
20.11 IT modernization efforts, including laying the
20.12 technology foundations needed for improving
20.13 customer interactions with the department for
20.14 licensing and payments. The base for this
20.15 appropriation is \$584,000 in fiscal year 2024
20.16 and \$0 in fiscal year 2025.

20.17 (u) \$1,500,000 the first year is for transfer to
20.18 the agricultural emergency account established
20.19 under Minnesota Statutes, section 17.041. This
20.20 is a onetime transfer. This transfer is in
20.21 addition to the appropriations made in Laws
20.22 2022, chapter 47, section 2.

20.23 Notwithstanding Minnesota Statutes, section
20.24 17.041, the commissioner may use the amount
20.25 to be transferred for the purposes identified
20.26 under Laws 2022, chapter 47, section 2,
20.27 paragraph (b). This paragraph expires on
20.28 December 31, 2022.

20.29 (v) \$250,000 in the second year is for a grant
20.30 to the Board of Regents of the University of
20.31 Minnesota to purchase equipment for the
20.32 Veterinary Diagnostic Laboratory to test for
20.33 chronic wasting disease, African swine fever,
20.34 avian influenza, and other animal diseases.

21.1 The Veterinary Diagnostic Laboratory must
21.2 report expenditures under this paragraph to
21.3 the legislative committees with jurisdiction
21.4 over agriculture finance and higher education
21.5 with initial reports completed by January 3,
21.6 2023, and January 3, 2024, and a final report
21.7 by September 1, 2025. The reports must
21.8 include a list of equipment purchased,
21.9 including the cost of each item. The base for
21.10 this appropriation is \$250,000 in fiscal year
21.11 2024 and \$0 in fiscal year 2025.

21.12 (w) \$141,000 the second year is for additional
21.13 funding to administer the beginning farmer
21.14 tax credit. The base for this appropriation is
21.15 \$56,000 in fiscal year 2024 and later.

21.16 (x) \$750,000 the second year is for a grant to
21.17 the Ag Innovation Campus to continue
21.18 construction of a soybean processing and
21.19 research facility. This is a onetime
21.20 appropriation.

21.21 The commissioner shall submit a report on the
21.22 utilization of the grants to the chairs and
21.23 ranking minority members of the legislative
21.24 committees and divisions with jurisdiction
21.25 over agriculture policy and finance by
21.26 February 1, 2024.

21.27 (y) \$50,000 is added to the base for fiscal year
21.28 2024 and \$0 for fiscal year 2025 to provide
21.29 technical assistance and leadership in the
21.30 development of a comprehensive and
21.31 well-documented state aquaculture plan. The
21.32 commissioner must provide the state
21.33 aquaculture plan to the legislative committees
21.34 with jurisdiction over agriculture finance and
21.35 policy by February 15, 2025.

22.1 (z) \$500,000 the second year is to award and
22.2 administer down payment assistance grants
22.3 under Minnesota Statutes, section 17.133. The
22.4 base for this appropriation is \$750,000 in fiscal
22.5 year 2024 and thereafter.

22.6 (aa) \$350,000 the second year is to provide
22.7 grants to secondary career and technical
22.8 education programs for the purpose of offering
22.9 instruction in meat cutting and butchery. By
22.10 January 15, 2023, the commissioner must
22.11 report to the chairs and ranking minority
22.12 members of the committees with jurisdiction
22.13 over agriculture finance and education finance
22.14 by listing the grants made under this paragraph
22.15 by county and noting the number and amount
22.16 of grant requests not fulfilled. The report may
22.17 include additional information as determined
22.18 by the commissioner, including but not limited
22.19 to information regarding the outcomes
22.20 produced by these grants. If additional grants
22.21 are awarded under this paragraph that were
22.22 not covered in the report due by January 15,
22.23 2023, the commissioner must submit an
22.24 additional report to the chairs and ranking
22.25 minority members of the committees with
22.26 jurisdiction over agriculture finance and
22.27 education finance regarding all grants issued
22.28 under this paragraph by November 1, 2023.
22.29 This is a onetime appropriation. Grants may
22.30 be used for costs, including but not limited to:

22.31 (1) equipment required for a meat cutting
22.32 program;

22.33 (2) facility renovation to accommodate meat
22.34 cutting; and

23.1 (3) training faculty to teach the fundamentals
23.2 of meat processing.

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

23.6 Priority may be given to applicants who are
23.7 coordinating with meat cutting and butchery
23.8 programs at Minnesota State Colleges and
23.9 Universities system and local industry
23.10 partners.

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

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

23.13 **Sec. 4. AGRICULTURAL UTILIZATION**
23.14 **RESEARCH INSTITUTE**

\$ 4,543,000 \$ 4,043,000

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

23.17 (b) \$500,000 the first year is for grants to
23.18 organizations to acquire, host, and operate a
23.19 mobile slaughter unit. The mobile unit must
23.20 coordinate with Minnesota state two-year
23.21 colleges that have meat cutting programs to
23.22 accommodate training as it relates to animal
23.23 slaughter. The mobile unit may coordinate
23.24 with livestock producers who desire to provide
23.25 value-added meat products by utilizing the
23.26 mobile slaughter unit. The mobile unit may
23.27 be used for research, training outside of the
23.28 two-year colleges, and other activities that
23.29 align with industry needs. The Agricultural
23.30 Utilization Research Institute may only award
23.31 a grant under this paragraph if the grant
23.32 amount is matched by a like amount from
23.33 another funding source. The Agricultural
23.34 Utilization Research Institute must seek

24.1 matching dollars from Minnesota State
24.2 Colleges and Universities or other entities for
24.3 purposes of this paragraph. The appropriation
24.4 under this paragraph is onetime and is
24.5 available until June 30, 2024. Any money
24.6 remaining on June 30, 2024, must be
24.7 transferred to the commissioner of agriculture
24.8 for the agricultural growth, research, and
24.9 innovation program under Minnesota Statutes,
24.10 section 41A.12, and is available until June 30,
24.11 2025. By January 15, 2023, the institute must
24.12 report to the chairs and ranking minority
24.13 members of the legislative committees with
24.14 jurisdiction over agriculture regarding the
24.15 status of the project, including the status of
24.16 the use of any state or matching dollars to
24.17 complete the project.

24.18 (c) \$300,000 is added to the base in fiscal year
24.19 2024 and \$0 in fiscal year 2025 for equipment
24.20 upgrades, equipment replacement, installation
24.21 expenses, and laboratory infrastructure at the
24.22 Agricultural Utilization Research Institute's
24.23 laboratories in Crookston, Marshall, and
24.24 Waseca.

24.25 (d) \$200,000 is added to the base for fiscal
24.26 year 2024 and thereafter to maintain the
24.27 current level of service delivery.

24.28 ARTICLE 2

24.29 AGRICULTURE POLICY

24.30 Section 1. Minnesota Statutes 2020, section 17.041, subdivision 1, is amended to read:

24.31 Subdivision 1. **Establishment; appropriation.** An agricultural emergency account is
24.32 established in the agricultural fund. Money in the account, including interest, is appropriated
24.33 to the commissioner for emergency preparedness and response activities for agricultural
24.34 emergencies affecting producers of livestock, poultry, crops, or other agricultural products.

25.1 Eligible emergency response uses include agency costs directly attributed to responding to
25.2 agricultural emergencies and purchasing necessary equipment and reimbursing costs incurred
25.3 by local units of government that are not eligible for reimbursement from other sources.
25.4 Eligible emergency preparedness uses are limited to training and the procurement of
25.5 equipment and supplies.

25.6 Sec. 2. [17.1016] COOPERATIVE GRANTS.

25.7 Subdivision 1. Definitions. For purposes of this section:

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

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

25.12 Subd. 2. Grant program. (a) The commissioner may establish and implement a grant
25.13 program to help farmers finance new cooperatives that organize for purposes of operating
25.14 an agricultural product processing facility or marketing an agricultural product or agricultural
25.15 service.

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

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

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

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

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

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

25.32 (d) Grants must be matched dollar-for-dollar with other money or in-kind contributions.

