

S.F. No. 780 and H.F. No. 895, which had been referred to the Chief Clerk for comparison, were examined and found to be not identical.

The following document shows the differences between S.F. No. 780, the third engrossment, and H.F. No. 895, the second engrossment.

March 30, 2017

Patrick D. Murphy
Chief Clerk, House of Representatives

Explanation of Comparison Reports

When a Senate File is received from the Senate, it is given its first reading and must be referred to the appropriate standing committee or division under Rule 1.11.

But if the House File companion of that Senate File has already been reported out of Committee and given its second reading and is on the General Register, the Senate File must be referred to the Chief Clerk for comparison pursuant to Rule 1.15.

The Chief Clerk reports whether the bills were found to be identical or not identical. Once the bills have been compared and the differences have been reported, the Senate File is given its second reading and is substituted for the House File. The House File is then considered withdrawn.

Pursuant to rule 3.33, if the bills are not identical and the chief author of the bill wishes to use the House language, the chief author must give notice of their intent to substitute the House language when the bill is placed on the Calendar for the Day or the Fiscal Calendar. If the chief author of the bill wishes to keep the Senate language, no action is required.

1.1 A bill for an act
 1.2 relating to agriculture; appropriating money for agriculture-related purposes;
 1.3 making policy and technical changes to agriculture-related provisions; authorizing
 1.4 a transfer, a working group, and accounts; modifying certificate fees; requiring
 1.5 reports; amending Minnesota Statutes 2016, sections 3.7371; 17.119, subdivisions
 1.6 1, 2; 18.79, subdivision 18; 28A.081; 41A.12, subdivision 3; Laws 2015, First
 1.7 Special Session chapter 4, article 1, section 2, subdivision 4, as amended; proposing
 1.8 coding for new law in Minnesota Statutes, chapters 17; 18B.

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

1.10 **ARTICLE 1**

1.11 **AGRICULTURE APPROPRIATIONS**

1.12 Section 1. **AGRICULTURE APPROPRIATIONS.**

1.13 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
 1.14 and for the purposes specified in this article. The appropriations are from the general fund,
 1.15 or another named fund, and are available for the fiscal years indicated for each purpose.
 1.16 The figures "2018" and "2019" used in this article mean that the appropriations listed under
 1.17 them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively.
 1.18 "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium"
 1.19 is fiscal years 2018 and 2019.

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

1.24 Sec. 2. **DEPARTMENT OF AGRICULTURE**

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

1.1 A bill for an act
 1.2 relating to state government; appropriating money for agriculture and housing
 1.3 programs; making changes to programs and policy; establishing a shrimp production
 1.4 incentive program; establishing a wolf-livestock conflict prevention pilot program;
 1.5 requiring reports; amending Minnesota Statutes 2016, sections 17.119, subdivisions
 1.6 1, 2; 18.79, subdivision 18; 18B.03, by adding a subdivision; 41A.20, subdivision
 1.7 2; 299F.01, by adding a subdivision; 327C.01, by adding a subdivision; 462A.2035;
 1.8 proposing coding for new law in Minnesota Statutes, chapters 41A; 327C; repealing
 1.9 Minnesota Statutes 2016, section 41A.20, subdivision 6.

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

1.13 Section 1. **AGRICULTURE APPROPRIATIONS.**

1.14 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
 1.15 and for the purposes specified in this article. The appropriations are from the general fund,
 1.16 or another named fund, and are available for the fiscal years indicated for each purpose.
 1.17 The figures "2018" and "2019" used in this article mean that the appropriations listed under
 1.18 them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively.
 1.19 "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium"
 1.20 is fiscal years 2018 and 2019.

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

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

2.1	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>50,720,000</u>	<u>\$</u>	<u>50,174,000</u>
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2.2	<u>Appropriations by Fund</u>			
2.3		<u>2018</u>	<u>2019</u>	
2.4	<u>General</u>	<u>50,332,000</u>	<u>49,786,000</u>	

2.4	Remediation	<u>393,000</u>	<u>397,000</u>
2.5	The amounts that may be spent for each		
2.6	purpose are specified in the following		
2.7	subdivisions.		
2.8	Subd. 2. Protection Services	<u>17,471,000</u>	<u>17,475,000</u>
2.9	Appropriations by Fund		
2.10		<u>2018</u>	<u>2019</u>
2.11	General	<u>17,078,000</u>	<u>17,078,000</u>
2.12	Remediation	<u>393,000</u>	<u>397,000</u>
2.13	<u>\$250,000 the first year and \$250,000 the</u>		
2.14	<u>second year are for transfer to the pollinator</u>		
2.15	<u>habitat and research account in the agricultural</u>		
2.16	<u>fund. These are onetime transfers.</u>		
2.17	<u>\$300,000 the first year and \$300,000 the</u>		
2.18	<u>second year are for transfer to the noxious</u>		
2.19	<u>weed and invasive plant species assistance</u>		
2.20	<u>account in the agricultural fund to award</u>		
2.21	<u>grants to local units of government under</u>		
2.22	<u>Minnesota Statutes, section 18.90, with</u>		
2.23	<u>preference given to local units of government</u>		
2.24	<u>responding to Palmer amaranth or other weeds</u>		
2.25	<u>on the eradicate list. These are onetime</u>		
2.26	<u>transfers.</u>		
2.27	<u>\$125,000 the first year and \$125,000 the</u>		
2.28	<u>second year are for the industrial hemp pilot</u>		
2.29	<u>program under Minnesota Statutes, section</u>		
2.30	<u>18K.09. These are onetime appropriations.</u>		
2.31	<u>\$250,000 the first year and \$250,000 the</u>		
2.32	<u>second year are to expand current capabilities</u>		
2.33	<u>for rapid detection, identification, containment,</u>		
2.34	<u>control, and management of high priority plant</u>		
3.1	<u>pests and pathogens. These are onetime</u>		
3.2	<u>appropriations.</u>		
3.3	<u>\$25,000 the first year and \$25,000 the second</u>		
3.4	<u>year are to develop and maintain cottage food</u>		

2.5	Remediation	<u>388,000</u>	<u>388,000</u>
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	<u>17,041,000</u>	<u>17,041,000</u>
2.10	Appropriations by Fund		
2.11		<u>2018</u>	<u>2019</u>
2.12	General	<u>16,653,000</u>	<u>16,653,000</u>
2.13	Remediation	<u>388,000</u>	<u>388,000</u>
2.14	<u>(a) \$25,000 the first year and \$25,000 the</u>		
2.15	<u>second year are to develop and maintain</u>		
2.16	<u>cottage food license exemption outreach and</u>		
2.17	<u>training materials.</u>		
2.18	<u>(b) \$75,000 the first year and \$75,000 the</u>		
2.19	<u>second year are to coordinate the correctional</u>		
2.20	<u>facility vocational training program.</u>		
2.21	<u>(c) \$388,000 the first year and \$388,000 the</u>		
2.22	<u>second year are from the remediation fund for</u>		
2.23	<u>administrative funding for the voluntary</u>		
2.24	<u>cleanup program.</u>		
2.25	<u>(d) \$175,000 the first year and \$175,000 the</u>		
2.26	<u>second year are for compensation for</u>		
2.27	<u>destroyed or crippled animals under Minnesota</u>		
2.28	<u>Statutes, section 3.737. This appropriation</u>		
2.29	<u>may be spent to compensate for animals that</u>		
2.30	<u>were destroyed or crippled during fiscal year</u>		
2.31	<u>2017. If the amount in the first year is</u>		
2.32	<u>insufficient, the amount in the second year is</u>		
2.33	<u>available in the first year.</u>		
3.1	<u>(e) \$125,000 the first year and \$125,000 the</u>		
3.2	<u>second year are for compensation for crop</u>		
3.3	<u>damage under Minnesota Statutes, section</u>		
3.4	<u>3.7371. If the amount in the first year is</u>		

3.5 license exemption outreach and training
 3.6 materials.
 3.7 \$75,000 the first year and \$75,000 the second
 3.8 year are to coordinate the correctional facility
 3.9 vocational training pilot program and to assist
 3.10 entities that have explored the feasibility of
 3.11 establishing a USDA-certified or state "equal
 3.12 to" food processing facility within 30 miles
 3.13 of the Northeast Regional Corrections Center.
 3.14 \$393,000 the first year and \$397,000 the
 3.15 second year are from the remediation fund for
 3.16 administrative funding for the voluntary
 3.17 cleanup program.
 3.18 \$175,000 the first year and \$175,000 the
 3.19 second year are for compensation for
 3.20 destroyed or crippled livestock under
 3.21 Minnesota Statutes, section 3.737. This
 3.22 appropriation may be spent to compensate for
 3.23 livestock that were destroyed or crippled
 3.24 during fiscal year 2017. If the amount in the
 3.25 first year is insufficient, the amount in the
 3.26 second year is available in the first year.
 3.27 \$125,000 the first year and \$125,000 the
 3.28 second year are for compensation for crop
 3.29 damage under Minnesota Statutes, section
 3.30 3.7371. If the amount in the first year is
 3.31 insufficient, the amount in the second year is
 3.32 available in the first year. The commissioner
 3.33 may use up to \$30,000 of the appropriation
 3.34 each year to reimburse expenses incurred by
 4.1 the commissioner or the commissioner's
 4.2 approved agent to investigate and resolve
 4.3 claims.
 4.4 If the commissioner determines that claims
 4.5 made under Minnesota Statutes, section 3.737
 4.6 or 3.7371, are unusually high, amounts
 4.7 appropriated for either program may be
 4.8 transferred to the appropriation for the other
 4.9 program.
 4.10 \$70,000 the first year and \$70,000 the second
 4.11 year are for additional cannery inspections.

