1. A bill for an act

relating to agriculture; establishing a budget for the Department of Agriculture, the Board of Animal Health, the Agricultural Utilization Research Institute, and broadband development; making policy and technical changes to various agriculture provisions; modifying fees; creating accounts; creating a biofuels program and advisory committee; extending and modifying the Farmer-Lender Mediation Act; transferring money for deposit in the broadband grant program; appropriating money; amending Minnesota Statutes 2020, sections 15.057; 17.055, subdivision 1, by adding a subdivision; 17.1017, subdivisions 5, 6; 17.116, subdivision 2; 18B.26, subdivision 3; 21.82, subdivision 3; 21.86, subdivision 2; 28A.08, by adding a subdivision; 28A.09, by adding a subdivision; 28A.152, subdivisions 1, 3, 4, 5; 35.02, subdivision 1; 41A.16, subdivisions 2, 5, 6; 41A.17, subdivisions 2, 4, 5; 41A.18, subdivisions 2, 5; 41A.19; 41B.048, subdivisions 2, 4, 6; 583.215; 583.26, subdivisions 4, 5, 8; 583.27, subdivision 3; Laws 2020, chapter 71, article 2, section 19; proposing coding for new law in Minnesota Statutes, chapters 17; 21; 28A; 41A; repealing Minnesota Statutes 2020, section 41B.048, subdivision 8.

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

ARTICLE 1

AGRICULTURE APPROPRIATIONS

Section 1. AGRICULTURE APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to agencies for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023.
APPROPRIATIONS
Available for the Year
Ending June 30

2022 2023

Sec. 2. DEPARTMENT OF AGRICULTURE

Subdivision 1. Total Appropriation $ 56,977,000 $ 56,610,000

Appropriations by Fund

<table>
<thead>
<tr>
<th>Fund</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>56,578,000</td>
<td>56,211,000</td>
</tr>
<tr>
<td>Remediation</td>
<td>399,000</td>
<td>399,000</td>
</tr>
</tbody>
</table>

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

Subd. 2. Protection Services

Appropriations by Fund

<table>
<thead>
<tr>
<th>Fund</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>15,750,000</td>
<td>15,476,000</td>
</tr>
<tr>
<td>Remediation</td>
<td>399,000</td>
<td>399,000</td>
</tr>
</tbody>
</table>

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

(b) $175,000 the first year and $175,000 the second year are for compensation for destroyed or crippled livestock under Minnesota Statutes, section 3.737. The first year appropriation may be spent to compensate for livestock that were destroyed or crippled during fiscal year 2021. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to $5,000 each year to reimburse expenses incurred by university extension educators to provide fair market values of destroyed or crippled livestock. If
the commissioner receives federal dollars to pay claims for destroyed or crippled livestock, an equivalent amount of this appropriation may be used to reimburse nonlethal prevention methods performed by federal wildlife services staff.

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

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

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

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

(f) $110,000 the first year and $110,000 the second year are for additional funding for meat and poultry inspection services.

g) $66,000 the first year and $66,000 the second year are for additional funding to replace capital equipment in the Department of Agriculture's analytical laboratory.

(h) $500,000 the first year is to establish a climate smart farm endorsement for the Minnesota Agricultural Water Quality Certification Program that incentivizes and quantifies climate-supportive farming practices. This is a onetime appropriation and is available until June 30, 2026.

(i) $274,000 the first year and $550,000 the second year are to maintain the current level of service delivery.

Subd. 3. Agricultural Marketing and Development

(a) $186,000 the first year and $186,000 the second year are for transfer to the Minnesota grown account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.102. Grants may be made for one year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2023, for Minnesota grown grants in this paragraph are available until June 30, 2025.

(b) $100,000 the first year is to expand international marketing opportunities for farmers and value-added processors, including
in-market representation in Taiwan. This is a
onetime appropriation and is available until

(c) $634,000 the first year and $634,000 the
second year are for continuation of the dairy
development and profitability enhancement
programs including dairy profitability teams
and dairy business planning grants. The dairy
profitability enhancement teams shall provide
one-on-one assistance to all sizes of dairy
farms to enhance the financial success and
long-term sustainability of dairy farms in the
state. The teams may consist of farm business
management instructors, dairy extension
specialists, and other dairy industry partners
to deliver the informational and technical
assistance. Activities of the dairy teams must
be spread throughout the dairy producing
regions of the state. The commissioner must
make grants to regional or statewide
organizations qualified to manage the various
components of the teams. Each regional or
statewide organization must designate a
coordinator responsible for overseeing the
program and making required reports to the
commissioner. Dairy development and
profitability enhancement teams are
encouraged to engage in activities including
but not limited to comprehensive financial
analysis, risk management education,
enhanced milk marketing tools and
technologies, and production systems
including rotational grazing and other
sustainable agriculture methods. The regional
and statewide organizations that deliver the
dairy development and profitability
enhancement program must submit periodic
reports to the commissioner on the aggregate
changes in producer financial stability,
productivity, product quality, animal health,
environmental protection, and other
performance measures attributable to the
program in a format that maintains the
confidentiality of business information related
to any single dairy producer.

The commissioner may award dairy planning
grants of up to $5,000 per producer to develop
comprehensive business plans. Grants must
not be used for capital improvements.