26.1 Sec. 3. Minnesota Statutes 2020, section 17.117, subdivision 9, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

27.4 ~~(7)~~ (6) shall report to the commissioner annually the past and intended uses of allocations
27.5 awarded; and

27.6 ~~(8)~~ (7) may request additional funds in excess of their allocation when funds are available
27.7 in the agricultural and environmental revolving accounts, as long as all other allocation
27.8 awards to the local government unit have been used or committed.

27.9 (b) If a local government unit withdraws from participation in this program, the local
27.10 government unit, or the commissioner in accordance with the priorities established under
27.11 subdivision 6a, may designate another local government unit that is eligible under subdivision
27.12 6 as the new local government unit responsible for local administration of this program.
27.13 This designated local government unit may accept responsibility and administration of
27.14 allocations awarded to the former responsible local government unit.

27.15 Sec. 5. Minnesota Statutes 2020, section 17.117, subdivision 10, is amended to read:

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

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

27.20 ~~(e) The local lender shall notify the local government unit of the loan amount issued to~~
27.21 ~~the borrower after the closing of each loan.~~

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

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

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

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

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

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

28.11 ~~(j)~~ (i) The local lender shall provide sufficient collateral or protection to the commissioner
28.12 for the funds provided to the local lender. The commissioner must approve the collateral
28.13 or protection provided.

28.14 Sec. 6. Minnesota Statutes 2020, section 17.117, subdivision 11, is amended to read:

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

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

28.22 (c) Local lenders shall set the terms and conditions of loans to borrowers, except that:

28.23 ~~(1) no loan to a borrower may exceed \$200,000; and~~

28.24 ~~(2) no borrower shall, at any time, have multiple loans from this program with a total~~
28.25 ~~outstanding loan balance of more than \$200,000.~~

28.26 (d) The maximum term length for projects in this paragraph is ten years.

28.27 (e) Fees charged at the time of closing must:

28.28 (1) be in compliance with normal and customary practices of the local lender;

28.29 (2) be in accordance with published fee schedules issued by the local lender;

28.30 (3) not be based on participation program; and

29.1 (4) be consistent with fees charged other similar types of loans offered by the local
29.2 lender.

29.3 (f) The interest rate assessed to an outstanding loan balance by the local lender must not
29.4 exceed three percent per year.

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

29.6 Subd. 11a. **Eligible projects.** (a) All projects that remediate or mitigate adverse
29.7 environmental impacts are eligible if the project is eligible under an allocation agreement.

29.8 (b) A manure management project is eligible if the project remediates or mitigates
29.9 impacts from facilities with less than 1,000 animal units as defined in Minnesota Rules,
29.10 chapter 7020, and otherwise meets the requirements of this section.

29.11 (c) A drinking water project is eligible if the project:

29.12 (1) remediates ~~the~~ or mitigates the inadequate flow, adverse environmental impacts or
29.13 presence of contaminants in ~~private well~~ privately owned water supplies that are used for
29.14 drinking water by people or livestock, privately owned water service lines, or privately
29.15 owned plumbing and fixtures;

29.16 (2) implements best management practices that are intended to achieve drinking water
29.17 standards or adequate flow; and

29.18 (3) otherwise meets the requirements of this section.

29.19 Sec. 8. Minnesota Statutes 2020, section 17.118, subdivision 1, is amended to read:

29.20 Subdivision 1. **Establishment.** The commissioner may award a livestock investment
29.21 grant to a person who raises livestock in this state equal to ten percent of the first \$500,000
29.22 of qualifying expenditures, provided the person makes qualifying expenditures of at least
29.23 \$4,000. The commissioner may award multiple livestock investment grants to a person over
29.24 the life of the program ~~as long as the cumulative amount does not exceed \$50,000~~ and shall
29.25 give preference to applicants who have not previously received a grant under this section.

29.26 Sec. 9. Minnesota Statutes 2020, section 17.118, subdivision 3, is amended to read:

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

29.28 (1) be a resident of Minnesota or an entity specifically defined in section 500.24,
29.29 subdivision 2, that is eligible to own farmland and operate a farm in this state under section
29.30 500.24;

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

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

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

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

30.9 Sec. 10. [17.133] FARM DOWN PAYMENT ASSISTANCE GRANTS.

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

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

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

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

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

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

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

30.27 Subd. 3. Report to legislature. No later than December 1, 2023, and annually thereafter,
30.28 the commissioner must provide a report to the chairs and ranking minority members of the
30.29 legislative committees having jurisdiction over agriculture and rural development, in
30.30 compliance with sections 3.195 and 3.197, on the farm down payment assistance grants
30.31 under this section. The report must include:

31.1 (1) background information on beginning farmers in Minnesota and any other information
31.2 that the commissioner and authority find relevant to evaluating the effect of the grants on
31.3 increasing opportunities for and the number of beginning farmers;

31.4 (2) the number and amount of grants;

31.5 (3) the geographic distribution of grants by county;

31.6 (4) the number of grant recipients who are emerging farmers;

31.7 (5) the number of farmers who cease to own land and are subject to payment of a penalty,
31.8 along with the reasons for the land ownership cessation; and

31.9 (6) the number and amount of grant applications that exceeded the allocation available
31.10 in each year.

31.11 Sec. 11. Minnesota Statutes 2020, section 18B.051, is amended to read:

31.12 **18B.051 POLLINATOR ~~HABITAT AND~~ RESEARCH ACCOUNT.**

31.13 Subdivision 1. **Account established.** A pollinator ~~habitat and~~ research account is
31.14 established in the agricultural fund. Money in the account, including interest, is appropriated
31.15 to the Board of Regents of the University of Minnesota for pollinator research and outreach
31.16 including, but not limited to, science-based best practices and the identification and
31.17 establishment of habitat beneficial to pollinators.

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

31.19 Sec. 12. Minnesota Statutes 2020, section 18E.03, subdivision 3, is amended to read:

31.20 Subd. 3. **Determination of response and reimbursement fee.** (a) The commissioner
31.21 shall determine the amount of the response and reimbursement fee under subdivision 4 after
31.22 a public hearing based on:

31.23 (1) the amount needed to maintain an unencumbered balance in the account of ~~\$1,000,000~~
31.24 \$2,000,000;

31.25 (2) the amount estimated to be needed for responses to incidents as provided in
31.26 subdivision 2, clauses (1) and (2); and

31.27 (3) the amount needed for payment and reimbursement under section 18E.04.

31.28 (b) The commissioner shall determine the response and reimbursement fee so that the
31.29 total balance in the account does not exceed ~~\$5,000,000~~ \$6,500,000.

32.1 (c) Money from the response and reimbursement fee shall be deposited in the treasury
32.2 and credited to the agricultural chemical response and reimbursement account.

32.3 **EFFECTIVE DATE.** This section is effective January 1, 2023.

32.4 Sec. 13. Minnesota Statutes 2020, section 18E.04, subdivision 3, is amended to read:

32.5 Subd. 3. **Partial reimbursement.** (a) If the unencumbered balance of the account drops
32.6 below ~~\$2,000,000~~ \$3,000,000, the board may only pay or reimburse an eligible person up
32.7 to \$100,000 within the same fiscal year.

32.8 (b) If the board determines that an incident was caused by a violation of chapter 18B,
32.9 18C, or 18D, the board may reimburse or pay a portion of the corrective action costs of the
32.10 eligible person based on the culpability of the eligible person and the percentage of the costs
32.11 not attributable to the violation.

32.12 **EFFECTIVE DATE.** This section is effective January 1, 2023.

32.13 Sec. 14. Minnesota Statutes 2020, section 18E.04, subdivision 4, is amended to read:

32.14 Subd. 4. **Reimbursement payments.** (a) The board shall pay a person that is eligible
32.15 for reimbursement or payment under subdivisions 1, 2, and 3 from the agricultural chemical
32.16 response and reimbursement account for 80 percent of the total reasonable and necessary
32.17 corrective action costs greater than \$1,000 and less than or equal to ~~\$350,000~~ \$550,000.

32.18 (b) A reimbursement or payment may not be made until the board has determined that
32.19 the costs are reasonable and are for a reimbursement of the costs that were actually incurred.

32.20 (c) The board may make periodic payments or reimbursements as corrective action costs
32.21 are incurred upon receipt of invoices for the corrective action costs.