3.5 insufficient, the amount in the second year is
 3.6 available in the first year.
 3.7 If the commissioner determines that claims
 3.8 made under Minnesota Statutes, section 3.737
 3.9 or 3.7371, are unusually high, amounts
 3.10 appropriated for either program may be
 3.11 transferred to the appropriation for the other
 3.12 program.
 3.13 (f) \$300,000 the first year and \$300,000 the
 3.14 second year are for deposit in the noxious
 3.15 weed and invasive plant species assistance
 3.16 account established under Minnesota Statutes,
 3.17 section 18.89, to be used to implement the
 3.18 noxious weed grant program under Minnesota
 3.19 Statutes, section 18.90, with preference given
 3.20 to local units of government responding to
 3.21 palmer amaranth or other weeds on the
 3.22 eradicate list. This is a onetime appropriation.
 3.23 (g) \$150,000 the first year and \$150,000 the
 3.24 second year are for wolf-livestock conflict
 3.25 prevention grants under section 11. The
 3.26 commissioner must submit a report to the
 3.27 chairs and ranking minority members of the
 3.28 legislative committees with jurisdiction over
 3.29 agriculture policy and finance by January 15,
 3.30 2020, on the outcomes of the wolf-livestock
 3.31 conflict prevention grants and whether
 3.32 livestock compensation claims were reduced
 3.33 in the areas that grants were awarded. This is
 3.34 a onetime appropriation.
 4.1 **Subd. 3. Agricultural Marketing and**
 4.2 **Development**
 4.3 **(a) The commissioner must provide outreach**
 4.4 **to urban farmers regarding the department's**
 4.5 **financial and technical assistance programs**
 4.6 **and must assist urban farmers in applying for**
 4.7 **assistance.**
 4.8 **(b) \$186,000 the first year and \$186,000 the**
 4.9 **second year are for transfer to the Minnesota**
 4.10 **grown account and may be used as grants for**

4,096,000

3,996,000

4.12 \$100,000 the first year and \$100,000 the
4.13 second year are for increased oversight of
4.14 delegated local health boards.
4.15 \$100,000 the first year and \$100,000 the
4.16 second year are to decrease the turnaround
4.17 time for retail food handler plan reviews.
4.18 \$1,024,000 the first year and \$1,024,000 the
4.19 second year are to streamline the retail food
4.20 safety regulatory and licensing experience for
4.21 regulated businesses and to decrease the
4.22 inspection delinquency rate.
4.23 **Subd. 3. Agricultural Marketing and**
4.24 **Development** 3,996,000

4.25 The commissioner must provide outreach to
4.26 urban farmers regarding the department's
4.27 financial and technical assistance programs
4.28 and must assist urban farmers in applying for
4.29 assistance.
4.30 \$186,000 the first year and \$186,000 the
4.31 second year are for transfer to the Minnesota
4.32 grown account and may be used as grants for
4.33 Minnesota grown promotion under Minnesota
4.34 Statutes, section 17.102. Grants may be made
5.1 for one year. Notwithstanding Minnesota
5.2 Statutes, section 16A.28, the appropriations
5.3 encumbered under contract on or before June
5.4 30, 2019, for Minnesota grown grants in this
5.5 paragraph are available until June 30, 2021.
5.6 \$634,000 the first year and \$634,000 the
5.7 second year are for continuation of the dairy
5.8 development and profitability enhancement
5.9 and dairy business planning grant programs
5.10 established under Laws 1997, chapter 216,
5.11 section 7, subdivision 2, and Laws 2001, First
5.12 Special Session chapter 2, section 9,
5.13 subdivision 2. The commissioner may allocate
5.14 the available sums among permissible
5.15 activities, including efforts to improve the
5.16 quality of milk produced in the state, in the
5.17 proportions that the commissioner deems most

3,996,000

4.11 Minnesota grown promotion under Minnesota
4.12 Statutes, section 17.102. Grants may be made
4.13 for one year. Notwithstanding Minnesota
4.14 Statutes, section 16A.28, the appropriations
4.15 encumbered under contract on or before June
4.16 30, 2019, for Minnesota grown grants in this
4.17 paragraph are available until June 30, 2021.
4.18 (c) \$634,000 the first year and \$634,000 the
4.19 second year are for continuation of the dairy
4.20 development and profitability enhancement
4.21 and dairy business planning grant programs
4.22 established under Laws 1997, chapter 216,
4.23 section 7, subdivision 2, and Laws 2001, First
4.24 Special Session chapter 2, section 9,
4.25 subdivision 2. The commissioner may allocate
4.26 the available sums among permissible
4.27 activities, including efforts to improve the
4.28 quality of milk produced in the state, in the
4.29 proportions that the commissioner deems most
4.30 beneficial to Minnesota's dairy farmers. The
4.31 commissioner must submit a detailed
4.32 accomplishment report and a work plan
4.33 detailing future plans for, and anticipated
4.34 accomplishments from, expenditures under
4.35 this program to the chairs and ranking minority
5.1 members of the legislative committees with
5.2 jurisdiction over agriculture policy and finance
5.3 on or before the start of each fiscal year. If
5.4 significant changes are made to the plans in
5.5 the course of the year, the commissioner must
5.6 notify the chairs and ranking minority
5.7 members.
5.8 (d) \$100,000 the first year is for grants to
5.9 ethnic minority chambers of commerce to
5.10 connect immigrants and new American
5.11 citizens to farming opportunities in this state.
5.12 This is a onetime appropriation and is
5.13 available until June 30, 2019.
5.14 (e) The commissioner may use funds
5.15 appropriated in this subdivision for annual
5.16 cost-share payments to resident farmers or
5.17 entities that sell, process, or package

5.18 beneficial to Minnesota's dairy farmers. The
5.19 commissioner must submit a detailed
5.20 accomplishment report and a work plan
5.21 detailing future plans for, and anticipated
5.22 accomplishments from, expenditures under
5.23 this program to the chairs and ranking minority
5.24 members of the legislative committees with
5.25 jurisdiction over agriculture policy and finance
5.26 on or before the start of each fiscal year. If
5.27 significant changes are made to the plans in
5.28 the course of the year, the commissioner must
5.29 notify the chairs and ranking minority
5.30 members.

5.31 The commissioner may use funds appropriated
5.32 in this subdivision for annual cost-share
5.33 payments to resident farmers or entities that
5.34 sell, process, or package agricultural products
5.35 in this state for the costs of organic
6.1 certification. The commissioner may allocate
6.2 these funds for assistance for persons
6.3 transitioning from conventional to organic
6.4 agriculture.

6.5 **Subd. 4. Agriculture, Bioenergy, and Bioproduct**
6.6 **Advancement** 18,989,000 18,989,000

6.7 \$9,300,000 the first year and \$9,300,000 the
6.8 second year are for transfer to the agriculture
6.9 research, education, extension, and technology
6.10 transfer account under Minnesota Statutes,
6.11 section 41A.14, subdivision 3. Of these
6.12 amounts: at least \$600,000 the first year and
6.13 \$600,000 the second year are for the
6.14 Minnesota Agricultural Experiment Station's
6.15 agriculture rapid response fund under
6.16 Minnesota Statutes, section 41A.14,
6.17 subdivision 1, clause (2); \$2,000,000 the first
6.18 year and \$2,000,000 the second year are for
6.19 grants to the Minnesota Agriculture Education
6.20 Leadership Council to enhance agricultural
6.21 education with priority given to Farm Business
6.22 Management challenge grants and grants to
6.23 coordinate Farm Business Management and

5.18 agricultural products in this state for the costs
5.19 of organic certification. The commissioner
5.20 may allocate these funds for assistance for
5.21 persons transitioning from conventional to
5.22 organic agriculture.

5.23 **Subd. 4. Agriculture, Bioenergy, and Bioproduct**
5.24 **Advancement** 21,860,000 21,860,000

5.25 (a) \$8,500,000 the first year and \$8,500,000
5.26 the second year are for transfer to the
5.27 agriculture research, education, extension, and
5.28 technology transfer account under Minnesota
5.29 Statutes, section 41A.14, subdivision 3. Of
5.30 these amounts, at least \$600,000 each year is
5.31 for the Minnesota Agricultural Experiment
5.32 Station's Agriculture Rapid Response Fund
5.33 under Minnesota Statutes, section 41A.14,
5.34 subdivision 1, clause (2). Of the amount
5.35 appropriated in this paragraph, for fiscal years
6.1 2018 and 2019 only, \$1,000,000 each year is
6.2 for transfer to the Board of Regents of the
6.3 University of Minnesota for research on avian
6.4 influenza, including prevention measures that
6.5 can be taken. Of the amount appropriated in
6.6 this paragraph, \$2,000,000 each year is for
6.7 grants to the Minnesota Agriculture Education
6.8 Leadership Council to enhance agricultural
6.9 education with priority given to Farm Business
6.10 Management challenge grants. The
6.11 commissioner shall transfer the remaining
6.12 grant funds in this appropriation each year to
6.13 the Board of Regents of the University of
6.14 Minnesota for purposes of Minnesota Statutes,
6.15 section 41A.14. The base budget for
6.16 agriculture research, extension, and technology
6.17 transfer for fiscal year 2020 and later is
6.18 \$7,700,000 each fiscal year.