The commissioner may allocate the available
sums among permissible activities, including
efforts to improve the quality of milk produced
in the state, in the proportions that the
commissioner deems most beneficial to
Minnesota's dairy farmers. The commissioner
must submit a detailed accomplishment report
and a work plan detailing future plans for, and
anticipated accomplishments from,
expenditures under this program to the chairs
and ranking minority members of the
legislative committees and divisions with
jurisdiction over agriculture policy and finance
on or before the start of each fiscal year. If
significant changes are made to the plans in
the course of the year, the commissioner must
notify the chairs and ranking minority
members.

(d) $50,000 the first year and $50,000 the
second year are for additional funding for
mental health outreach and support to farmers
and others in the agricultural community.
including a 24-hour hotline, stigma reduction, and educational offerings. These are onetime appropriations.

(e) $100,000 the first year and $50,000 the second year are for a pilot project creating farmland access teams to provide technical assistance to potential beginning farmers. The farmland access teams must assist existing farmers and beginning farmers on transitioning farm ownership and operation. Teams may include but are not limited to providing mediation assistance, designing contracts, financial planning, tax preparation, estate planning, and housing assistance. Of this amount, up to $50,000 the first year may be used to upgrade the Minnesota FarmLink web application that connects farmers looking for land with farmers looking to transition their land. These are onetime appropriations.

(f) $10,000 the first year and $10,000 the second year are for transfer to the emerging farmer account under Minnesota Statutes, section 17.055, subdivision 1a.

(g) $150,000 the first year and $150,000 the second year are to establish an emerging farmer office and hire a full-time emerging farmer outreach coordinator. The emerging farmer outreach coordinator must engage and support emerging farmers regarding resources and opportunities available throughout the Department of Agriculture and the state. For purposes of this paragraph, "emerging farmer" has the meaning provided in Minnesota Statutes, section 17.055, subdivision 1.
amount appropriated each year, $25,000 is for translation services.

(h) $100,000 the first year and $100,000 the second year are for the farm safety grant and outreach programs under Minnesota Statutes, section 17.1195. These are onetime appropriations.

(i) $54,000 the first year and $109,000 the second year are to maintain the current level of service delivery.

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

Subd. 4. Agriculture, Bioenergy, and Bioproduct Advancement

(a) $9,300,000 the first year and $9,300,000 the second year are for transfer to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3. Of these amounts: at least $600,000 the first year and $600,000 the second year are for the Minnesota Agricultural Experiment Station's agriculture rapid response under Minnesota Statutes, section 41A.14, subdivision 1, clause (2); $2,000,000 the first year and $2,000,000 the second year are for grants to the Minnesota Agriculture Education Leadership Council to enhance agricultural education with priority.
given to Farm Business Management

challenge grants; $350,000 the first year and
$350,000 the second year are for potato
breeding; and $450,000 the first year and
$450,000 the second year are for the cultivated
wild rice breeding project at the North Central
Research and Outreach Center to include a
tenure track/research associate plant breeder.
The commissioner shall transfer the remaining
funds in this appropriation each year to the
Board of Regents of the University of
Minnesota for purposes of Minnesota Statutes,
section 41A.14. Of the amount transferred to
the Board of Regents, up to $1,000,000 each
year is for research on avian influenza,
salmonella, and other turkey-related diseases.

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

(b) $15,589,000 the first year and $15,588,000
the second year are for the agricultural growth,
research, and innovation program in
Minnesota Statutes, section 41A.12. Except
as provided below, the commissioner may
allocate the appropriation each year among
the following areas: facilitating the start-up,
modernization, improvement, or expansion of
livestock operations including beginning and
transitioning livestock operations with
preference given to robotic dairy-milking
equipment; providing funding not to exceed
$800,000 each year to develop and enhance farm-to-school markets for Minnesota farmers by providing more fruits, vegetables, meat, grain, and dairy for Minnesota children in school and child care settings including, at the commissioner's discretion, reimbursing schools for purchases from local farmers; assisting value-added agricultural businesses to begin or expand, to access new markets, or to diversify, including aquaponics systems; providing funding not to exceed $600,000 each year for urban youth agricultural education or urban agriculture community development; providing funding not to exceed $600,000 each year for the good food access program under Minnesota Statutes, section 17.1017; facilitating the start-up, modernization, or expansion of other beginning and transitioning farms including by providing loans under Minnesota Statutes, section 41B.056; sustainable agriculture on-farm research and demonstration; development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research; Farm Business Management tuition assistance; and good agricultural practices and good handling practices certification assistance. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.

Of the amount appropriated for the agricultural growth, research, and innovation program in Minnesota Statutes, section 41A.12:
(1) $1,000,000 the first year and $1,000,000 the second year are for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture;

(2) $4,000,000 the first year and $4,000,000 the second year are for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, and 41A.18. Notwithstanding Minnesota Statutes, section 16A.28, the first year appropriation is available until June 30, 2023, and the second year appropriation is available until June 30, 2024. If this appropriation exceeds the total amount for which all producers are eligible in a fiscal year, the balance of the appropriation is available for the agricultural growth, research, and innovation program. The base amount for the allocation under this clause is $4,000,000 in fiscal year 2024 and later; and

(3) up to $1,000,000 the first year is for grants to facilitate the start-up, modernization, or expansion of meat, poultry, egg, and milk processing facilities. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available for the second year, and appropriations encumbered under contract on or before June 30, 2023, for agricultural growth, research, and innovation grants are available until June 30, 2026.