32.22 (d) Money in the agricultural chemical response and reimbursement account is
32.23 appropriated to the commissioner to make payments and reimbursements directed by the
32.24 board under this subdivision.

32.25 (e) The board may not make reimbursement greater than the maximum allowed under
32.26 paragraph (a) for all incidents on a single site which:

32.27 (1) were not reported at the time of release but were discovered and reported after July
32.28 1, 1989; and

32.29 (2) may have occurred prior to July 1, 1989, as determined by the commissioner.

33.1 (f) The board may only reimburse an eligible person for separate incidents within a
33.2 single site if the commissioner determines that each incident is completely separate and
33.3 distinct in respect of location within the single site or time of occurrence.

33.4 (g) Except for an emergency incident, the board may not reimburse or pay for more than
33.5 60 percent of the corrective action costs of an eligible person or for an incident within five
33.6 years of a previous incident at a single site resulting from a site recontamination.

33.7 (h) The deduction of \$1,000 and 20 percent from the ~~\$350,000~~ \$550,000 remuneration
33.8 may be waived by the board if the incident took place on or after August 18, 2007, and was
33.9 caused by flooding associated with Presidential Declaration of Major Disaster DR-1717.

33.10 **EFFECTIVE DATE.** This section is effective January 1, 2023.

33.11 Sec. 15. Minnesota Statutes 2020, section 28A.21, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

33.29 (vi) one person is knowledgeable in cybersecurity.

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

34.3 Sec. 16. Minnesota Statutes 2020, section 35.05, is amended to read:

34.4 **35.05 AUTHORITY OF STATE BOARD.**

34.5 (a) The state board may quarantine or kill any domestic animal infected with, or which
34.6 has been exposed to, a contagious or infectious dangerous disease if it is necessary to protect
34.7 the health of the domestic animals of the state.

34.8 (b) The board may regulate or prohibit the arrival in and departure from the state of
34.9 infected or exposed animals and, in case of violation of any rule or prohibition, may detain
34.10 any animal at its owner's expense. The board may regulate or prohibit the importation of
34.11 domestic animals which, in its opinion, may injure the health of Minnesota livestock.

34.12 (c) When the governor declares an emergency under section 35.0661, the board, through
34.13 its executive director, may assume control of such resources within the University of
34.14 Minnesota's Veterinary Diagnostic Laboratory as necessary to effectively address the disease
34.15 outbreak. The director of the laboratory and other laboratory personnel must cooperate fully
34.16 in performing necessary functions related to the outbreak or threatened outbreak.

34.17 (d) The board may test or require tests of any bovine or cervidae in the state when the
34.18 board deems it necessary to achieve or maintain bovine tuberculosis accredited free state
34.19 or zone status under the regulations and laws administered by the United States Department
34.20 of Agriculture.

34.21 (e) Notwithstanding section 3.3005, subdivision 2, the board may apply for, receive,
34.22 and disburse federal money made available to the state for animal disease response. All
34.23 federal money received by the board for this purpose must be deposited in the state treasury
34.24 and, except as provided in section 35.156, subdivision 2, is appropriated to the board for
34.25 the purposes for which it was received. By January 15 each year, the board must report to
34.26 the senate Committee on Finance, the house of representatives Committee on Ways and
34.27 Means, and the legislative committees with jurisdiction over the board's operating budget
34.28 regarding the amount of federal money received and spent in the previous fiscal year under
34.29 this paragraph and the board's use of these funds.

34.30 Sec. 17. Minnesota Statutes 2020, section 40A.18, subdivision 2, is amended to read:

34.31 Subd. 2. **Allowed commercial and industrial operations.** (a) Commercial and industrial
34.32 operations are not allowed on land within an agricultural preserve except:

35.1 (1) small on-farm commercial or industrial operations normally associated with and
35.2 important to farming in the agricultural preserve area;

35.3 (2) storage use of existing farm buildings that does not disrupt the integrity of the
35.4 agricultural preserve;

35.5 (3) small commercial use of existing farm buildings for trades not disruptive to the
35.6 integrity of the agricultural preserve such as a carpentry shop, small scale mechanics shop,
35.7 and similar activities that a farm operator might conduct; ~~and~~

35.8 (4) wireless communication installments and related equipment and structure capable
35.9 of providing technology potentially beneficial to farming activities. A property owner who
35.10 installs wireless communication equipment does not violate a covenant made prior to January
35.11 1, 2018, under section 40A.10, subdivision 1-; and

35.12 (5) solar energy generating systems with an output capacity of one megawatt or less.

35.13 (b) For purposes of paragraph (a), clauses (2) and (3), "existing" means existing on
35.14 August 1, 1989.

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

35.16 Sec. 18. Minnesota Statutes 2020, section 41A.16, subdivision 1, is amended to read:

35.17 Subdivision 1. **Eligibility for participants on or before April 1, 2023.** (a) A facility
35.18 eligible for payment under this section must source from Minnesota at least 80 percent of
35.19 the biomass used to produce an advanced biofuel, except that, if a facility is sited 50 miles
35.20 or less from the state border, biomass used to produce an advanced biofuel may be sourced
35.21 from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from
35.22 within a 100-mile radius of the facility or from within Minnesota. The facility must be
35.23 located in Minnesota, must begin production at a specific location ~~by June 30, 2025~~ on or
35.24 before April 1, 2023, and must not begin operating above 23,750 MMbtu of quarterly
35.25 advanced biofuel production before July 1, 2015. Eligible facilities include existing
35.26 companies and facilities that are adding advanced biofuel production capacity, or retrofitting
35.27 existing capacity, as well as new companies and facilities. Production of conventional corn
35.28 ethanol and conventional biodiesel is not eligible. Eligible advanced biofuel facilities must
35.29 produce at least 1,500 MMbtu of advanced biofuel quarterly.

35.30 (b) No payments shall be made for advanced biofuel production that occurs after June
35.31 30, 2035, for those eligible biofuel producers under paragraph (a).

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

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

36.5 (e) Renewable chemical production for which payment has been received under section
36.6 41A.17, and biomass thermal production for which payment has been received under section
36.7 41A.18, are not eligible for payment under this section.

36.8 (f) Biobutanol is eligible under this section.

36.9 Sec. 19. Minnesota Statutes 2020, section 41A.16, is amended by adding a subdivision to
36.10 read:

36.11 Subd. 7. Eligibility for participants after April 1, 2023. (a) A facility eligible for
36.12 payment under this section must source at least 80 percent raw materials from Minnesota.
36.13 If a facility is sited 50 miles or less from the state border, raw materials may be sourced
36.14 from within a 100-mile radius. Raw materials must be from agricultural or forestry sources
36.15 or from solid waste. The facility must be located in Minnesota, must begin production at a
36.16 specific location after April 1, 2023, and before June 30, 2025, and must not begin operating
36.17 above 23,750 MMbtu of quarterly biofuel production before July 1, 2015. Eligible facilities
36.18 include existing companies and facilities that are adding advanced biofuel production
36.19 capacity, or retrofitting existing capacity, as well as new companies and facilities. Production
36.20 of conventional corn ethanol and conventional biodiesel is not eligible. Eligible advanced
36.21 biofuel facilities must produce at least 23,750 MMbtu of biofuel quarterly.

36.22 (b) No payments shall be made for advanced biofuel production that occurs after June
36.23 30, 2035, for those eligible biofuel producers under paragraph (a).

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

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

36.28 (e) Renewable chemical production for which payment has been received under section
36.29 41A.17, and biomass thermal production for which payment has been received under section
36.30 41A.18, are not eligible for payment under this section.

36.31 (f) Biobutanol is eligible under this section.

37.1 Sec. 20. Minnesota Statutes 2020, section 41A.17, subdivision 1, is amended to read:

37.2 Subdivision 1. **Eligibility for participants on or before April 1, 2023.** (a) A facility
37.3 eligible for payment under this section must source from Minnesota at least 80 percent of
37.4 the biomass used to produce a renewable chemical, except that, if a facility is sited 50 miles
37.5 or less from the state border, biomass used to produce a renewable chemical may be sourced
37.6 from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from
37.7 within a 100-mile radius of the facility or from within Minnesota. The facility must be
37.8 located in Minnesota, must begin production at a specific location ~~by June 30, 2025~~ on or
37.9 before April 1, 2023, and must not begin production of 250,000 pounds of chemicals quarterly
37.10 before January 1, 2015. Eligible facilities include existing companies and facilities that are
37.11 adding production capacity, or retrofitting existing capacity, as well as new companies and
37.12 facilities. Eligible renewable chemical facilities must produce at least 250,000 pounds of
37.13 renewable chemicals quarterly. Renewable chemicals produced through processes that are
37.14 fully commercial before January 1, 2000, are not eligible.