6.19 To the extent practicable, funds expended
6.20 under Minnesota Statutes, section 41A.14,
6.21 subdivision 1, clauses (1) and (2), must
6.22 supplement and not supplant existing sources
6.23 and levels of funding. The commissioner may

6.24 dairy development, profitability enhancement,
6.25 and business planning; up to \$350,000 the first
6.26 year and up to \$350,000 the second year are
6.27 for potato breeding; and up to \$350,000 the
6.28 first year and up to \$350,000 the second year
6.29 are for the cultivated wild rice breeding project
6.30 at the North Central Research and Outreach
6.31 Center to include a tenure track/research
6.32 associate plant breeder. The commissioner
6.33 shall transfer the remaining funds in this
6.34 appropriation each year to the Board of
6.35 Regents of the University of Minnesota for
6.36 purposes of Minnesota Statutes, section
7.1 41A.14. Of the amount transferred to the
7.2 Board of Regents, up to \$1,000,000 the first
7.3 year and up to \$1,000,000 the second year are
7.4 for research to determine:
7.5 (1) what is causing avian influenza;
7.6 (2) why some fowl are more susceptible; and
7.7 (3) prevention measures that can be taken.
7.8 To the extent practicable, funds expended
7.9 under Minnesota Statutes, section 41A.14,
7.10 subdivision 1, clauses (1) and (2), must
7.11 supplement and not supplant existing sources
7.12 and levels of funding. The commissioner may
7.13 use up to one percent of this appropriation for
7.14 costs incurred to administer the program.
7.15 \$9,664,000 the first year and \$9,664,000 the
7.16 second year are for the agricultural growth,
7.17 research, and innovation program in
7.18 Minnesota Statutes, section 41A.12. Except
7.19 as provided below, the commissioner may
7.20 allocate the appropriation each year among
7.21 the following areas: facilitating the start-up,
7.22 modernization, or expansion of livestock
7.23 operations including beginning and
7.24 transitioning livestock operations; developing
7.25 new markets for Minnesota farmers by
7.26 providing more fruits, vegetables, meat, grain,
7.27 and dairy for Minnesota school children;
7.28 assisting value-added agricultural businesses

6.24 use up to 4.5 percent of this appropriation for
6.25 costs incurred to administer the program. Any
6.26 unencumbered balance does not cancel at the
6.27 end of the first year and is available for the
6.28 second year.
6.29 (b) \$350,000 the first year and \$350,000 the
6.30 second year are for grants to the Board of
6.31 Regents of the University of Minnesota for
6.32 potato breeding.
6.33 (c) \$450,000 the first year and \$450,000 the
6.34 second year are for grants to the Board of
6.35 Regents of the University of Minnesota for
7.1 the cultivated wild rice breeding project at the
7.2 North Central Research and Outreach Center.
7.3 (d) \$12,535,000 the first year and \$12,535,000
7.4 the second year are for the agricultural growth,
7.5 research, and innovation program in
7.6 Minnesota Statutes, section 41A.12. Grants
7.7 may be awarded in the following areas:
7.8 developing new markets for Minnesota
7.9 farmers; developing urban agriculture;
7.10 beginning or expanding livestock operations;
7.11 assisting value-added agricultural businesses
7.12 to begin or expand; development or expansion
7.13 of food hubs and other community-based food
7.14 distribution systems; expanding or improving
7.15 biofuels infrastructure at the retail and
7.16 distribution level; farm business management
7.17 scholarships; and research on bioenergy,
7.18 biobased content, or biobased formulated
7.19 products.
7.20 Of the amount appropriated for the agricultural
7.21 growth, research, and innovation program in
7.22 Minnesota Statutes, section 41A.12:
7.23 (1) \$1,000,000 the first year and \$1,000,000
7.24 the second year are for distribution in equal
7.25 amounts to each of the state's county fairs to
7.26 preserve and promote Minnesota agriculture;
7.27 (2) \$1,500,000 the first year and \$1,500,000
7.28 the second year are for incentive payments

7.29 to begin or expand, access new markets, or
7.30 diversify; urban youth agricultural education;
7.31 urban agriculture community development;
7.32 facilitating the start-up, modernization, or
7.33 expansion of other beginning and transitioning
7.34 farms including by providing loans under
8.1 Minnesota Statutes, section 41B.056;
8.2 sustainable agriculture on-farm research and
8.3 demonstration; development or expansion of
8.4 food hubs and other alternative
8.5 community-based food distribution systems;
8.6 enhancing renewable energy infrastructure
8.7 and use; crop research; Farm Business
8.8 Management tuition assistance; good
8.9 agricultural practices/good handling practices
8.10 certification assistance; establishing and
8.11 supporting farmer-led water management
8.12 councils; and implementing farmer-led water
8.13 quality improvement practices. The
8.14 commissioner may use up to 4.5 percent of
8.15 this appropriation for costs incurred to
8.16 administer the program. Any unencumbered
8.17 balance does not cancel at the end of the first
8.18 year and is available for the second year.
8.19 Notwithstanding Minnesota Statutes, section
8.20 16A.28, appropriations encumbered under
8.21 contract on or before June 30, 2019, for
8.22 agricultural growth, research, and innovation
8.23 grants are available until June 30, 2022. The
8.24 base for fiscal year 2020 is \$10,068,000 and
8.25 the base for fiscal year 2021 is \$10,068,000.

8.26 Of the amount appropriated for the agricultural
8.27 growth, research, and innovation program in
8.28 this subdivision, \$1,000,000 the first year and
8.29 \$1,000,000 the second year are for distribution
8.30 in equal amounts to each of the state's county
8.31 fairs to preserve and promote Minnesota
8.32 agriculture.

8.33 Of the amount appropriated for the agricultural
8.34 growth, research, and innovation program in
8.35 this subdivision, \$1,500,000 the first year and
9.1 \$1,500,000 the second year are for incentive
9.2 payments under Minnesota Statutes, sections

7.29 under Minnesota Statutes, sections 41A.16,
7.30 41A.17, and 41A.18;

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

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

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

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

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

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

9.3 41A.16, 41A.17, and 41A.18. Notwithstanding
 9.4 Minnesota Statutes, section 16A.28, the first
 9.5 year appropriation is available until June 30,
 9.6 2019, and the second year appropriation is
 9.7 available until June 30, 2020.

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

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

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

9.30 Of the amount appropriated for the agricultural
 9.31 growth, research, and innovation program in
 9.32 this subdivision, up to \$40,000 the first year
 9.33 and up to \$40,000 the second year are to
 9.34 increase compensation for farm advocates and
 9.35 expand the farm advocates program by
 10.1 supplementing the base farm advocates
 10.2 program appropriation in subdivision 5.

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

9.1 agricultural growth, research, and innovation
 9.2 program in Minnesota Statutes, section
 9.3 41A.12, are available until June 30, 2021. The
 9.4 commissioner may use up to 6.5 percent of
 9.5 this appropriation for costs incurred to
 9.6 administer the program.

9.7 The base budget for the agricultural growth,
 9.8 research, and innovation program for fiscal
 9.9 year 2020 and later is \$14,166,000 each fiscal
 9.10 year. Of this amount:

9.11 (1) \$1,000,000 each year is for distribution in
 9.12 equal amounts to each of the state's county
 9.13 fairs to preserve and promote Minnesota
 9.14 agriculture;

9.15 (2) \$1,500,000 each year is for incentive
 9.16 payments under Minnesota Statutes, sections
 9.17 41A.16, 41A.17, and 41A.18;

9.18 (3) \$3,000,000 each year is for siding
 9.19 production incentive payments under
 9.20 Minnesota Statutes, section 41A.20; and

9.21 (4) \$5,000,000 each year is for shrimp
 9.22 production incentive payments under
 9.23 Minnesota Statutes, section 41A.21.

9.24 (e) \$25,000 the first year and \$25,000 the
 9.25 second year are for grants to the Southern
 9.26 Minnesota Initiative Foundation to promote
 9.27 local foods through an annual event that raises
 9.28 public awareness of local foods and connects
 9.29 local food producers and processors with
 9.30 potential buyers.

9.31 **Subd. 5. Administration and Financial Assistance** 7,723,000 7,277,000

9.32 (a) \$474,000 the first year and \$474,000 the
 9.33 second year are for payments to county and
 9.34 district agricultural societies and associations
 10.1 under Minnesota Statutes, section 38.02,
 10.2 subdivision 1. Aid payments to county and
 10.3 district agricultural societies and associations
 10.4 shall be disbursed no later than July 15 of each
 10.5 year. These payments are the amount of aid

10.10 Subd. 5. Administration and Financial Assistance 7,600,000 7,450,000

10.11 \$150,000 the first year is for the tractor

10.12 rollover protection pilot program under

10.13 Minnesota Statutes, section 17.119, and is

10.14 available until June 30, 2019.

10.15 \$180,000 the first year and \$180,000 the

10.16 second year are for the farm advocates

10.17 program.

10.18 \$474,000 the first year and \$474,000 the

10.19 second year are for payments to county and

10.20 district agricultural societies and associations

10.21 under Minnesota Statutes, section 38.02,

10.22 subdivision 1. Aid payments to county and

10.23 district agricultural societies and associations

10.24 shall be disbursed no later than July 15 of each

10.25 year. These payments are the amount of aid

10.26 from the state for an annual fair held in the

10.27 previous calendar year.