The base amount for the agricultural growth, research, and innovation program is $15,584,000 in fiscal year 2024 and $15,584,000 in fiscal year 2025, and includes
funding for incentive payments under
Minnesota Statutes, sections 41A.16, 41A.17, and 41A.18.

(c) $2,000,000 the first year and $2,000,000 the second year are for a biofuels infrastructure financial assistance program. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract for grants on or before June 30, 2023, are available until June 30, 2027. Of this amount, $100,000 each year is for the administration of the biofuels infrastructure financial assistance program.

(d) $15,000 the first year and $29,000 the second year are to maintain the current level of service delivery.

(e) No later than February 1, 2023, the commissioner must report equity data and outcomes for the agriculture research, education, extension, and technology transfer program and the agricultural growth, research, and innovation program to the legislative committees with jurisdiction over agriculture finance.

Subd. 5. Administration and Financial Assistance

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

(b) $287,000 the first year and $287,000 the
second year are for farm advocate services.

c) $238,000 the first year and $238,000 the
second year are for transfer to the Board of
Trustees of the Minnesota State Colleges and
Universities for statewide mental health
counseling support to farm families and
business operators through the Minnesota State
Agricultural Centers of Excellence. South
Central College and Central Lakes College
shall serve as the fiscal agents.

d) $1,650,000 the first year and $1,650,000
the second year are for grants to Second
Harvest Heartland on behalf of Minnesota's
six Feeding America food banks for the
following:

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

14.3 (2) to compensate agricultural producers and
14.4 processors for costs incurred to harvest and
14.5 package for transfer surplus fruits, vegetables,
14.6 and other agricultural commodities that would
14.7 otherwise go unharvested, be discarded, or
14.8 sold in a secondary market. Surplus
14.9 commodities must be distributed statewide to
14.10 food shelves and other charitable organizations
14.11 that are eligible to receive food from the food
14.12 banks. Surplus food acquired under this clause
14.13 must be from Minnesota producers and
14.14 processors. Second Harvest Heartland may
14.15 use up to 15 percent of each grant awarded
14.16 under this clause for administrative and
14.17 transportation expenses; and

14.18 (3) to purchase and distribute protein products,
14.19 including but not limited to pork, poultry, beef,
14.20 dry legumes, cheese, and eggs to Minnesota's
14.21 food shelves and other charitable organizations
14.22 that are eligible to receive food from the food
14.23 banks. Second Harvest Heartland may use up
14.24 to two percent of each grant awarded under
14.25 this clause for administrative expenses. Protein
14.26 products purchased under the grants must be
14.27 acquired from Minnesota processors and
14.28 producers.

14.29 Of the amount appropriated under this
14.30 paragraph, at least $600,000 each year must
14.31 be allocated under clause (1). Notwithstanding
14.32 Minnesota Statutes, section 16A.28, any
14.33 unencumbered balance the first year does not
14.34 cancel and is available in the second year.
14.35 Second Harvest Heartland must submit
quarterly reports to the commissioner and the
chairs and ranking minority members of the
legislative committees with jurisdiction over
agriculture finance in the form prescribed by
the commissioner. The reports must include
but are not limited to information on the
expenditure of funds, the amount of milk or
other commodities purchased, and the
organizations to which this food was
distributed.

(e) $250,000 the first year and $250,000 the
second year are for grants to the Minnesota
Agricultural Education and Leadership
Council for programs of the council under
Minnesota Statutes, chapter 41D.

(f) The commissioner shall continue to
increase connections with ethnic minority and
immigrant farmers to farming opportunities
and farming programs throughout the state.

(g) $1,000,000 the first year and $1,000,000
the second year are for transfer to the
agricultural and environmental revolving loan
account established under Minnesota Statutes,
section 17.117, subdivision 5a, for low-interest
loans under Minnesota Statutes, section
17.117. These are onetime transfers.

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

(i) $47,000 the first year and $47,000 the
second year are for grants to the Northern
Crops Institute that may be used to purchase
equipment. These are onetime appropriations.
(j) $75,000 the first year and $75,000 the second year are for grants to the Minnesota Turf Seed Council for basic and applied research on: (1) the improved production of forage and turf seed related to new and improved varieties; and (2) native plants, including plant breeding, nutrient management, pest management, disease management, yield, and viability. The Minnesota Turf Seed Council may subcontract with a qualified third party for some or all of the basic or applied research. Any unencumbered balance does not cancel at the end of the first year and is available for the second year. These are onetime appropriations.

(k) $1,000 the first year and $1,000 the second year are for grants to the Minnesota State Poultry Association. These are onetime appropriations.

(l) $17,000 the first year and $17,000 the second year are for grants to the Minnesota State Horticultural Society. These are onetime appropriations.

(m) $18,000 the first year and $18,000 the second year are for grants to the Minnesota Livestock Breeders Association. These are onetime appropriations.