37.15 (b) No payments shall be made for renewable chemical production that occurs after June
37.16 30, 2035, for those eligible renewable chemical producers under paragraph (a).

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

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

37.21 (e) Advanced biofuel production for which payment has been received under section
37.22 41A.16, and biomass thermal production for which payment has been received under section
37.23 41A.18, are not eligible for payment under this section.

37.24 Sec. 21. Minnesota Statutes 2020, section 41A.17, is amended by adding a subdivision to
37.25 read:

37.26 **Subd. 6. Eligibility for participants after April 1, 2023.** (a) A facility eligible for
37.27 payment under this program must source at least 80 percent biobased content from Minnesota.
37.28 For the purposes of this subdivision, "biobased content" means a chemical, polymer,
37.29 monomer, or plastic that is not sold primarily for use as food, feed, or fuel and that has a
37.30 biobased percentage of at least 51 percent as determined by testing representative samples
37.31 using American Society for Testing and Materials specification D6866. If a facility is sited
37.32 50 miles or less from the state border, biobased content must be sourced from within a
37.33 100-mile radius. Biobased content must be from agricultural or forestry sources or from

38.1 solid waste. The facility must be located in Minnesota, must begin production at a specific
38.2 location after April 1, 2023, and before June 30, 2025, and must not begin production of
38.3 750,000 pounds or more of chemicals quarterly before January 1, 2015. Eligible facilities
38.4 include existing companies and facilities that are adding production capacity, or retrofitting
38.5 existing capacity, as well as new companies and facilities. Eligible renewable chemical
38.6 facilities must produce at least 750,000 pounds of renewable chemicals quarterly. Renewable
38.7 chemicals produced through processes that are fully commercial before January 1, 2000,
38.8 are not eligible.

38.9 (b) No payments shall be made for renewable chemical production that occurs after June
38.10 30, 2035, for those eligible renewable chemical producers under paragraph (a).

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

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

38.15 (e) Advanced biofuel production for which payment has been received under section
38.16 41A.16, and biomass thermal production for which payment has been received under section
38.17 41A.18, are not eligible for payment under this section.

38.18 Sec. 22. Minnesota Statutes 2020, section 41A.18, subdivision 1, is amended to read:

38.19 Subdivision 1. **Eligibility for participants on or before April 1, 2023.** (a) A facility
38.20 eligible for payment under this section must source from Minnesota at least 80 percent of
38.21 the biomass used for biomass thermal production, except that, if a facility is sited 50 miles
38.22 or less from the state border, biomass used for biomass thermal production may be sourced
38.23 from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from
38.24 within a 100-mile radius of the facility, or from within Minnesota. Biomass must be from
38.25 agricultural or forestry sources. The facility must be located in Minnesota, must have begun
38.26 production at a specific location ~~by June 30, 2025~~ on or before April 1, 2023, and must not
38.27 begin before July 1, 2015. Eligible facilities include existing companies and facilities that
38.28 are adding production capacity, or retrofitting existing capacity, as well as new companies
38.29 and facilities. Eligible biomass thermal production facilities must produce at least 250
38.30 MMbtu of biomass thermal quarterly.

38.31 (b) No payments shall be made for biomass thermal production that occurs after June
38.32 30, 2035, for those eligible biomass thermal producers under paragraph (a).

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

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

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

39.9 Sec. 23. Minnesota Statutes 2020, section 41A.18, is amended by adding a subdivision to
39.10 read:

39.11 Subd. 6. Eligibility for participants after April 1, 2023. (a) A facility eligible for
39.12 payment under this section must source at least 80 percent raw materials from Minnesota.
39.13 If a facility is sited 50 miles or less from the state border, raw materials should be sourced
39.14 from within a 100-mile radius. Raw materials must be from agricultural or forestry sources.
39.15 The facility must be located in Minnesota, must have begun production at a specific location
39.16 after April 1, 2023, and before June 30, 2025, and must not begin before July 1, 2015.
39.17 Eligible facilities include existing companies and facilities that are adding production
39.18 capacity, or retrofitting existing capacity, as well as new companies and facilities. Eligible
39.19 biomass thermal production facilities must produce at least 250 MMbtu of biomass thermal
39.20 quarterly.

39.21 (b) No payments shall be made for biomass thermal production that occurs after June
39.22 30, 2035, for those eligible biomass thermal producers under paragraph (a).

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

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

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

40.1 Sec. 24. Minnesota Statutes 2021 Supplement, section 41A.21, subdivision 2, is amended
40.2 to read:

40.3 Subd. 2. **Eligibility.** (a) A facility eligible for payment under this section must source
40.4 at least 80 percent of its forest resources raw materials from Minnesota. The facility must
40.5 be located in Minnesota; must begin construction activities by December 31, ~~2022~~ 2023,
40.6 for a specific location; must ~~begin production~~ have produced at least one OSB square foot
40.7 on a 3/8-inch nominal basis at a specific location by June 30, ~~2025~~ 2026; and must not begin
40.8 operating before January 1, 2022. Eligible facilities must be new OSB construction sites
40.9 with total capital investment in excess of \$250,000,000. Eligible OSB production facilities
40.10 must produce at least ~~200,000,000~~ 50,000,000 OSB square feet on a 3/8-inch nominal basis
40.11 of OSB each ~~year~~ quarter. At least one product produced at the facility should be a
40.12 wood-based wall or roof structural sheathing panel that has an integrated, cellulose-based
40.13 paper overlay that serves as a water resistive barrier.

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

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

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

40.20 Sec. 25. Minnesota Statutes 2020, section 41B.025, is amended by adding a subdivision
40.21 to read:

40.22 Subd. 10. **Timely decisions.** When feasible, the authority must make a decision on a
40.23 completed loan application submitted by a borrower or eligible agricultural lender within
40.24 ten business days.

40.25 Sec. 26. Minnesota Statutes 2020, section 223.17, subdivision 4, is amended to read:

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

40.29 (1) \$10,000 for grain buyers whose gross annual purchases are \$100,000 or less;

40.30 (2) \$20,000 for grain buyers whose gross annual purchases are more than \$100,000 but
40.31 not more than \$750,000;

41.1 (3) \$30,000 for grain buyers whose gross annual purchases are more than \$750,000 but
41.2 not more than \$1,500,000;

41.3 (4) \$40,000 for grain buyers whose gross annual purchases are more than \$1,500,000
41.4 but not more than \$3,000,000;

41.5 (5) \$50,000 for grain buyers whose gross annual purchases are more than \$3,000,000
41.6 but not more than \$6,000,000;

41.7 (6) \$70,000 for grain buyers whose gross annual purchases are more than \$6,000,000
41.8 but not more than \$12,000,000;

41.9 (7) \$125,000 for grain buyers whose gross annual purchases are more than \$12,000,000
41.10 but not more than \$24,000,000; and

41.11 (8) \$150,000 for grain buyers whose gross annual purchases exceed \$24,000,000.

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

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

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

41.21 (e) A grain buyer who purchases grain immediately upon delivery solely with cash; a
41.22 certified check; a cashier's check; or a postal, bank, or express money order is exempt from
41.23 this subdivision if the grain buyer's gross annual purchases are ~~\$100,000~~ \$1,000,000 or less.

41.24 (f) Bonds must be continuous until canceled. To cancel a bond, a surety must provide
41.25 90 days' written notice of the bond's termination date to the licensee and the commissioner.