10.28 \$1,000 the first year and \$1,000 the second

10.29 year are for grants to the Minnesota State

10.30 Poultry Association.

10.31 \$18,000 the first year and \$18,000 the second

10.32 year are for grants to the Minnesota Livestock

10.33 Breeders Association.

11.1 \$47,000 the first year and \$47,000 the second

11.2 year are for the Northern Crops Institute.

11.3 These appropriations may be spent to purchase

11.4 equipment.

11.5 \$17,000 the first year and \$17,000 the second

11.6 year are for grants to the Minnesota

11.7 Horticultural Society.

11.8 \$108,000 the first year and \$108,000 the

11.9 second year are for annual grants to the

11.10 Minnesota Turf Seed Council for basic and

11.11 applied research on: (1) the improved

11.12 production of forage and turf seed related to

11.13 new and improved varieties; and (2) native

11.14 plants, including plant breeding, nutrient

11.15 management, pest management, disease

11.16 management, yield, and viability. The grant

10.6 from the state for an annual fair held in the

10.7 previous calendar year.

10.8 (b) \$1,000 the first year and \$1,000 the second

10.9 year are for grants to the Minnesota State

10.10 Poultry Association.

10.11 (c) \$18,000 the first year and \$18,000 the

10.12 second year are for grants to the Minnesota

10.13 Livestock Breeders Association.

10.14 (d) \$47,000 the first year and \$47,000 the

10.15 second year are for the Northern Crops

10.16 Institute. These appropriations may be spent

10.17 to purchase equipment.

10.18 (e) \$200,000 the first year and \$200,000 the

10.19 second year are for farm advocate services.

10.20 (f) \$17,000 the first year and \$17,000 the

10.21 second year are for grants to the Minnesota

10.22 Horticultural Society.

10.23 (g) \$108,000 the first year and \$108,000 the

10.24 second year are for annual grants to the

10.25 Minnesota Turf Seed Council for basic and

10.26 applied research on: (1) the improved

10.27 production of forage and turf seed related to

10.28 new and improved varieties; and (2) native

10.29 plants, including plant breeding, nutrient

10.30 management, pest management, disease

10.31 management, yield, and viability. The grant

10.32 recipient may subcontract with a qualified

10.33 third party for some or all of the basic or

10.34 applied research. Any unencumbered balance

11.1 does not cancel at the end of the first year and

11.2 is available for the second year. This is a

11.3 onetime appropriation.

11.4 (h) \$113,000 the first year and \$113,000 the

11.5 second year are for transfer to the Board of

11.6 Trustees of the Minnesota State Colleges and

11.7 Universities for statewide mental health

11.8 counseling support to farm families and

11.9 business operators. South Central College shall

11.10 serve as the fiscal agent.

11.11 (i) \$550,000 the first year and \$550,000 the

11.12 second year are for grants to Second Harvest

11.17 recipient may subcontract with a qualified
 11.18 third party for some or all of the basic or
 11.19 applied research. Any unencumbered balance
 11.20 does not cancel at the end of the first year and
 11.21 is available for the second year.
 11.22 \$113,000 the first year and \$113,000 the
 11.23 second year are for transfer to the Board of
 11.24 Trustees of the Minnesota State Colleges and
 11.25 Universities for statewide mental health
 11.26 counseling support to farm families and
 11.27 business operators. South Central College shall
 11.28 serve as the fiscal agent.
 11.29 \$550,000 the first year and \$550,000 the
 11.30 second year are for grants to Second Harvest
 11.31 Heartland on behalf of Minnesota's six
 11.32 Feeding America food banks for the purchase
 11.33 of milk for distribution to Minnesota's food
 11.34 shelves and other charitable organizations that
 11.35 are eligible to receive food from the food
 12.1 banks. Milk purchased under the grants must
 12.2 be acquired from Minnesota milk processors
 12.3 and based on low-cost bids. The milk must be
 12.4 allocated to each Feeding America food bank
 12.5 serving Minnesota according to the formula
 12.6 used in the distribution of United States
 12.7 Department of Agriculture commodities under
 12.8 The Emergency Food Assistance Program
 12.9 (TEFAP). Second Harvest Heartland must
 12.10 submit quarterly reports to the commissioner
 12.11 on forms prescribed by the commissioner. The
 12.12 reports must include but are not limited to
 12.13 information on the expenditure of funds, the
 12.14 amount of milk purchased, and the
 12.15 organizations to which the milk was
 12.16 distributed. Second Harvest Heartland may
 12.17 enter into contracts or agreements with food
 12.18 banks for shared funding or reimbursement of
 12.19 the direct purchase of milk. Each food bank
 12.20 receiving money from this appropriation may
 12.21 use up to two percent of the grant for
 12.22 administrative expenses. Any unencumbered
 12.23 balance does not cancel at the end of the first
 12.24 year and is available for the second year.

11.13 Heartland on behalf of Minnesota's six
 11.14 Feeding America food banks for the purchase
 11.15 of milk for distribution to Minnesota's food
 11.16 shelves and other charitable organizations that
 11.17 are eligible to receive food from the food
 11.18 banks. Milk purchased under the grants must
 11.19 be acquired from Minnesota milk processors
 11.20 and based on low-cost bids. The milk must be
 11.21 allocated to each Feeding America food bank
 11.22 serving Minnesota according to the formula
 11.23 used in the distribution of United States
 11.24 Department of Agriculture commodities under
 11.25 The Emergency Food Assistance Program
 11.26 (TEFAP). Second Harvest Heartland must
 11.27 submit quarterly reports to the commissioner
 11.28 on forms prescribed by the commissioner. The
 11.29 reports must include, but are not limited to,
 11.30 information on the expenditure of funds, the
 11.31 amount of milk purchased, and the
 11.32 organizations to which the milk was
 11.33 distributed. Second Harvest Heartland may
 11.34 enter into contracts or agreements with food
 11.35 banks for shared funding or reimbursement of
 12.1 the direct purchase of milk. Each food bank
 12.2 receiving money from this appropriation may
 12.3 use up to two percent of the grant for
 12.4 administrative expenses. Any unencumbered
 12.5 balance does not cancel at the end of the first
 12.6 year and is available for the second year.
 12.7 (j) \$1,100,000 the first year and \$1,100,000
 12.8 the second year are for grants to Second
 12.9 Harvest Heartland on behalf of the six Feeding
 12.10 America food banks that serve Minnesota to
 12.11 compensate agricultural producers and
 12.12 processors for costs incurred to harvest and
 12.13 package for transfer surplus fruits, vegetables,
 12.14 and other agricultural commodities that would
 12.15 otherwise go unharvested, be discarded, or
 12.16 sold in a secondary market. Surplus
 12.17 commodities must be distributed statewide to
 12.18 food shelves and other charitable organizations
 12.19 that are eligible to receive food from the food
 12.20 banks. Surplus food acquired under this

12.25 \$1,100,000 the first year and \$1,100,000 the
 12.26 second year are for grants to Second Harvest
 12.27 Heartland on behalf of the six Feeding
 12.28 America food banks that serve Minnesota to
 12.29 compensate agricultural producers and
 12.30 processors for costs incurred to harvest and
 12.31 package for transfer surplus fruits, vegetables,
 12.32 and other agricultural commodities that would
 12.33 otherwise go unharvested, be discarded, or
 12.34 sold in a secondary market. Surplus
 12.35 commodities must be distributed statewide to
 12.36 food shelves and other charitable organizations
 13.1 that are eligible to receive food from the food
 13.2 banks. Surplus food acquired under this
 13.3 appropriation must be from Minnesota
 13.4 producers and processors. Second Harvest
 13.5 Heartland must report in the form prescribed
 13.6 by the commissioner. Second Harvest
 13.7 Heartland may use up to 15 percent of each
 13.8 grant for matching administrative and
 13.9 transportation expenses. Any unencumbered
 13.10 balance does not cancel at the end of the first
 13.11 year and is available for the second year.
 13.12 \$150,000 the first year and \$150,000 the
 13.13 second year are for grants to the Center for
 13.14 Rural Policy and Development.
 13.15 \$235,000 the first year and \$235,000 the
 13.16 second year are for grants to the Minnesota
 13.17 Agricultural Education and Leadership
 13.18 Council for programs of the council under
 13.19 Minnesota Statutes, chapter 41D.
 13.20 \$600,000 the first year and \$600,000 the
 13.21 second year are for grants to the Board of
 13.22 Regents of the University of Minnesota to
 13.23 develop, in consultation with the
 13.24 commissioner of agriculture and the Board of
 13.25 Animal Health, a software tool or application
 13.26 through the Veterinary Diagnostic Laboratory
 13.27 that empowers veterinarians and producers to
 13.28 understand the movement of unique pathogen
 13.29 strains in livestock and poultry production
 13.30 systems, monitor antibiotic resistance, and