(n) $325,000 the first year and $325,000 the second year are for transfer to the Minnesota Humanities Center for the healthy eating, here at home program under Minnesota Statutes, section 138.912. Participating nonprofit organizations may receive up to three percent of the amount transferred each year for program administration costs.
(o) $75,000 the first year is for a grant to
Greater Mankato Growth, Inc., for assistance
to agriculture-related businesses to promote
jobs, innovation, and synergy development.
This is a onetime appropriation.

(p) $25,000 the first year and $25,000 the
second year are for grants to the Southern
Minnesota Initiative Foundation to promote
local foods through an annual event that raises
public awareness of local foods and connects
local food producers and processors with
potential buyers.

(q) $222,000 the first year and $286,000 the
second year are to maintain the current level
of service delivery.

Sec. 3. **BOARD OF ANIMAL HEALTH**
$5,980,000 $ 6,081,000

(a) $200,000 the first year and $200,000 the
second year are for agricultural emergency
preparedness and response.

(b) $103,000 the first year and $204,000 the
second year are to maintain the current level
of service delivery.

Sec. 4. **AGRICULTURAL UTILIZATION
RESEARCH INSTITUTE**
$4,043,000 $ 4,043,000

$150,000 the first year and $150,000 the
second year are for a meat scientist.

Sec. 5. **CANCELLATIONS.**

(a) $916,553 of the fiscal year 2021 general fund appropriation for protection services
under Laws 2019, First Special Session chapter 1, article 1, section 2, subdivision 2, is
canceled.

(b) $136,000 of the fiscal year 2021 general fund appropriation for agricultural marketing
and development under Laws 2019, First Special Session chapter 1, article 1, section 2,
subdivision 3, is canceled.
(c) $120,000 of the fiscal year 2021 general fund appropriation for agriculture, bioenergy, and bioproduct advancement under Laws 2019, First Special Session chapter 1, article 1, section 2, subdivision 4, is canceled.

(d) $157,500 of the fiscal year 2021 general fund appropriation for administration and financial assistance under Laws 2019, First Special Session chapter 1, article 1, section 2, subdivision 5, is canceled.

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

Sec. 6. FEDERAL FUNDS REPLACEMENT; APPROPRIATION.

Notwithstanding any law to the contrary, the commissioner of management and budget must determine whether the expenditures authorized under this article are eligible uses of federal funding received under the Coronavirus State Fiscal Recovery Fund or any other federal funds received by the state under the American Rescue Plan Act, Public Law 117-2. If the commissioner of management and budget determines an expenditure is eligible for funding under Public Law 117-2, the amount of the eligible expenditure is appropriated from the account or fund where those amounts have been deposited and the corresponding general fund amounts appropriated under this article are canceled to the general fund. No later than February 1, 2022, the commissioner of agriculture, in consultation with the commissioner of management and budget, must report all appropriations, cancellations, and expenditures under this section to the legislative committees with jurisdiction over agriculture finance.

ARTICLE 2
AGRICULTURE STATUTORY CHANGES

Section 1. Minnesota Statutes 2020, section 15.057, is amended to read:

15.057 PUBLICITY REPRESENTATIVES.

No state department, bureau, or division, whether the same operates on funds appropriated or receipts or fees of any nature whatsoever, except the Department of Transportation, the Department of Employment and Economic Development, the Department of Agriculture, the Game and Fish Division, State Agricultural Society, and Explore Minnesota Tourism shall use any of such funds for the payment of the salary or expenses of a publicity representative. The head of any such department, bureau, or division shall be personally liable for funds used contrary to this provision. This section shall not be construed, however, as preventing any such department, bureau, or division from sending out any bulletins or
other publicity required by any state law or necessary for the satisfactory conduct of the
business for which such department, bureau, or division was created.

Sec. 2. Minnesota Statutes 2020, section 17.055, subdivision 1, is amended to read:

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

(b) The commissioner may accept on behalf of the state donations of money, services,
or other assistance or gifts from public or private sources to further the objectives of the
emerging farmer working group.

Sec. 3. Minnesota Statutes 2020, section 17.055, is amended by adding a subdivision to
read:

Subd. 1a. Emerging farmer account. An emerging farmer account is established in the
agricultural fund. The account consists of money appropriated by law and any other money
donated, allotted, transferred, or otherwise provided to the account. Money in the account,
including interest, is appropriated to the commissioner for the purposes of this section and
must be used to further the objectives of the emerging farmer working group.

Sec. 4. [17.1016] COOPERATIVE GRANTS.

Subdivision 1. Definitions. For purposes of this section:

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

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

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

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

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

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

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

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

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

Sec. 5. Minnesota Statutes 2020, section 17.1017, subdivision 5, is amended to read:

Subd. 5. Eligible projects. (a) The commissioner, in cooperation with the program partners and advisers, shall establish project eligibility guidelines and application processes to be used to review and select project applicants for financing or other financial or technical assistance. All projects must be located in an underserved community or must serve primarily underserved communities in low-income and moderate-income areas. 

(b) Projects eligible for financing include, but are not limited to, new construction, renovations, expansions of operations, and infrastructure upgrades of grocery stores and small food retailers to improve the availability of and access to affordable, nutritious food, including fresh fruits and vegetables, and build capacity in areas of greatest need.