41.26 Sec. 27. Minnesota Statutes 2020, section 223.17, subdivision 6, is amended to read:

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

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

- 42.1 (i) a balance sheet;
- 42.2 (ii) a statement of income (profit and loss);
- 42.3 (iii) a statement of retained earnings;
- 42.4 (iv) a statement of changes in financial position; and
- 42.5 (v) a statement of the dollar amount of grain purchased in the previous fiscal year of the
- 42.6 grain buyer;
- 42.7 (2) be accompanied by a compilation report of the financial statement that is prepared
- 42.8 by a grain commission firm or a management firm approved by the commissioner or by an
- 42.9 independent public accountant, in accordance with standards established by the American
- 42.10 Institute of Certified Public Accountants;
- 42.11 (3) be accompanied by a certification by the chief executive officer or the chief executive
- 42.12 officer's designee of the licensee, and where applicable, all members of the governing board
- 42.13 of directors under penalty of perjury, that the financial statement accurately reflects the
- 42.14 financial condition of the licensee for the period specified in the statement;
- 42.15 (4) for grain buyers purchasing under ~~\$5,000,000~~ \$7,500,000 of grain annually, be
- 42.16 reviewed by a certified public accountant in accordance with standards established by the
- 42.17 American Institute of Certified Public Accountants, and must show that the financial
- 42.18 statements are free from material misstatements; and
- 42.19 (5) for grain buyers purchasing ~~\$5,000,000~~ \$7,500,000 or more of grain annually, be
- 42.20 audited by a certified public accountant in accordance with standards established by the
- 42.21 American Institute of Certified Public Accountants and must include an opinion statement
- 42.22 from the certified public accountant.
- 42.23 (b) Only one financial statement must be filed for a chain of warehouses owned or
- 42.24 operated as a single business entity, unless otherwise required by the commissioner. All
- 42.25 financial statements filed with the commissioner are private or nonpublic data as provided
- 42.26 in section 13.02.
- 42.27 (c) A grain buyer who purchases grain immediately upon delivery solely with cash; a
- 42.28 certified check; a cashier's check; or a postal, bank, or express money order is exempt from
- 42.29 this subdivision if the grain buyer's gross annual purchases are ~~\$100,000~~ \$1,000,000 or less.
- 42.30 (d) The commissioner shall annually provide information on a person's fiduciary duties
- 42.31 to each licensee. To the extent practicable, the commissioner must direct each licensee to

43.1 provide this information to all persons required to certify the licensee's financial statement
43.2 under paragraph (a), clause (3).

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

43.4 Sec. 28. Minnesota Statutes 2020, section 346.155, subdivision 7, is amended to read:

43.5 Subd. 7. **Exemptions.** This section does not apply to:

43.6 (1) institutions accredited by the American Zoo and Aquarium Association;

43.7 (2) a wildlife sanctuary;

43.8 (3) fur-bearing animals, as defined in section 97A.015, possessed by a game farm that
43.9 is licensed under section 97A.105, or bears possessed by a game farm that is licensed under
43.10 section 97A.105;

43.11 (4) the Department of Natural Resources, or a person authorized by permit issued by
43.12 the commissioner of natural resources pursuant to section 97A.401, subdivision 3;

43.13 (5) a licensed or accredited research or medical institution; ~~or~~

43.14 (6) a United States Department of Agriculture licensed exhibitor of regulated animals
43.15 while transporting or as part of a circus, carnival, rodeo, or fair; or

43.16 (7) a zoo that: (i) is a United States Department of Agriculture-licensed exhibitor of
43.17 regulated animals; (ii) houses animals owned by institutions accredited by the American
43.18 Zoo and Aquarium Association; and (iii) participates in the American Zoo and Aquarium
43.19 Association Species Survival Plan.

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

43.21 Sec. 29. **SOIL HEALTH FINANCIAL ASSISTANCE PILOT PROGRAM.**

43.22 Subdivision 1. **Establishment.** The commissioner of agriculture must establish and
43.23 administer a pilot program to support healthy soil management practices in accordance with
43.24 this section.

43.25 Subd. 2. **State healthy soil management plan.** The commissioner must develop a
43.26 healthy soil management plan in consultation with the University of Minnesota, the United
43.27 States Department of Agriculture Natural Resources Conservation Service, the Board of
43.28 Water and Soil Resources, the Minnesota Pollution Control Agency, and nongovernmental
43.29 environmental and agricultural organizations. By December 31, 2023, and December 31,
43.30 2024, the commissioner must report the plan to the governor and to the chairs and ranking

44.1 minority members of the house of representatives and senate committees and divisions with
44.2 jurisdiction over agriculture, the environment, and natural resources. The plan must include
44.3 all of the following:

44.4 (1) an assessment of the current state of healthy soil management practices statewide;

44.5 (2) a statewide five- and ten-year goal for healthy soil management practice
44.6 implementation, denominated in acres;

44.7 (3) an explanation of how the commissioner will make grant award decisions based on
44.8 the eligibility categories described in subdivision 3;

44.9 (4) an explanation of how the commissioner will ensure a geographically fair distribution
44.10 of funding across a broad group of crop types, soil management practices, and farm sizes;

44.11 (5) a strategy for leveraging other public and private sources of money to expand healthy
44.12 soil management practices in the state;

44.13 (6) a summary of the operations of the program, including a summary of state, federal,
44.14 and private money spent, the total number of projects and acres, and an estimate of carbon
44.15 sequestered or carbon emissions reduced during that period; and

44.16 (7) any other matter that the commissioner deems relevant.

44.17 Subd. 3. **Eligible projects.** The commissioner may award a grant under this section for
44.18 any project on agricultural land in Minnesota that will:

44.19 (1) increase the quantity of organic carbon in soil through practices, including but not
44.20 limited to reduced tillage, cover cropping, manure management, precision agriculture, crop
44.21 rotations, and changes in grazing management;

44.22 (2) integrate perennial vegetation into the management of agricultural lands;

44.23 (3) reduce nitrous oxide and methane emissions through changes to livestock, soil
44.24 management, or nutrient optimization;

44.25 (4) increase the usage of precision agricultural practices;

44.26 (5) enable the development of site-specific management plans; or

44.27 (6) enable the purchase of equipment, parts and materials, technology, subscriptions,
44.28 technical assistance, seeds, seedlings, or amendments that will further any of the purposes
44.29 in clauses (1) to (5).

44.30 Subd. 4. **Grant eligibility.** Any owner or lessee of farmland may apply for a grant under
44.31 this section. Local government units, including cities, towns, counties, soil and water

45.1 conservation districts, Tribal nations, and joint powers boards, are also eligible for a grant.
45.2 A local government unit that receives a grant for equipment or technology must make those
45.3 purchases available for use by the public.

45.4 Subd. 5. **Funding limitations.** Every appropriation for the soil health financial assistance
45.5 pilot program is subject to the following limitations:

45.6 (1) the commissioner may award no more than ten percent of the appropriation to a
45.7 single recipient; and

45.8 (2) the commissioner may use no more than five percent of the appropriation to cover
45.9 the costs of administering the program.

45.10 Subd. 6. **Expiration.** This section expires June 30, 2024.

45.11 Sec. 30. **REPORT REQUIRED; GRAIN ADVISORY GROUP.**

45.12 The commissioner of agriculture may convene members of the Grain Advisory Group
45.13 and develop recommendations to improve the grain licensing program, including changes
45.14 to protect farmers who sell grain, and report back to the legislative committees with
45.15 jurisdiction over agriculture by February 15, 2023. Participating stakeholders must be given
45.16 an opportunity to include written testimony to the legislative committees in the
45.17 commissioner's report.

ARTICLE 3

DISASTER RELIEF

45.20 Section 1. Minnesota Statutes 2020, section 41B.047, subdivision 3, is amended to read:

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

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

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

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

45.29 (4) have received at least ~~50~~ 25 percent of ~~average~~ annual gross income from farming
45.30 ~~for in the past three years~~ year.

46.1 Sec. 2. **DROUGHT RELIEF GRANTS; APPROPRIATION.**

46.2 Subdivision 1. **Appropriation.** \$8,100,000 in fiscal year 2022 is appropriated from the
46.3 general fund to the commissioner of agriculture to award grants and other forms of financial
46.4 assistance to livestock farmers and specialty crop producers impacted by drought during
46.5 2021. For the purposes of this section, "specialty crop" means an eligible crop under the
46.6 United States Department of Agriculture's specialty crop block grant program. The
46.7 commissioner may use up to 6.5 percent of this appropriation to administer this section.
46.8 This appropriation is available until June 30, 2024.