12.21 appropriation must be from Minnesota
 12.22 producers and processors. Second Harvest
 12.23 Heartland must report when required by, and
 12.24 in the form prescribed by, the commissioner.
 12.25 Second Harvest Heartland may use up to 11
 12.26 percent of any grant received for
 12.27 administrative expenses, and up to four percent
 12.28 of the grant for transportation expenses. Any
 12.29 unencumbered balance does not cancel at the
 12.30 end of the first year and is available for the
 12.31 second year.
 12.32 (k) \$150,000 the first year and \$150,000 the
 12.33 second year are for grants to the Center for
 12.34 Rural Policy and Development.
 13.1 (l) \$235,000 the first year and \$235,000 the
 13.2 second year are for grants to the Minnesota
 13.3 Agricultural Education and Leadership
 13.4 Council for programs of the council under
 13.5 Minnesota Statutes, chapter 41D.
 13.6 (m) \$600,000 the first year and \$600,000 the
 13.7 second year are for grants to the Board of
 13.8 Regents of the University of Minnesota to
 13.9 develop, in consultation with the
 13.10 commissioner of agriculture and the Board of
 13.11 Animal Health, a software tool or application
 13.12 through the Veterinary Diagnostic Laboratory
 13.13 that empowers veterinarians and producers to
 13.14 understand the movement of unique pathogen
 13.15 strains in livestock and poultry production
 13.16 systems, monitor antibiotic resistance, and
 13.17 implement effective biosecurity measures that
 13.18 promote animal health and limit production
 13.19 losses. This is a onetime appropriation.
 13.20 (n) \$150,000 the first year is for tractor
 13.21 rollover protection grants under Minnesota
 13.22 Statutes, section 17.119. This is a onetime
 13.23 appropriation and is available until June 30,
 13.24 2019.
 13.25 (o) \$296,000 the first year is for a grant to the
 13.26 Board of Regents of the University of
 13.27 Minnesota to fund the Forever Green
 13.28 Agriculture initiative to protect the state's

14.18 Agriculture Rapid Response Fund under
 14.19 Minnesota Statutes, section 41A.14,
 14.20 subdivision 1, clause (2). Of the amount
 14.21 appropriated in this paragraph, \$1,000,000
 14.22 each year is for transfer to the Board of
 14.23 Regents of the University of Minnesota for
 14.24 research to determine (1) what is causing avian
 14.25 influenza, (2) why some fowl are more
 14.26 susceptible, and (3) prevention measures that
 14.27 can be taken. Of the amount appropriated in
 14.28 this paragraph, \$2,000,000 each year is for
 14.29 grants to the Minnesota Agriculture Education
 14.30 Leadership Council to enhance agricultural
 14.31 education with priority given to Farm Business
 14.32 Management challenge grants. The
 14.33 commissioner shall transfer the remaining
 14.34 grant funds in this appropriation each year to
 14.35 the Board of Regents of the University of
 15.1 Minnesota for purposes of Minnesota Statutes,
 15.2 section 41A.14.
 15.3 To the extent practicable, funds expended
 15.4 under Minnesota Statutes, section 41A.14,
 15.5 subdivision 1, clauses (1) and (2), must
 15.6 supplement and not supplant existing sources
 15.7 and levels of funding. The commissioner may
 15.8 use up to 4.5 percent of this appropriation for
 15.9 costs incurred to administer the program. Any
 15.10 unencumbered balance does not cancel at the
 15.11 end of the first year and is available for the
 15.12 second year.
 15.13 \$10,235,000 the first year and ~~\$10,235,000~~
 15.14 ~~\$9,541,000~~ the second year are for the
 15.15 agricultural growth, research, and innovation
 15.16 program in Minnesota Statutes, section
 15.17 41A.12. No later than February 1, 2016, and
 15.18 February 1, 2017, the commissioner must
 15.19 report to the legislative committees with
 15.20 jurisdiction over agriculture policy and finance
 15.21 regarding the commissioner's
 15.22 accomplishments and anticipated
 15.23 accomplishments in the following areas:
 15.24 facilitating the start-up, modernization, or
 15.25 expansion of livestock operations including

15.26 beginning and transitioning livestock
15.27 operations; developing new markets for
15.28 Minnesota farmers by providing more fruits,
15.29 vegetables, meat, grain, and dairy for
15.30 Minnesota school children; assisting
15.31 value-added agricultural businesses to begin
15.32 or expand, access new markets, or diversify
15.33 products; developing urban agriculture;
15.34 facilitating the start-up, modernization, or
15.35 expansion of other beginning and transitioning
16.1 farms including loans under Minnesota
16.2 Statutes, section 41B.056; sustainable
16.3 agriculture on farm research and
16.4 demonstration; development or expansion of
16.5 food hubs and other alternative
16.6 community-based food distribution systems;
16.7 incentive payments under Minnesota Statutes,
16.8 sections 41A.16, 41A.17, and 41A.18; and
16.9 research on bioenergy, biobased content, or
16.10 biobased formulated products and other
16.11 renewable energy development. The
16.12 commissioner may use up to 4.5 percent of
16.13 this appropriation for costs incurred to
16.14 administer the program. Any unencumbered
16.15 balance does not cancel at the end of the first
16.16 year and is available for the second year.
16.17 Notwithstanding Minnesota Statutes, section
16.18 16A.28, the appropriations encumbered under
16.19 contract on or before June 30, 2017, for
16.20 agricultural growth, research, and innovation
16.21 grants are available until June 30, 2019.
16.22 The commissioner may use funds appropriated
16.23 for the agricultural growth, research, and
16.24 innovation program as provided in this
16.25 paragraph. The commissioner may award
16.26 grants to owners of Minnesota facilities
16.27 producing bioenergy, biobased content, or a
16.28 biobased formulated product; to organizations
16.29 that provide for on-station, on-farm field scale
16.30 research and outreach to develop and test the
16.31 agronomic and economic requirements of
16.32 diverse strands of prairie plants and other
16.33 perennials for bioenergy systems; or to certain

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

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

17.29 Of the amount appropriated for the agricultural
17.30 growth, research, and innovation program in
17.31 this subdivision, \$500,000 in fiscal year 2016
17.32 and ~~\$1,500,000~~ \$806,000 in fiscal year 2017
17.33 are for incentive payments under Minnesota
17.34 Statutes, sections 41A.16, 41A.17, and
17.35 41A.18. If the appropriation exceeds the total
18.1 amount for which all producers are eligible in
18.2 a fiscal year, the balance of the appropriation
18.3 is available to the commissioner for the
18.4 agricultural growth, research, and innovation
18.5 program. Notwithstanding Minnesota Statutes,

18.6 section 16A.28, the first year appropriation is
18.7 available until June 30, 2017, and the second
18.8 year appropriation is available until June 30,
18.9 2018. The commissioner may use up to 4.5
18.10 percent of the appropriation for administration
18.11 of the incentive payment programs.

18.12 Of the amount appropriated for the agricultural
18.13 growth, research, and innovation program in
18.14 this subdivision, \$250,000 the first year is for
18.15 grants to communities to develop or expand
18.16 food hubs and other alternative
18.17 community-based food distribution systems.
18.18 Of this amount, \$50,000 is for the
18.19 commissioner to consult with existing food
18.20 hubs, alternative community-based food
18.21 distribution systems, and University of
18.22 Minnesota Extension to identify best practices
18.23 for use by other Minnesota communities. No
18.24 later than December 15, 2015, the
18.25 commissioner must report to the legislative
18.26 committees with jurisdiction over agriculture
18.27 and health regarding the status of emerging
18.28 alternative community-based food distribution
18.29 systems in the state along with
18.30 recommendations to eliminate any barriers to
18.31 success. Any unencumbered balance does not
18.32 cancel at the end of the first year and is
18.33 available for the second year. This is a onetime
18.34 appropriation.

19.1 \$250,000 the first year and \$250,000 the
19.2 second year are for grants that enable retail
19.3 petroleum dispensers to dispense biofuels to
19.4 the public in accordance with the biofuel
19.5 replacement goals established under
19.6 Minnesota Statutes, section 239.7911. A retail
19.7 petroleum dispenser selling petroleum for use
19.8 in spark ignition engines for vehicle model
19.9 years after 2000 is eligible for grant money
19.10 under this paragraph if the retail petroleum
19.11 dispenser has no more than 15 retail petroleum
19.12 dispensing sites and each site is located in
19.13 Minnesota. The grant money received under
19.14 this paragraph must be used for the installation

19.15 of appropriate technology that uses fuel
 19.16 dispensing equipment appropriate for at least
 19.17 one fuel dispensing site to dispense gasoline
 19.18 that is blended with 15 percent of
 19.19 agriculturally derived, denatured ethanol, by
 19.20 volume, and appropriate technical assistance
 19.21 related to the installation. A grant award must
 19.22 not exceed 85 percent of the cost of the
 19.23 technical assistance and appropriate
 19.24 technology, including remetering of and
 19.25 retrofits for retail petroleum dispensers and
 19.26 replacement of petroleum dispenser projects.
 19.27 The commissioner may use up to \$35,000 of
 19.28 this appropriation for administrative expenses.
 19.29 The commissioner shall cooperate with biofuel
 19.30 stakeholders in the implementation of the grant
 19.31 program. The commissioner must report to
 19.32 the legislative committees with jurisdiction
 19.33 over agriculture policy and finance by
 19.34 February 1 each year, detailing the number of
 19.35 grants awarded under this paragraph and the
 19.36 projected effect of the grant program on
 20.1 meeting the biofuel replacement goals under
 20.2 Minnesota Statutes, section 239.7911. These
 20.3 are onetime appropriations.
 20.4 \$25,000 the first year and \$25,000 the second
 20.5 year are for grants to the Southern Minnesota
 20.6 Initiative Foundation to promote local foods
 20.7 through an annual event that raises public
 20.8 awareness of local foods and connects local
 20.9 food producers and processors with potential
 20.10 buyers.

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

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

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

20.17 Of the amount appropriated from the general fund for transfer to the agricultural
 20.18 emergency account in Laws 2016, chapter 189, article 2, section 2, the commissioner of

20.19 management and budget must transfer \$450,000 back to the general fund on July 1, 2017.
 20.20 This is a onetime transfer.