(c) Projects eligible for other types of financial assistance such as grants or technical assistance are primarily projects throughout the state, including, but not limited to, feasibility studies, new construction, renovations, expansion of operations, and infrastructure upgrades of small food retailers.
Sec. 6. Minnesota Statutes 2020, section 17.1017, subdivision 6, is amended to read:

Subd. 6. Qualifications for receipt of financing and other financial or technical assistance. (a) An applicant for receipt of financing through an economic or community development financial institution, or an applicant for a grant or other financial or technical assistance, may be a for-profit or not-for-profit entity, including, but not limited to, a sole proprietorship, limited liability company, corporation, cooperative, nonprofit organization, or nonprofit community development organization. Each applicant must:

1. demonstrate community engagement in and support for the project;
2. demonstrate the capacity to successfully implement the project;
3. demonstrate a viable plan for long-term sustainability, including the ability to increase the availability of and access to affordable, nutritious, and culturally appropriate food, including fresh fruits and vegetables, for underserved communities in low-income and moderate-income areas; and
4. demonstrate the ability to repay the debt, to the extent that the financing requires repayment.

(b) Each applicant must also agree to comply with the following conditions for a period of at least five years, except as otherwise specified in this section:

1. accept Supplemental Nutrition Assistance Program (SNAP) benefits;
2. apply to accept Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) benefits and, if approved, accept WIC benefits;
3. allocate at least 30 percent of retail space for the sale of affordable, nutritious, and culturally appropriate foods, including fruits and vegetables, low-fat and nonfat dairy, fortified dairy substitute beverages such as soy-based or nut-based dairy substitute beverages, whole grain-rich staple foods, meats, poultry, fish, seafood, and other proteins, consistent with nutrition standards in national guidelines described in the current United States Department of Agriculture Dietary Guidelines for Americans;
4. comply with all data collection and reporting requirements established by the commissioner; and
5. promote the hiring, training, and retention of local or regional residents from low-income and moderate-income areas that reflect area demographics, including communities of color.
(c) A selected project that is a small food retailer is not subject to the allocation agreement under paragraph (b), clause (2), and may use financing, grants, or other financial or technical assistance for refrigeration, displays, or onetime capital expenditures for the promotion and sale of perishable foods, including a combination of affordable, nutritious, and culturally appropriate fresh or frozen dairy, dairy substitute products, produce, meats, poultry, and fish, consistent with nutrition standards in national guidelines described in the current United States Department of Agriculture Dietary Guidelines for Americans.

Sec. 7. Minnesota Statutes 2020, section 17.116, subdivision 2, is amended to read:

Subd. 2. Eligibility. (a) Grants may only be made to farmers, educational institutions, individuals at educational institutions, or nonprofit organizations residing or located in the state for research or demonstrations on farms in the state.

(b) Grants may only be made for projects that show:

(1) the ability to maximize direct or indirect energy savings or production;

(2) a positive effect or reduced adverse effect on the environment; and

(3) increased profitability for the individual farm by reducing costs or improving marketing opportunities.

Sec. 8. Minnesota Statutes 2020, section 18B.26, subdivision 3, is amended to read:

Subd. 3. Registration application and gross sales fee. (a) For an agricultural pesticide, a registrant shall pay an annual registration application fee for each agricultural pesticide of $350. The fee is due by December 31 preceding the year for which the application for registration is made. The fee is nonrefundable.

(b) For a nonagricultural pesticide, a registrant shall pay a minimum annual registration application fee for each nonagricultural pesticide of $350. The fee is due by December 31 preceding the year for which the application for registration is made. The fee is nonrefundable. If the registrant's annual gross sales of the nonagricultural pesticide exceeded $70,000 in the previous calendar year, the registrant shall pay, in addition to the $350 minimum fee, a fee equal to 0.5% of that portion of the annual gross sales over $70,000. For purposes of this subdivision, gross sales includes both nonagricultural pesticide sold in the state and nonagricultural pesticide sold into the state for use in this state. No additional fee is required if the fee due amount based on percent of annual gross sales of a nonagricultural pesticide is less than $10. The registrant shall secure sufficient sales information of nonagricultural pesticides distributed into this state from distributors and
dealers, regardless of distributor location, to make a determination. Sales of nonagricultural pesticides in this state and sales of nonagricultural pesticides for use in this state by out-of-state distributors are not exempt and must be included in the registrant's annual report, as required under paragraph (g), and fees shall be paid by the registrant based upon those reported sales. Sales of nonagricultural pesticides in the state for use outside of the state are exempt from the gross sales fee in this paragraph if the registrant properly documents the sale location and distributors. A registrant paying more than the minimum fee shall pay the balance due by March 1 based on the gross sales of the nonagricultural pesticide by the registrant for the preceding calendar year. A pesticide determined by the commissioner to be a sanitizer or disinfectant is exempt from the gross sales fee.

(c) For agricultural pesticides, a licensed agricultural pesticide dealer or licensed pesticide dealer shall pay a gross sales fee of \(0.55\)\% of annual gross sales of the agricultural pesticide in the state and the annual gross sales of the agricultural pesticide sold into the state for use in this state.

(d) In those cases where a registrant first sells an agricultural pesticide in or into the state to a pesticide end user, the registrant must first obtain an agricultural pesticide dealer license and is responsible for payment of the annual gross sales fee under paragraph (c), record keeping under paragraph (i), and all other requirements of section 18B.316.