46.9 Subd. 2. **Eligibility.** (a) To be eligible under this section, a farmer or producer must:

46.10 (1) be located in a county designated by the United States Department of Agriculture as
46.11 a primary natural disaster area after July 19, 2021, and before January 1, 2022, or in a county
46.12 contiguous to a designated county; and

46.13 (2) provide to the commissioner an inventory of expenses incurred by the farmer or
46.14 producer and attest that the farmer or producer incurred these expenses in response to the
46.15 drought.

46.16 (b) Eligible expenses under paragraph (a), clause (2), include but are not limited to costs
46.17 incurred by a livestock farmer to transport feed or feed ingredients up to 25 miles to and
46.18 from the farm if the farmer is not compensated for the same expenses through the United
46.19 States Department of Agriculture's Emergency Assistance for Livestock, Honey Bees, and
46.20 Farm-raised Fish program.

46.21 Subd. 3. **Payment amount.** The commissioner may award an eligible farmer or producer
46.22 a grant or other form of financial assistance equal to the total amount attested to under
46.23 subdivision 2, paragraph (a), clause (2), or \$7,500, whichever is less.

46.24 Subd. 4. **Application process.** (a) The commissioner must accept applications under
46.25 this section for at least ten business days and may accept any additional applications
46.26 postmarked during this same period.

46.27 (b) If total eligible applications received during the initial application period exceed the
46.28 amount appropriated under subdivision 1, the commissioner must award grants or other
46.29 forms of financial assistance to eligible applicants on a pro rata basis.

46.30 (c) If total eligible applications received during the initial application period do not
46.31 exceed the amount appropriated under subdivision 1, the commissioner must solicit and
46.32 accept additional applications until any remaining amount is exhausted or cancels to the
46.33 general fund.

47.1 Subd. 5. **Report.** Beginning January 10, 2023, and annually thereafter until January 10,
47.2 2025, the commissioner must report on expenditures and activities under this section to the
47.3 legislative committees and divisions with jurisdiction over agriculture finance. The reports
47.4 must include a breakdown of grants by type of farm, either livestock or specialty crop, and
47.5 by county.

47.6 **Sec. 3. TRANSFER; RURAL FINANCE AUTHORITY.**

47.7 \$2,500,000 in fiscal year 2022 is transferred from the general fund to the Rural Finance
47.8 Authority Revolving Loan account established under Minnesota Statutes, section 41B.06,
47.9 with priority given to drought relief loans under Minnesota Statutes, section 41B.047.
47.10 Beginning January 10, 2023, and annually thereafter until January 10, 2025, the commissioner
47.11 of agriculture must report expenditures and activities under this section to the legislative
47.12 committees and divisions with jurisdiction over agriculture finance.

47.13 **Sec. 4. APPROPRIATION; VETERINARY DISEASE TESTING EQUIPMENT.**

47.14 \$1,000,000 in fiscal year 2022 is appropriated from the general fund to the commissioner
47.15 of agriculture for a grant to the Board of Regents of the University of Minnesota to purchase
47.16 equipment for the Veterinary Diagnostic Laboratory to test for chronic wasting disease,
47.17 African swine fever, avian influenza, and other animal diseases. The Veterinary Diagnostic
47.18 Laboratory must include expenditures and activities under this section in the reports required
47.19 by article 1, section 1, subdivision 5, paragraph (v). This appropriation is available until
47.20 June 30, 2023.

47.21 **Sec. 5. TRANSFER; AGRICULTURAL EMERGENCY ACCOUNT.**

47.22 (a) \$1,500,000 in fiscal year 2022 is transferred from the general fund to the agricultural
47.23 emergency account established under Minnesota Statutes, section 17.041. This transfer is
47.24 in addition to the transfer under Laws 2022, chapter 47, section 2.

47.25 (b) Notwithstanding Minnesota Statutes, section 17.041, the commissioner may use the
47.26 amount transferred under this section for the purposes identified in Laws 2022, chapter 47,
47.27 section 2. This paragraph expires on December 31, 2022.

47.28 **Sec. 6. APPROPRIATIONS; DROUGHT RELIEF.**

47.29 (a) \$300,000 in fiscal year 2022 is appropriated from the general fund to the commissioner
47.30 of natural resources for costs associated with resolving well interferences confirmed by the

48.1 Department of Natural Resources that occurred after April 30, 2021, and before December
48.2 31, 2021. This appropriation is available until June 30, 2026.

48.3 (b) \$5,000,000 in fiscal year 2023 is appropriated from the general fund to the
48.4 commissioner of natural resources to replace drought-killed seedlings on lands managed
48.5 by the Department of Natural Resources and to administer grants to Tribal, county, and
48.6 private forestland owners to replace drought-killed seedlings on their land. Seedling
48.7 replacement includes site prep, replanting, and tending seedlings. This is a onetime
48.8 appropriation and is available until June 30, 2027.

48.9 **Sec. 7. EFFECTIVE DATE.**

48.10 This article is effective the day following final enactment.

48.11 **ARTICLE 4**
48.12 **BROADBAND APPROPRIATIONS**

48.13 Section 1. Laws 2021, First Special Session chapter 10, article 1, section 7, is amended
48.14 to read:

48.15 **Sec. 7. BROADBAND DEVELOPMENT; APPLICATION FOR FEDERAL**
48.16 **FUNDING; APPROPRIATION.**

48.17 (a) The commissioner of employment and economic development must prepare and
48.18 submit an application to the United States Department of the Treasury requesting that
48.19 \$70,000,000 of Minnesota's capital projects fund allocation under Public Law 117-2 be
48.20 awarded to the state. The commissioner must submit the application required under this
48.21 paragraph by the later of September 30, 2021, or 90 days after the date on which the United
48.22 States Department of the Treasury begins accepting capital projects fund applications. The
48.23 commissioner must specify in the application that the award will be used for grants ~~and~~ that
48.24 satisfy the purposes specified under Minnesota Statutes, section 116J.395.

48.25 (b) Of the amount awarded to the state of Minnesota pursuant to the application required
48.26 in paragraph (a), notwithstanding Minnesota Statutes, sections 3.3005 and 4.07, 50 percent
48.27 in fiscal year 2022 and 50 percent in fiscal year 2023 are appropriated to the commissioner
48.28 of employment and economic development. This is a onetime appropriation and must be
48.29 used for grants ~~and~~ that satisfy the purposes specified under Minnesota Statutes, section
48.30 116J.395. All money awarded under this section must be spent by December 31, 2026.

49.1 (c) The commissioner of employment and economic development may temporarily
49.2 modify program standards under Minnesota Statutes, section 116J.395, to the degree
49.3 necessary to comply with federal standards for funding received under this section.

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

49.5 **Sec. 2. LOWER POPULATION DENSITY PILOT PROGRAM.**

49.6 (a) The commissioner of employment and economic development must establish a pilot
49.7 program to provide broadband service to unserved and underserved areas, as defined in
49.8 Minnesota Statutes, section 116J.394, of the state where a 50 percent match formula is not
49.9 adequate to make a business case for the extension of broadband facilities. Grants awarded
49.10 under this section shall adhere to all other requirements of Minnesota Statutes, section
49.11 116J.395, subdivisions 1 to 6, and may fund up to 75 percent of the total cost of a project,
49.12 notwithstanding Minnesota Statutes section 116J.395, subdivision 7. Grants awarded to a
49.13 single project under this section may not exceed \$10,000,000.

49.14 (b) The commissioner of employment and economic development may use up to
49.15 \$30,000,000 from the appropriations in sections 3 and 4 for the lower population density
49.16 pilot program under paragraph (a).

49.17 (c) No later than December 31, 2023, the Office of Broadband Development must submit
49.18 a report to the chairs and ranking minority members of the senate and house of representatives
49.19 committees with primary jurisdiction over broadband policy and finance analyzing the
49.20 impacts of this section on the number and amounts of grants awarded under Minnesota
49.21 Statutes, section 116J.395.