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

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

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

20.28 **ARTICLE 2**

20.29 **AGRICULTURAL POLICY**

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

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

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

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

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

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

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

21.31 Subd. 5. **Decision on claims; opening land to hunting.** If the commissioner finds that
21.32 the ~~crop or pasture~~ owner has shown that the damage or destruction of the owner's crop or
21.33 damage to or destruction of a fence surrounding a crop or pasture was caused more probably
21.34 than not by elk, the commissioner shall pay compensation as provided in this section and
22.1 the rules of the commissioner. ~~A crop~~ An owner who receives compensation under this
22.2 section may, by written permission, permit hunting on the land at the landowner's discretion.

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

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

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

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

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

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

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

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

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

- 22.29 Sec. 2. **[17.112] FARM SAFETY WORKING GROUP.**
- 22.30 Subdivision 1. **Establishment.** The Farm Safety Working Group is established to advise
- 22.31 the commissioner and the legislature on farm safety issues and to perform the other duties
- 22.32 specified in this section.
- 23.1 Subd. 2. **Membership; appointments; compensation.** (a) The Farm Safety Working
- 23.2 Group consists of:
- 23.3 (1) the commissioner of agriculture or the commissioner's designee, who must serve as
- 23.4 the chair;
- 23.5 (2) the commissioner of health or the commissioner's designee;
- 23.6 (3) the commissioner of labor and industry or the commissioner's designee;
- 23.7 (4) a representative of the Minnesota State Colleges and Universities;
- 23.8 (5) a representative of University of Minnesota Extension;
- 23.9 (6) a representative of the University of Minnesota's Upper Midwest Agricultural Safety
- 23.10 and Health Center;
- 23.11 (7) a representative of the Minnesota Farm Bureau;
- 23.12 (8) a representative of the Minnesota Farmers Union;
- 23.13 (9) a representative of the Minnesota Safety Council;
- 23.14 (10) a representative of the Minnesota-South Dakota Equipment Dealers Association;
- 23.15 (11) a representative of the Minnesota Agriculture Education Leadership Council;
- 23.16 (12) a representative of the Minnesota Council on Latino Affairs;
- 23.17 (13) a representative of the Latino Economic Development Center; and
- 23.18 (14) three citizen members appointed by the commissioner.
- 23.19 (b) Members in paragraph (a), clauses (4) to (13), must be appointed by the specified
- 23.20 organization and serve at the pleasure of the organization. Members appointed by the
- 23.21 commissioner serve two-year terms.
- 23.22 (c) Members must serve without compensation.
- 23.23 Subd. 3. **Meetings; staff.** The commissioner must convene meetings as appropriate and
- 23.24 provide staff to support the working group.
- 23.25 Subd. 4. **Duties.** The working group must serve as a forum to discuss farm safety issues
- 23.26 and organize a collective effort to improve farm safety in this state. The working group also
- 23.27 must:
- 23.28 (1) coordinate the work and resources of member organizations;
- 23.29 (2) monitor the impact of farm safety initiatives in Minnesota;

- 24.1 (3) explore the feasibility and desirability of creating a farm safety certification program
- 24.2 to recognize farmers who participate in safety programs and meet safety standards, and
- 24.3 identify appropriate financial incentives for participating farmers; and
- 24.4 (4) increase farmer awareness of the state's workplace safety consultation program.
- 24.5 Subd. 5. **Expiration.** This section expires June 30, 2021.

- 24.6 Sec. 3. Minnesota Statutes 2016, section 17.119, subdivision 1, is amended to read:
- 24.7 Subdivision 1. **Grants; eligibility.** (a) The commissioner must award ~~cost-share~~ grants
- 24.8 to Minnesota farmers who retrofit eligible tractors and Minnesota schools that retrofit eligible
- 24.9 tractors with eligible rollover protective structures.
- 24.10 (b) Grants for farmers are limited to 70 percent of the farmer's ~~or school's~~ documented
- 24.11 cost to purchase, ship, and install an eligible rollover protective structure. The commissioner
- 24.12 must increase ~~the~~ a farmer's grant award amount over the 70 percent grant limitation
- 24.13 requirement if necessary to limit a farmer's ~~or school's~~ cost per tractor to no more than \$500.
- 24.14 (c) Schools are eligible for grants that cover the full amount of a school's documented
- 24.15 cost to purchase, ship, and install an eligible rollover protective structure.
- 24.16 ~~(b)~~ (d) A rollover protective structure is eligible if it ~~meets or exceeds SAE International~~
- 24.17 ~~standard J2194~~ is certified to appropriate national or international rollover protection structure
- 24.18 standards with a seat belt.
- 24.19 ~~(e)~~ (e) A tractor is eligible if the tractor was built before 1987.
- 24.20 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2016.

- 24.21 Sec. 4. Minnesota Statutes 2016, section 17.119, subdivision 2, is amended to read:
- 24.22 Subd. 2. **Promotion; administration.** The commissioner may spend up to ~~20~~ six percent
- 24.23 of total program dollars each fiscal year to promote and administer the program to Minnesota
- 24.24 farmers and schools.

- 24.25 Sec. 5. Minnesota Statutes 2016, section 18.79, subdivision 18, is amended to read:
- 24.26 Subd. 18. **Noxious weed education and notification.** (a) The commissioner shall
- 24.27 disseminate information and conduct educational campaigns with respect to control of
- 24.28 noxious weeds or invasive plants to enhance regulatory compliance and voluntary efforts
- 24.29 to eliminate or manage these plants. The commissioner shall call and attend meetings and
- 24.30 conferences dealing with the subject of noxious weeds. The commissioner shall maintain
- 25.1 on the department's Web site noxious weed management information including but not
- 25.2 limited to the roles and responsibilities of citizens and government entities under sections

1.11 **ARTICLE 1**

1.12 **AGRICULTURE AND RURAL DEVELOPMENT**

- 14.14 Sec. 5. Minnesota Statutes 2016, section 17.119, subdivision 1, is amended to read:
- 14.15 Subdivision 1. **Grants; eligibility.** (a) The commissioner must award ~~cost-share~~ grants
- 14.16 to Minnesota farmers who retrofit eligible tractors and Minnesota schools that retrofit eligible
- 14.17 tractors with eligible rollover protective structures.
- 14.18 (b) Grants for farmers are limited to 70 percent of the farmer's ~~or school's~~ documented
- 14.19 cost to purchase, ship, and install an eligible rollover protective structure. The commissioner
- 14.20 must increase ~~the~~ a farmer's grant award amount over the 70 percent grant limitation
- 14.21 requirement if necessary to limit a farmer's ~~or school's~~ cost per tractor to no more than \$500.
- 14.22 (c) Schools are eligible for grants that cover the full amount of a school's documented
- 14.23 cost to purchase, ship, and install an eligible rollover protective structure.
- 14.24 ~~(b)~~ (d) A rollover protective structure is eligible if it ~~meets or exceeds SAE International~~
- 14.25 ~~standard J2194~~ is certified to appropriate national or international rollover protection structure
- 14.26 standards with a seat belt.
- 14.27 ~~(e)~~ (e) A tractor is eligible if the tractor was built before 1987.
- 14.28 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2016.

- 15.1 Sec. 6. Minnesota Statutes 2016, section 17.119, subdivision 2, is amended to read:
- 15.2 Subd. 2. **Promotion; administration.** The commissioner may spend up to ~~20~~ six percent
- 15.3 of total program dollars each fiscal year to promote and administer the program to Minnesota
- 15.4 farmers and schools.

- 15.5 Sec. 7. Minnesota Statutes 2016, section 18.79, subdivision 18, is amended to read:
- 15.6 Subd. 18. **Noxious weed education and notification.** (a) The commissioner shall
- 15.7 disseminate information and conduct educational campaigns with respect to control of
- 15.8 noxious weeds or invasive plants to enhance regulatory compliance and voluntary efforts
- 15.9 to eliminate or manage these plants. The commissioner shall call and attend meetings and
- 15.10 conferences dealing with the subject of noxious weeds. The commissioner shall maintain
- 15.11 on the department's Web site noxious weed management information including but not
- 15.12 limited to the roles and responsibilities of citizens and government entities under sections

25.3 18.76 to 18.91 and specific guidance as to whom a person should contact to report a noxious
25.4 weed issue.

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

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

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

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

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

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

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

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

15.13 18.76 to 18.91 and specific guidance as to whom a person should contact to report a noxious
15.14 weed issue.

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

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

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

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

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

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

15.27 Subd. 2. **Eligibility.** (a) A facility eligible for payment under this section must source
15.28 at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or less from
15.29 the state border, raw materials may be sourced from within a 100-mile radius. Raw materials
15.30 must be from forest resources. The facility must be located in Minnesota, must begin
15.31 production at a specific location by June 30, 2025, and must not begin operating before July
15.32 1, 2017 2019. Eligible facilities include existing companies and facilities that are adding
16.1 siding production capacity, or retrofitting existing capacity, as well as new companies and
16.2 facilities. Eligible siding production facilities must produce at least 200,000,000 siding
16.3 square feet on a 3/8 inch nominal basis of siding each year.