(e) If the total annual revenue from fees collected in fiscal year 2011, 2012, or 2013, by the commissioner on the registration and sale of pesticides is less than $6,600,000, the commissioner, after a public hearing, may increase proportionally the pesticide sales and product registration fees under this chapter by the amount necessary to ensure this level of revenue is achieved. The authority under this section expires on June 30, 2014. The commissioner shall report any fee increases under this paragraph 60 days before the fee change is effective to the senate and house of representatives agriculture budget divisions.

(f) (e) An additional fee of 50 percent of the registration application fee must be paid by the applicant for each pesticide to be registered if the application is a renewal application that is submitted after December 31.

(g) (f) A registrant must annually report to the commissioner the amount, type and annual gross sales of each registered nonagricultural pesticide sold, offered for sale, or otherwise distributed in the state. The report shall be filed by March 1 for the previous year's registration. The commissioner shall specify the form of the report or approve the method for submittal of the report and may require additional information deemed necessary to determine the amount and type of nonagricultural pesticide annually distributed in the state.
The information required shall include the brand name, United States Environmental Protection Agency registration number, and amount of each nonagricultural pesticide sold, offered for sale, or otherwise distributed in the state, but the information collected, if made public, shall be reported in a manner which does not identify a specific brand name in the report.

(h) A licensed agricultural pesticide dealer or licensed pesticide dealer must annually report to the commissioner the amount, type, and annual gross sales of each registered agricultural pesticide sold, offered for sale, or otherwise distributed in the state or into the state for use in the state. The report must be filed by January 31 for the previous year's sales. The commissioner shall specify the form, contents, and approved electronic method for submittal of the report and may require additional information deemed necessary to determine the amount and type of agricultural pesticide annually distributed within the state or into the state. The information required must include the brand name, United States Environmental Protection Agency registration number, and amount of each agricultural pesticide sold, offered for sale, or otherwise distributed in the state or into the state.

(i) A person who registers a pesticide with the commissioner under paragraph (b), or a registrant under paragraph (d), shall keep accurate records for five years detailing all distribution or sales transactions into the state or in the state and subject to a fee and surcharge under this section.

(j) The records are subject to inspection, copying, and audit by the commissioner and must clearly demonstrate proof of payment of all applicable fees and surcharges for each registered pesticide product sold for use in this state. A person who is located outside of this state must maintain and make available records required by this subdivision in this state or pay all costs incurred by the commissioner in the inspecting, copying, or auditing of the records.

(k) The commissioner may adopt by rule regulations that require persons subject to audit under this section to provide information determined by the commissioner to be necessary to enable the commissioner to perform the audit.

(l) A registrant who is required to pay more than the minimum fee for any pesticide under paragraph (b) must pay a late fee penalty of $100 for each pesticide application fee paid after March 1 in the year for which the license is to be issued.
Sec. 9. Minnesota Statutes 2020, section 21.82, subdivision 3, is amended to read:

Subd. 3. Treated seed. For all named agricultural, vegetable, flower, or wildflower seeds which are treated, for which a separate label may be used, the label must contain:

1. a word or statement to indicate that the seed has been treated;
2. the commonly accepted, coined, chemical, or abbreviated generic chemical name of the applied substance;
3. the caution statement "Do not use for food, feed, or oil purposes" if the substance in the amount present with the seed is harmful to human or other vertebrate animals;
4. in the case of mercurials or similarly toxic substances, a poison statement and symbol;
5. a word or statement describing the process used when the treatment is not of pesticide origin; and
6. the date beyond which the inoculant is considered ineffective if the seed is treated with an inoculant. It must be listed on the label as "inoculant: expires (month and year)" or wording that conveys the same meaning; and
7. for corn or soybean seed treated with neonicotinoid pesticide, the following caution statement framed in a box and including a bee icon approved by the commissioner: "Planting seed treated with a neonicotinoid pesticide may negatively impact pollinator health. Please use care when handling and planting this seed. Do not use for food, feed, or oil purposes, or ethanol production."

Sec. 10. Minnesota Statutes 2020, section 21.86, subdivision 2, is amended to read:

Subd. 2. Miscellaneous violations. No person may:

1. detach, alter, deface, or destroy any label required in sections 21.82 and 21.83, alter or substitute seed in a manner that may defeat the purposes of sections 21.82 and 21.83, or alter or falsify any seed tests, laboratory reports, records, or other documents to create a misleading impression as to kind, variety, history, quality, or origin of the seed;
2. hinder or obstruct in any way any authorized person in the performance of duties under sections 21.80 to 21.92;
3. fail to comply with a "stop sale" order or to move or otherwise handle or dispose of any lot of seed held under a stop sale order or attached tags, except with express permission of the enforcing officer for the purpose specified;
(d) use the word "type" in any labeling in connection with the name of any agricultural seed variety;
(e) use the word "trace" as a substitute for any statement which is required;
(f) plant any agricultural seed which the person knows contains weed seeds or noxious weed seeds in excess of the limits for that seed; or
(g) advertise or sell seed containing patented, protected, or proprietary varieties used without permission of the patent or certificate holder of the intellectual property associated with the variety of seed; or
(h) use or sell as food, feed, oil, or ethanol feedstock any seed treated or coated with neonicotinoid pesticide.