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

49.23 **Sec. 3. BROADBAND DEVELOPMENT; APPLICATION FOR FEDERAL**
49.24 **FUNDING; APPROPRIATION.**

49.25 (a) The commissioner of employment and economic development must prepare and
49.26 submit a grant plan application to the United States Department of the Treasury requesting
49.27 that \$60,703,000 of Minnesota's capital projects fund allocation under Public Law 117-2
49.28 be used for grants that satisfy the purposes specified under Minnesota Statutes, section
49.29 116J.395, and sections 2, 5, and 6 of this article. The commissioner must submit the
49.30 application required under this paragraph by September 24, 2022.

49.31 (b) Notwithstanding Minnesota Statutes, sections 3.3005 and 4.07, the amount awarded
49.32 to Minnesota pursuant to the application required in paragraph (a) is appropriated to the

50.1 commissioner of employment and economic development. This appropriation (1) must be
50.2 used only for grants that satisfy the purposes specified under Minnesota Statutes, section
50.3 116J.395, and sections 2, 5, and 6 of this article, and (2) is available until December 31,
50.4 2026.

50.5 (c) The commissioner of employment and economic development may temporarily
50.6 modify program standards under Minnesota Statutes, section 116J.395, and sections 2, 5,
50.7 and 6 of this article to the extent necessary to comply with federal standards that apply to
50.8 funding received under this section.

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

50.10 Sec. 4. **BROADBAND DEVELOPMENT; APPROPRIATION.**

50.11 (a) Notwithstanding Minnesota Statutes, sections 3.3005 and 4.07, if Minnesota receives
50.12 federal money for broadband development under Public Law 117-58, the Infrastructure
50.13 Investment and Jobs Act, the money is appropriated to the commissioner of employment
50.14 and economic development for grants that satisfy the purposes specified under Minnesota
50.15 Statutes, section 116J.395, and sections 2 and 6 of this article.

50.16 (b) The commissioner of employment and economic development may temporarily
50.17 modify program standards under Minnesota Statutes, section 116J.395, and sections 2 and
50.18 6 of this article to the extent necessary to comply with federal standards that apply to funding
50.19 received under this section.

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

50.21 Sec. 5. **BROADBAND LINE EXTENSION PROGRAM; APPROPRIATION.**

50.22 The commissioner of employment and economic development may use up to \$15,000,000
50.23 from the appropriations in section 3 for the broadband line extension program in Minnesota
50.24 Statutes, section 116J.3951.

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

50.26 Sec. 6. **BROADBAND; MAPPING.**

50.27 The commissioner of employment and economic development may use up to \$15,000,000
50.28 from the appropriations in sections 3 and 4 for comprehensive statewide mapping if the
50.29 commissioner determines that comprehensive statewide mapping is an eligible expense
50.30 under federal law.

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

51.1 Sec. 7. **TRANSFER.**

51.2 \$25,000,000 in fiscal year 2023 is transferred from the general fund to the
51.3 border-to-border broadband fund account established in Minnesota Statutes, section 116J.396.
51.4 The base for this transfer is \$25,000,000 in fiscal year 2024 and \$0 in fiscal year 2025 and
51.5 later.

51.6 **ARTICLE 5**

51.7 **BROADBAND POLICY**

51.8 Section 1. **[116J.3951] BROADBAND LINE EXTENSION PROGRAM.**

51.9 Subdivision 1. **Program established.** A broadband line extension grant program is
51.10 established in the Department of Employment and Economic Development. The purpose
51.11 of the broadband line extension grant program is to award grants to eligible applicants in
51.12 order to extend existing broadband infrastructure to unserved locations.

51.13 Subd. 2. **Portal.** No later than November 1, 2022, the department must develop and
51.14 implement a portal on the department's website that allows a person to report (1) that
51.15 broadband service is unavailable at the physical address of the person's residence or business,
51.16 and (2) any additional information that the department deems necessary to ensure that the
51.17 broadband line extension grant program functions effectively. The department must develop
51.18 a form that allows the information identified in this subdivision to be submitted on paper.

51.19 Subd. 3. **Data sharing.** (a) Beginning no later than six months after the date that the
51.20 portal is implemented and every six months thereafter, the department must send to each
51.21 broadband service provider serving Minnesota customers: (1) a list of addresses submitted
51.22 to the portal under subdivision 2 during the previous six months; and (2) any additional
51.23 information that the department deems necessary to ensure that the broadband line extension
51.24 grant program functions effectively. The department must send the information required
51.25 under this section via e-mail.

51.26 (b) No later than ten days after the date that the list in paragraph (a) is provided, a
51.27 broadband service provider may notify the department of any posted address at which the
51.28 broadband service provider's broadband service is available. The department must provide
51.29 persons residing or doing business at those addresses with contact information for:

51.30 (1) the broadband service provider with broadband service available at that address; and

52.1 (2) programs administered by government agencies, nonprofit organizations, or the
52.2 applicable broadband service provider that reduce the cost of broadband service and for
52.3 which the persons may be eligible.

52.4 Subd. 4. **Reverse auction process.** (a) No later than ten days after the date that the notice
52.5 requirement in subdivision 3, paragraph (b), expires, the department must notify each
52.6 broadband service provider that the broadband service provider may participate in the reverse
52.7 auction process under this subdivision. Within 60 days of the date that the notification is
52.8 received, a broadband service provider may submit a bid to the department to extend the
52.9 broadband service provider's existing broadband infrastructure to a location where broadband
52.10 service is currently unavailable.

52.11 (b) A bid submitted under this subdivision must include:

52.12 (1) a proposal to extend broadband infrastructure to one or more of the addresses on the
52.13 list sent by the department to the broadband service provider under subdivision 3, paragraph
52.14 (a), at which broadband service is unavailable;

52.15 (2) the amount of the broadband infrastructure extension's total cost that the broadband
52.16 service provider proposes to pay;

52.17 (3) the amount of the broadband infrastructure extension's total cost that the broadband
52.18 service provider proposes that the department is responsible for paying; and

52.19 (4) any additional information required by the department.

52.20 (c) Financial assistance that the department provides under this section must be in the
52.21 form of a grant issued to the broadband service provider. A grant issued under this section
52.22 must not exceed \$25,000 per line extension.

52.23 (d) Within 60 days of the date that the bidding period closes, the department must review
52.24 the bids submitted and select the broadband service provider bids that request the least
52.25 amount of financial support from the state, provided that the department determines that
52.26 the selected bids represent a cost-effective expenditure of state resources.

52.27 Subd. 5. **Line extension agreement.** The department must enter into a line extension
52.28 agreement with each winning bidder identified under subdivision 4, except that the
52.29 department may not enter into a line extension agreement to serve any customer located
52.30 within an area that will be served by a grant already awarded by the department under section
52.31 116J.395.

52.32 Subd. 6. **Contents of agreement.** A line extension agreement under subdivision 5 must
52.33 contain the following terms:

53.1 (1) the broadband service provider agrees to extend broadband infrastructure to support
53.2 broadband service scalable to speeds of at least 100 megabits per second download and 100
53.3 megabits per second upload to each address included in the broadband service provider's
53.4 winning bid;

53.5 (2) the department agrees to pay the state's portion of the line extension cost in a grant
53.6 issued to the broadband service provider upon the completion of the broadband infrastructure
53.7 extension to each address in the broadband service provider's winning bid; and

53.8 (3) the winning bidder has an exclusive right to apply the grant to the cost of the
53.9 broadband infrastructure extension for a period of one year after the date that the agreement
53.10 is executed.

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

53.12 Sec. 2. Minnesota Statutes 2020, section 116J.396, subdivision 2, is amended to read:

53.13 Subd. 2. **Expenditures.** Money in the account may be used only:

53.14 (1) for grant awards made under ~~section~~ sections 116J.395 and 116J.3951, including
53.15 costs incurred by the Department of Employment and Economic Development to administer
53.16 that section;

53.17 (2) to supplement revenues raised by bonds sold by local units of government for
53.18 broadband infrastructure development; or

53.19 (3) to contract for the collection of broadband deployment data from providers and the
53.20 creation of maps showing the availability of broadband service.

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

53.22 Sec. 3. **[116J.399] BROADBAND EASEMENTS.**

53.23 Subdivision 1. **Definitions.** For the purposes of this section, the following terms have
53.24 the meanings given:

53.25 (1) "broadband infrastructure" has the meaning given in section 116J.394, paragraph
53.26 (c);

53.27 (2) "broadband service" has the meaning given in section 116J.394, paragraph (b); and

53.28 (3) "provider" means a broadband service provider, but does not include an electric
53.29 cooperative association organized under chapter 308A that provides broadband service.