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

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

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

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

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

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

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

16.15 Subd. 2. **Eligibility.** (a) A facility eligible for payment under this section must acquire
16.16 at least 80 percent of feed from Minnesota. The facility must be located in Minnesota, must

- 16.17 begin production at a specific location by June 30, 2025, and must not begin production
 16.18 before July 1, 2019. Eligible facilities include existing companies and facilities that are
 16.19 adding shrimp production capacity, or retrofitting existing capacity, as well as new companies
 16.20 and facilities. Eligible shrimp production facilities must produce at least 25,000 pounds of
 16.21 shrimp each quarter.
- 16.22 (b) No payments shall be made for shrimp production that occurs after June 30, 2030,
 16.23 for those eligible producers under paragraph (a).
- 16.24 (c) An eligible producer of shrimp shall not transfer the producer's eligibility for payments
 16.25 under this section to a facility at a different location.
- 16.26 (d) A producer that ceases production for any reason is ineligible to receive payments
 16.27 under this section until the producer resumes production.
- 16.28 **Subd. 3. Payment amounts; limits.** (a) The commissioner shall make payments to
 16.29 eligible producers of shrimp. The amount of the payment for each eligible producer's
 16.30 quarterly production is 69 cents per pound of shrimp produced at a specific location for five
 16.31 years after the start of production.
- 17.1 (b) Total payments under this section to an eligible shrimp producer in a quarter may
 17.2 not exceed the amount necessary for 2,000,000 pounds of shrimp produced. Total payments
 17.3 under this section to all eligible shrimp producers in a quarter may not exceed \$1,250,000.
 17.4 If the total amount for which all shrimp producers are eligible in a quarter exceeds the
 17.5 amount available for payments, the commissioner shall award payments on a pro rata basis
 17.6 within the limits of available funding.
- 17.7 (c) For purposes of this section, an entity that holds a controlling interest in more than
 17.8 one shrimp facility is considered a single eligible producer.
- 17.9 **Subd. 4. Claims.** (a) By the last day of October, January, April, and July, each eligible
 17.10 shrimp producer shall file a claim for payment for shrimp production during the preceding
 17.11 three calendar months. An eligible shrimp producer that files a claim under this subdivision
 17.12 shall include a statement of the eligible producer's total pounds of shrimp produced during
 17.13 the quarter covered by the claim. For each claim and statement of total pounds of shrimp
 17.14 filed under this subdivision, the pounds of shrimp produced must be examined by a certified
 17.15 public accounting firm with a valid permit to practice under chapter 326A, in accordance
 17.16 with Statements on Standards for Attestation Engagements established by the American
 17.17 Institute of Certified Public Accountants.
- 17.18 (b) The commissioner must issue payments by November 15, February 15, May 15, and
 17.19 August 15. A separate payment must be made for each claim filed.
- 17.20 **Subd. 5. Report.** By January 15 each year, the commissioner shall report on the program
 17.21 under this section to the legislative committees with jurisdiction over agricultural policy
 17.22 and finance. The report shall include information on production and incentive expenditures
 17.23 under the program.
- 17.24 **Sec. 11. WOLF-LIVESTOCK CONFLICT PREVENTION PILOT PROGRAM.**

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

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

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

17.33 (1) the purchase of guard animals;

18.1 (2) veterinary costs for guard animals;

18.2 (3) the installation of wolf barriers; wolf barriers may include pens, fladry, and fencing;

18.3 (4) the installation of wolf-detering lights and alarms; and

18.4 (5) calving or lambing shelters.

18.5 (d) Eligible grant recipients must:

18.6 (1) make a good-faith effort to avoid wolf-livestock conflicts;

18.7 (2) make a good-faith effort to care for guard animals paid for under this section;

18.8 (3) retain proper documentation of expenses;

18.9 (4) report annually to the commissioner on the effectiveness of the nonlethal methods
 18.10 employed; and

18.11 (5) allow follow-up evaluation and monitoring by the commissioner.

18.12 (e) Grant recipients shall continue to be eligible for depredation payments under
 18.13 Minnesota Statutes, section 3.737.

18.14 Sec. 12. **REPEALER.**

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

18.16 **ARTICLE 2**

18.17 **HOUSING**

18.18 Section 1. **HOUSING APPROPRIATIONS.**

18.19 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
 18.20 and for the purposes specified in this article. The appropriations are from the general fund,
 18.21 or another named fund, and are available for the fiscal years indicated for each purpose.
 18.22 The figures "2018" and "2019" used in this article mean that the appropriations listed under
 18.23 them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively.

18.24	<u>"The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium"</u>		
18.25	<u>is fiscal years 2018 and 2019.</u>		
18.26			
18.27			
18.28			
18.29			
			<u>APPROPRIATIONS</u>
			<u>Available for the Year</u>
			<u>Ending June 30</u>
			<u>2018</u> <u>2019</u>
18.30	Sec. 2. <u>HOUSING FINANCE AGENCY</u>		
19.1	Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>50,798,000</u> <u>\$</u> <u>50,798,000</u>
19.2	<u>The amounts that may be spent for each</u>		
19.3	<u>purpose are specified in the following</u>		
19.4	<u>subdivisions.</u>		
19.5	<u>Unless otherwise specified, this appropriation</u>		
19.6	<u>is for transfer to the housing development fund</u>		
19.7	<u>for the programs specified in this section.</u>		
19.8	<u>Except as otherwise indicated, this transfer is</u>		
19.9	<u>part of the agency's permanent budget base.</u>		
19.10	Subd. 2. <u>Challenge Program</u>		<u>13,525,000</u> <u>13,525,000</u>
19.11	<u>(a) \$12,925,000 the first year and \$12,925,000</u>		
19.12	<u>the second year are for the economic</u>		
19.13	<u>development and housing challenge program</u>		
19.14	<u>under Minnesota Statutes, section 462A.33.</u>		
19.15	<u>Of this amount, \$1,208,000 each year shall be</u>		
19.16	<u>made available during the first 11 months of</u>		
19.17	<u>the fiscal year exclusively for housing projects</u>		
19.18	<u>for American Indians. Any funds not</u>		
19.19	<u>committed to housing projects for American</u>		
19.20	<u>Indians in the first 11 months of the fiscal year</u>		
19.21	<u>shall be available for any eligible activity</u>		
19.22	<u>under Minnesota Statutes, section 462A.33.</u>		
19.23	<u>The appropriation may be used to finance the</u>		
19.24	<u>construction or replacement of real property</u>		
19.25	<u>that is located in Melrose affected by the fire</u>		
19.26	<u>on September 8, 2016.</u>		
19.27	<u>The commissioner may allocate a portion of</u>		
19.28	<u>the appropriation for the economic</u>		

19.29	<u>development and housing challenge program</u>		
19.30	<u>for assistance in the area included in DR-4290,</u>		
19.31	<u>as provided in Minnesota Statutes, section</u>		
19.32	<u>12A.09. The maximum loan amount per</u>		
19.33	<u>housing structure is \$20,000. Within the limits</u>		
19.34	<u>of available appropriations, the agency may</u>		
20.1	<u>increase the maximum amount if the cost of</u>		
20.2	<u>repair or replacement of the residential</u>		
20.3	<u>property exceeds the total of the maximum</u>		
20.4	<u>loan amount and any assistance available from</u>		
20.5	<u>FEMA, other federal government agencies,</u>		
20.6	<u>including the Small Business Administration,</u>		
20.7	<u>and private insurance and flood insurance</u>		
20.8	<u>benefits.</u>		
20.9	<u>(b)(1) \$600,000 each year is for housing in</u>		
20.10	<u>communities and regions that have: low</u>		
20.11	<u>housing vacancy rates; cooperatively</u>		
20.12	<u>developed a plan that identifies current and</u>		
20.13	<u>future housing needs; evidence of anticipated</u>		
20.14	<u>job expansion; are located outside the</u>		
20.15	<u>metropolitan area as defined in Minnesota</u>		
20.16	<u>Statutes, section 473.121, subdivision 2; and</u>		
20.17	<u>have a significant portion of area employees</u>		
20.18	<u>who commute more than 30 miles between</u>		
20.19	<u>their residence and their employment;</u>		
20.20	<u>(2) among comparable housing proposals,</u>		
20.21	<u>preference must be given to proposals that:</u>		
20.22	<u>include a meaningful contribution from area</u>		
20.23	<u>employers that reduces the need for deferred</u>		
20.24	<u>loan or grant funds from state resources; or</u>		
20.25	<u>provide housing opportunities for an expanded</u>		
20.26	<u>range of household incomes within a</u>		
20.27	<u>community or that provide housing</u>		
20.28	<u>opportunities for a wide range of incomes</u>		
20.29	<u>within the development; and</u>		
20.30	<u>(3) Notwithstanding Minnesota Statutes,</u>		
20.31	<u>section 462A.33, subdivision 5, or other law</u>		
20.32	<u>to the contrary, this appropriation is not</u>		
20.33	<u>subject to income limitations for occupants.</u>		
20.34	Subd. 3. <u>Housing Trust Fund</u>	<u>11,646,000</u>	<u>11,646,000</u>

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

22.4 and to extend any existing low-income
 22.5 affordability restrictions on the housing for
 22.6 the maximum term permitted. The owner must
 22.7 also enter into an agreement that gives local
 22.8 units of government, housing and
 22.9 redevelopment authorities, and nonprofit
 22.10 housing organizations the right of first refusal
 22.11 if the rental property is offered for sale.
 22.12 Priority must be given among comparable
 22.13 federally assisted rental properties to
 22.14 properties with the longest remaining term
 22.15 under an agreement for federal assistance.
 22.16 Priority must also be given among comparable
 22.17 rental housing developments to developments
 22.18 that are or will be owned by local government
 22.19 units, a housing and redevelopment authority,
 22.20 or a nonprofit housing organization.
 22.21 (c) The appropriation also may be used to
 22.22 finance the acquisition, rehabilitation, and debt
 22.23 restructuring of existing supportive housing
 22.24 properties. For purposes of this paragraph,
 22.25 "supportive housing" means affordable rental
 22.26 housing with links to services necessary for
 22.27 individuals, youth, and families with children
 22.28 to maintain housing stability.