Sec. 11. [21.915] PROHIBITED DISPOSAL METHODS.
A person must not dispose of seed treated or coated with neonicotinoid pesticide in a manner inconsistent with the product label, where applicable, or by:
(1) burial near a drinking water source or any creek, stream, river, lake, or other surface water;
(2) composting; or
(3) incinerating within a home or other dwelling.

Sec. 12. Minnesota Statutes 2020, section 28A.08, is amended by adding a subdivision to read:
Subd. 4. Food handler license account; appropriation. A food handler license account is established in the agricultural fund. Fees paid under subdivision 3 must be deposited in the account. Money in the account, including interest, is appropriated to the commissioner for expenses relating to licensing and inspecting food handlers under chapters 28 to 34A or rules adopted under one of those chapters.

Sec. 13. Minnesota Statutes 2020, section 28A.09, is amended by adding a subdivision to read:
Subd. 3. Vending machine inspection account; appropriation. A vending machine inspection account is established in the agricultural fund. Fees paid under subdivision 1 must be deposited in the account. Money in the account, including interest, is appropriated
to the commissioner for expenses relating to identifying and inspecting food vending machines under chapters 28 to 34A or rules adopted under one of those chapters.

Sec. 14. Minnesota Statutes 2020, section 28A.152, subdivision 1, is amended to read:

Subdivision 1. Licensing provisions applicability. (a) The licensing provisions of sections 28A.01 to 28A.16 do not apply to the following:

(1) an individual who prepares and sells food that is not potentially hazardous food, as defined in Minnesota Rules, part 4626.0020, subpart 62, if the following requirements are met:

(i) the prepared food offered for sale under this clause is labeled to accurately reflect the name and registration number or address of the individual preparing and selling the food, the date on which the food was prepared, and the ingredients and any possible allergens;

and

(ii) the individual displays at the point of sale a clearly legible sign or placard stating: "These products are homemade and not subject to state inspection."; and

(2) an individual who prepares and sells home-processed and home-canned food products if the following requirements are met:

(i) the products are pickles, vegetables, or fruits having an equilibrium pH value of 4.6 or lower, or a water activity value of .85 or less;

(ii) the products are home-processed and home-canned in Minnesota;

(iii) the individual displays at the point of sale a clearly legible sign or placard stating: "These canned goods are homemade and not subject to state inspection."; and

(iv) each container of the product sold or offered for sale under this clause is accurately labeled to provide the name and registration number or address of the individual who processed and canned the goods, the date on which the goods were processed and canned, and ingredients and any possible allergens.

(b) An individual who qualifies for an exemption under paragraph (a), clause (2), is also exempt from the provisions of sections 31.31 and 31.392.

(c) An individual who qualifies for an exemption under paragraph (a) may organize the individual's cottage food business as a business entity recognized by state law.
Sec. 15. Minnesota Statutes 2020, section 28A.152, subdivision 3, is amended to read:

Subd. 3. Limitation on sales. An individual selling exempt foods under this section is limited to total sales with gross receipts of $18,000 or less in a calendar year.

Sec. 16. Minnesota Statutes 2020, section 28A.152, subdivision 4, is amended to read:

Subd. 4. Registration. An individual who prepares and sells exempt food under subdivision 1 must register annually with the commissioner. The commissioner shall register an individual within 30 days of submitting a complete registration to the commissioner. A registration shall be deemed accepted after 30 days following an individual's complete registration to the commissioner. The annual registration fee is $25. An individual with $5,000 or less in annual gross receipts from the sale of exempt food under this section is not required to pay the registration fee. Beginning January 1, 2022, and every five years thereafter, the commissioner shall adjust the gross receipts amount of this fee exemption based on the consumer price index using 2015 as the index year for the $5,000 gross receipts exemption.

Sec. 17. Minnesota Statutes 2020, section 28A.152, subdivision 5, is amended to read:

Subd. 5. Training. (a) An individual with gross receipts between $5,000 and $18,000 in a calendar year from the sale of exempt food under this section must complete a safe food handling training course that is approved by the commissioner before registering under subdivision 4. The training shall not exceed eight hours and must be completed every three years while the individual is registered under subdivision 4.

(b) An individual with gross receipts of less than $5,000 in a calendar year from the sale of exempt food under this section must satisfactorily complete an online course and exam as approved by the commissioner before registering under subdivision 4. The commissioner shall offer the online course and exam under this paragraph at no cost to the individual.

Sec. 18. [28A.153] WILD GAME PROCESSOR EXEMPTION.

Subdivision 1. Licensing provisions applicability. The licensing provisions of sections 28A.01 to 28A.16 do not apply to an individual who processes wild game or fowl as described in section 31A.15, subdivision 1, clause (2), if the following requirements are met:

(1) the individual does not conduct another operation subject to the licensing provisions of sections 28A.01 to 28A.16;
(2) the individual’s operation is limited to the handling of raw products, to include cutting, grinding, and packaging, and without further preparation of the wild game or fowl products;

(3) the individual does not add any additional ingredients to the wild game or fowl products;

(4) the wild game or fowl products are not donated; and

(5) all wild game or fowl products are packaged and labeled as "Not for Sale."

Subd. 2. Sales limitation. An individual processing wild game or fowl under this section is limited to total services with gross receipts of $20,000 or less in a calendar year.