54.1 Subd. 2. Use of existing easements for broadband services. (a) A provider, provider's
54.2 affiliate, or another entity that has entered into an agreement with a provider, may use the
54.3 provider, affiliate, or entity's existing or subsequently acquired easements to install broadband
54.4 infrastructure and provide broadband service, which may include an agreement to lease
54.5 fiber capacity.

54.6 (b) Before exercising rights granted under this subdivision, a provider must provide
54.7 notice to the property owner on which the easement is located, as described in subdivision
54.8 3.

54.9 (c) Use of an easement to install broadband infrastructure and provide broadband service
54.10 vests and runs with the land beginning six months after the first notice is provided under
54.11 subdivision 3, unless a court action challenging the use of the easement has been filed before
54.12 that time by the property owner as provided under subdivision 4. The provider must also
54.13 file copies of the notices with the county recorder.

54.14 Subd. 3. Notice to property owner. (a) A provider must send two written notices to
54.15 impacted property owners declaring that the provider intends to use the easements to install
54.16 broadband infrastructure and provide broadband service. The notices must be sent at least
54.17 two months apart and must be sent by first class mail to the last known address of the owner
54.18 of the property on which the easement is located or, if the property owner is an existing
54.19 customer of the provider, by separate printed insertion in the property owner's monthly
54.20 invoice or included as a separate page on a property owner's electronic invoice.

54.21 (b) The notice must include:

54.22 (1) the provider's name and mailing address;

54.23 (2) a narrative describing the nature and purpose of the intended easement use;

54.24 (3) a description of any trenching or other underground work expected to result from
54.25 the intended use, and the anticipated time frame for the work;

54.26 (4) a phone number for an employee of the provider that the property owner may contact
54.27 regarding the easement; and

54.28 (5) the following statement, in bold red lettering: "It is important to make any challenge
54.29 by the deadline to preserve any legal rights you may have."

54.30 (c) The provider must file copies of the notices with the county recorder.

54.31 Subd. 4. Action for damages. (a) Notwithstanding any other law to the contrary, this
54.32 subdivision governs an action under this section and is the exclusive means to bring a claim

55.1 for compensation with respect to a notice of intent to use a provider's existing easement to
55.2 install broadband infrastructure and provide broadband service.

55.3 (b) Within six months after the date notice is received under subdivision 3, a property
55.4 owner may file an action seeking to recover damages for a provider's use of an existing
55.5 easement to install broadband infrastructure and provide broadband service. Claims for
55.6 damages under \$15,000 may be brought in conciliation court.

55.7 (c) To initiate an action under this subdivision, a property owner must serve a complaint
55.8 upon the provider in the same manner as in a civil action and must file the complaint with
55.9 the district court for the county in which the easement is located. The complaint must state
55.10 whether the property owner:

55.11 (1) challenges the provider's right to use the easement for broadband services or
55.12 infrastructure as provided under subdivision 5, paragraph (a);

55.13 (2) seeks damages as provided under subdivision 5, paragraph (b); or

55.14 (3) seeks to proceed under both clauses (1) and (2).

55.15 Subd. 5. **Deposit and hearing required.** (a) If a property owner files a complaint
55.16 challenging a provider's right to use an easement to install broadband infrastructure and
55.17 provide broadband service, after the provider answers the complaint, the district court must
55.18 promptly hold a hearing on the complaint. If the district court denies the property owner's
55.19 complaint, the provider may proceed to use the easement to install broadband infrastructure
55.20 and provide broadband service, unless the complaint also seeks damages. If the complaint
55.21 seeks damages, the provider may proceed under paragraph (b).

55.22 (b) If a property owner files a claim for damages, a provider may, after answering the
55.23 complaint, deposit with the court administrator an amount equal to the provider's estimate
55.24 of damages. A provider's estimate of damages must be no less than \$1. After the estimated
55.25 damages are deposited, the provider may use the existing easement to install broadband
55.26 infrastructure and provide broadband service, conditioned on an obligation, filed with the
55.27 court administrator, to pay the amount of damages determined by the court.

55.28 Subd. 6. **Calculation of damages; burden of proof.** (a) In an action under this section
55.29 involving a property owner's claim for damages:

55.30 (1) the property owner has the burden to prove the existence and amount of any net
55.31 reduction in the fair market value of the property, considering the existence, installation,
55.32 construction, maintenance, modification, operation, repair, replacement, or removal of

56.1 broadband infrastructure in the easement, adjusted to reflect any increase in the property's
56.2 fair market value resulting from access to broadband service;

56.3 (2) a court is prohibited from awarding consequential or special damages; and

56.4 (3) evidence of estimated revenue, profits, fees, income, or similar benefits accruing to
56.5 the provider, the provider's affiliate, or a third party as a result of use of the easement is
56.6 inadmissible.

56.7 (b) Any fees or costs incurred as a result of an action under this subdivision must be
56.8 paid by the party that incurred the fees or costs, except that a provider is responsible for a
56.9 property owner's attorney fees if the final judgment or award of damages by the court exceeds
56.10 140 percent of the provider's damage deposit made under subdivision 5, if applicable.

56.11 Subd. 7. **No limits on existing easement.** Nothing in this section limits in any way a
56.12 provider's existing easement rights.

56.13 Subd. 8. **Local governmental right-of-way management preserved.** The placement
56.14 of broadband infrastructure to provide broadband service under subdivisions 2 to 7 is subject
56.15 to local government permitting and right-of-way management authority under section
56.16 237.163, and must be coordinated with the relevant local government unit in order to
56.17 minimize potential future relocations. The provider must notify a local government unit
56.18 prior to placing infrastructure for broadband service in an easement that is in or adjacent to
56.19 the local government unit's public right-of-way.

56.20 Subd. 9. **Railroad rights-of-way crossing.** The placement of broadband infrastructure
56.21 for use to provide broadband service under subdivisions 1 to 7 or section 308A.201,
56.22 subdivision 12, in any portion of an existing easement located in a railroad right-of-way is
56.23 subject to sections 237.04 and 237.045.

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

56.25 Delete the title and insert:

56.26 "A bill for an act
56.27 relating to state government; appropriating money for drought relief; establishing
56.28 cooperative grants for farmers; establishing farm down payment assistance grants;
56.29 establishing a soil health financial assistance pilot program; making policy and
56.30 technical changes to agricultural provisions; modifying previous appropriations;
56.31 establishing the broadband line extension program; establishing the lower
56.32 population density pilot program; requiring reports; appropriating money; amending
56.33 Minnesota Statutes 2020, sections 17.041, subdivision 1; 17.117, subdivisions 9,
56.34 9a, 10, 11, 11a; 17.118, subdivisions 1, 3; 18B.051; 18E.03, subdivision 3; 18E.04,
56.35 subdivisions 3, 4; 28A.21, subdivision 2; 35.05; 40A.18, subdivision 2; 41A.16,
56.36 subdivision 1, by adding a subdivision; 41A.17, subdivision 1, by adding a
56.37 subdivision; 41A.18, subdivision 1, by adding a subdivision; 41B.025, by adding
56.38 a subdivision; 41B.047, subdivision 3; 116J.396, subdivision 2; 223.17, subdivisions

57.1 4, 6; 346.155, subdivision 7; Minnesota Statutes 2021 Supplement, section 41A.21,
57.2 subdivision 2; Laws 2021, First Special Session chapter 3, article 1, sections 2; 4;
57.3 Laws 2021, First Special Session chapter 10, article 1, section 7; proposing coding
57.4 for new law in Minnesota Statutes, chapters 17; 116J."

58.1 We request the adoption of this report and repassage of the bill.

58.2 House Conferees:

58.3

58.4 Mike Sundin Samantha Vang

58.5

58.6 Rick Hansen Rob Ecklund

58.7

58.8 Paul Anderson

58.9 Senate Conferees:

58.10

58.11 Torrey Westrom Bill Weber

58.12

58.13 Andrew Lang Gary Dahms

58.14

58.15 Kent Eken