22.29 **Subd. 8. Housing Rehabilitation** 5,915,000 5,915,000

22.30 This appropriation is for the housing
 22.31 rehabilitation program under Minnesota
 22.32 Statutes, section 462A.05, subdivision 14. Of
 22.33 this amount, \$2,772,000 each year is for the
 22.34 rehabilitation of owner-occupied housing and
 22.35 \$3,143,000 each year is for the rehabilitation
 23.1 of eligible rental housing. In administering a
 23.2 rehabilitation program for rental housing, the
 23.3 agency may apply the processes and priorities
 23.4 adopted for administration of the economic
 23.5 development and housing challenge program
 23.6 under Minnesota Statutes, section 462A.33.

23.7	Subd. 9. <u>Manufactured Home Park</u>		
23.8	<u>Infrastructure Grants</u>	<u>500,000</u>	<u>500,000</u>
23.9	<u>This appropriation is for manufactured home</u>		
23.10	<u>park infrastructure grants under Minnesota</u>		
23.11	<u>Statutes, section 462A.2035, subdivision 1b.</u>		
23.12	<u>This is a onetime appropriation and is</u>		
23.13	<u>available until June 30, 2021.</u>		
23.14	Subd. 10. <u>Homeownership Education,</u>		
23.15	<u>Counseling, and Training</u>	<u>857,000</u>	<u>857,000</u>
23.16	<u>This appropriation is for the homeownership</u>		
23.17	<u>education, counseling, and training program</u>		
23.18	<u>under Minnesota Statutes, section 462A.209.</u>		
23.19	<u>Build Wealth MN shall be eligible for a grant</u>		
23.20	<u>under this subdivision.</u>		
23.21	Subd. 11. <u>Capacity-Building Grants</u>	<u>645,000</u>	<u>645,000</u>
23.22	<u>This appropriation is for nonprofit</u>		
23.23	<u>capacity-building grants under Minnesota</u>		
23.24	<u>Statutes, section 462A.21, subdivision 3b. Of</u>		
23.25	<u>this amount, \$125,000 each year is for support</u>		
23.26	<u>of the Homeless Management Information</u>		
23.27	<u>System (HMIS).</u>		
23.28	<u>Sec. 3. Minnesota Statutes 2016, section 299F.01, is amended by adding a subdivision to</u>		
23.29	<u>read:</u>		
23.30	<u>Subd. 4. Mandatory fire sprinklers prohibited. (a) The State Building Code, the State</u>		
23.31	<u>Fire Code, or a political subdivision of the state by code or ordinance, must not require the</u>		
23.32	<u>installation of fire sprinklers, any fire sprinkler system components, or automatic</u>		
23.33	<u>fire-extinguishing equipment or devices in any new or existing single-family detached</u>		
24.1	<u>dwelling unit, two-family dwelling unit, townhome, or accessory structure such as a garage,</u>		
24.2	<u>covered patio, deck, porch, storage shed, or similar structure.</u>		
24.3	<u>(b) This subdivision does not affect or limit a requirement for smoke or fire detectors,</u>		
24.4	<u>alarms, or their components.</u>		
24.5	<u>EFFECTIVE DATE. This section is effective the day following final enactment.</u>		
24.6	<u>Sec. 4. Minnesota Statutes 2016, section 327C.01, is amended by adding a subdivision to</u>		
24.7	<u>read:</u>		

- 24.8 Subd. 13. **Class I manufactured home park.** A "Class I manufactured home park"
 24.9 means a park that complies with the provisions of section 327C.16.
- 24.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 24.11 Sec. 5. **[327C.16] CLASS I MANUFACTURED HOME PARK.**
- 24.12 Subdivision 1. **Qualifications.** (a) To qualify as a Class I manufactured home park, as
 24.13 defined in section 327C.01, subdivision 12, a park owner, or on-site attendant as an employee
 24.14 of the manufactured home park, must satisfy 12 hours of qualifying education courses every
 24.15 three years, as prescribed in this subdivision. Park owners or on-site attendants may begin
 24.16 accumulating qualifying hours to qualify as a Class I manufactured home park beginning
 24.17 in 2017.
- 24.18 (b) The qualifying education courses required for classification under this subdivision
 24.19 must be continuing education courses approved by the Department of Labor and Industry
 24.20 or the Department of Commerce for:
- 24.21 (1) continuing education in real estate; or
- 24.22 (2) continuing education for residential contractors and manufactured home installers.
- 24.23 (c) The qualifying education courses must include:
- 24.24 (1) two hours on fair housing, approved for real estate licensure or residential contractor
 24.25 licensure;
- 24.26 (2) one hour on the American with Disabilities Act, approved for real estate licensure
 24.27 or residential contractor licensure;
- 24.28 (3) four hours on legal compliance related to any of the following: landlord/tenant,
 24.29 licensing requirements, or home financing under chapters 58, 327, 327B, 327C, and 504B
 24.30 and Minnesota Rules, chapter 1350 or 4630;
- 25.1 (4) three hours of general education approved for real estate, residential contractors, or
 25.2 manufactured home installers; and
- 25.3 (5) two hours of HUD-specific manufactured home installer courses as required under
 25.4 section 327B.041.
- 25.5 (d) If the qualifying owner or employee attendant is no longer the person meeting the
 25.6 requirements under this subdivision, but did qualify during the current assessment year,
 25.7 then the manufactured home park shall still qualify for the class rate provided for class 4c
 25.8 property classified under section 273.13, subdivision 25, paragraph (d), clause (5), item
 25.9 (iii).
- 25.10 Subd. 2. **Proof of compliance.** (a) A park owner that has met the requirements of
 25.11 subdivision 1 shall provide an affidavit to its county assessor certifying that the park owner
 25.12 or on-site manager has complied with subdivision 1 and that the park meets the definition
 25.13 of a Class I manufactured home park, and is entitled to the property tax classification rate
 25.14 for Class I manufactured home parks in section 273.13, subdivision 25.

- 25.15 (b) A park owner is required to provide the county assessor notice of any change in
 25.16 status of the manufactured home park no later than December 15 of the assessment year.
- 25.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 25.18 Sec. 6. Minnesota Statutes 2016, section 462A.2035, is amended to read:
- 25.19 **462A.2035 MANUFACTURED HOME PARK REDEVELOPMENT PROGRAM.**
- 25.20 Subdivision 1. **Establishment.** The agency shall establish a manufactured home park
 25.21 redevelopment program for the purpose of making manufactured home park redevelopment
 25.22 grants or loans to cities, counties, or community action programs, nonprofit organizations,
 25.23 and cooperatives created under chapter 308A or 308B.
- 25.24 Subd. 1a. **Individual assistance grants.** ~~Cities, counties, and community action programs~~
 25.25 Eligible recipients may use individual assistance grants and loans under this program to:
- 25.26 (1) provide current residents of manufactured home parks with buy-out assistance not
 25.27 to exceed \$4,000 per home with preference given to older manufactured homes; and
- 25.28 (2) provide down-payment assistance for the purchase of new and preowned manufactured
 25.29 homes that comply with the current version of the State Building Code in effect at the time
 25.30 of the sale, not to exceed \$10,000 per home; and.
- 25.31 ~~(3) make improvements in manufactured home parks as requested by the grant recipient.~~
- 26.1 Subd. 1b. **Park infrastructure grants.** Eligible recipients may use park infrastructure
 26.2 grants under this program for:
- 26.3 (1) improvements in manufactured home parks; and
- 26.4 (2) infrastructure, including storm shelters and community facilities.
- 26.5 Subd. 2. **Eligibility requirements.** For individual assistance grants under subdivision
 26.6 1a, households assisted under this section must have an annual household income at or
 26.7 below 80 percent of the area median household income. Cities, counties, or community
 26.8 action programs receiving funds under the program must give preference to households at
 26.9 or below 50 percent of the area median household income. Participation in the program is
 26.10 voluntary and no park resident shall be required to participate.
- 26.11 Subd. 3. **Statewide program.** The agency shall attempt to make grants and loans in
 26.12 approximately equal amounts to applicants outside and within the metropolitan area. Grants
 26.13 and loans under this section shall be provided in a manner consistent with the agency's
 26.14 policies and purposes in section 462A.02.
- 26.15 Subd. 4. **Infrastructure repair and replacement fund.** Each recipient receiving a grant
 26.16 under subdivision 1b shall provide from year-to-year, on a cumulative basis, for adequate
 26.17 reserve funds to cover the repair and replacement of the private infrastructure systems
 26.18 serving the community.
- 26.19 Sec. 7. **MINNESOTA HOUSING FINANCE AGENCY REPORT.**

- 26.20 By February 1, 2018, and February 1, 2019, the Housing Finance Agency shall provide
- 26.21 to the chairs and ranking minority members of the house of representatives and senate
- 26.22 committees with jurisdiction over the agency;
- 26.23 (1) a draft and final version of its affordable housing plan before and after it has been
- 26.24 submitted to the agency board for consideration; and
- 26.25 (2) a report on the actual and anticipated funds available within the Housing Affordability
- 26.26 Fund, or Pool 3, and the actual and anticipated uses of those funds.