Subd. 3. Registration. An individual processing wild game under this section must register annually with the commissioner. The commissioner must not assess a registration fee.

Subd. 4. Permit exemption. An individual processing wild game under this section is not required to obtain a custom processing permit under section 28A.04, subdivision 2.

Subd. 5. Local ordinances. This section does not preempt the application of any business licensing requirement or sanitation, public health, or zoning ordinance of a political subdivision.

Subd. 6. Chronic wasting disease. An individual processing wild game under this section must:

(1) ensure that each white-tailed deer processed by the individual and harvested from a chronic wasting disease management zone established by the commissioner of natural resources is tested for chronic wasting disease; and

(2) dispose of the carcass of each white-tailed deer under clause (1) through a chronic wasting disease adopt-a-dumpster program administered by the commissioner of natural resources.

Sec. 19. Minnesota Statutes 2020, section 35.02, subdivision 1, is amended to read:

Subdivision 1. Members; officers. The board has five members appointed by the governor with the advice and consent of the senate, three of whom are producers of livestock in the state, and two of whom are practicing veterinarians licensed in Minnesota at least one of whom is a small-animal veterinarian, and one of whom is a member of a federally recognized Tribe located in Minnesota with knowledge of animal health. The commissioners of agriculture, natural resources, and health, the dean of the College of Veterinary Medicine, and the director of the Veterinary Diagnostic Laboratory of the University of Minnesota.
may serve as consultants to the board without vote. Appointments to fill unexpired
terms must be made from the classes to which the retiring members belong. The board shall
elect a president and a vice-president from among its members. The governor shall
appoint a veterinarian licensed in Minnesota who is not a member to be its executive director
for a term of one year and until a successor qualifies. The board shall set the duties of the
director.

EFFECTIVE DATE. This section is effective July 1, 2021, and the governor's duty to
appoint the executive director of the Board of Animal Health begins with the appointment
for state fiscal year 2023.

Sec. 20. Minnesota Statutes 2020, section 41A.16, subdivision 2, is amended to read:

Subd. 2. Payment amounts; limits. (a) The commissioner shall make payments to
eligible producers of advanced biofuel. The amount of the payment for each eligible
producer's annual production is $2.1053 per MMbtu for advanced biofuel production from
cellulosic biomass, and $1.053 per MMbtu for advanced biofuel production from sugar,
starch, oil, or animal fat at a specific location for ten years after the start of production.

(b) Total payments under this section to an eligible biofuel producer in a fiscal year may
not exceed the amount necessary for 2,850,000 MMbtu of biofuel production. Total payments
under this section to all eligible biofuel producers in a fiscal year may not exceed the amount
necessary for 17,100,000 MMbtu of biofuel production. If the total amount for which all
producers are eligible in a quarter exceeds the amount available for payments, the
commissioner shall make the payments on a pro rata basis. An eligible producer may reapply
for payment of the amount of the difference between the claim for payment filed under
subdivision 6 and the pro rata amount received until the full amount of the original claim
is paid.

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

EFFECTIVE DATE. This section is effective retroactively from January 1, 2020, and
applies to claims filed after January 1, 2020.

Sec. 21. Minnesota Statutes 2020, section 41A.16, subdivision 5, is amended to read:

Subd. 5. Agricultural cellulosic biomass sourcing plan. (a) An eligible producer who
utilizes agricultural cellulosic biomass other than corn kernel fiber or biogas must submit
a responsible biomass sourcing plan for approval by the commissioner prior to applying for

Article 2 Sec. 21.
payments under this section. The commissioner shall make the plan publicly available. The plan must:

(1) provide a detailed explanation of how agricultural cellulosic biomass will be produced and managed in a way that preserves soil quality, does not increase soil and nutrient runoff, avoids introduction of harmful invasive species, limits negative impacts on wildlife habitat, and reduces greenhouse gas emissions;

(2) include the producer's approach to verifying that biomass suppliers are following the plan;

(3) discuss how new technologies and practices that are not yet commercially viable may be encouraged and adopted during the life of the facility, and how the producer will encourage continuous improvement during the life of the project;

(4) include specific numeric goals and timelines for making progress;

(5) require agronomic practices that result in a positive Natural Resources Conservation Service Soil Conditioning Index score for acres from which biomass from corn stover will be harvested; and

(6) include biennial soil sampling to verify maintained or increased levels of soil organic matter.

(b) An eligible producer who utilizes agricultural cellulosic biomass and receives payments under this section shall submit an annual report on the producer's responsible biomass sourcing plan to the commissioner by January 15 each year. The report must include data on progress made by the producer in meeting specific goals laid out in the plan. The commissioner shall make the report publicly available. The commissioner shall perform an annual review of submitted reports and may make a determination that the producer is not following the plan based on the reports submitted. The commissioner may take appropriate steps, including reducing or ceasing payments, until the producer is in compliance with the plan.

Sec. 22. Minnesota Statutes 2020, section 41A.16, subdivision 6, is amended to read:

Subd. 6. Claims. (a) By the last day of October, January, April, and July, each eligible biofuel producer shall file a claim for payment for advanced biofuel production during the preceding three calendar months. An eligible biofuel producer that files a claim under this subdivision shall include a statement of the eligible biofuel producer's total advanced biofuel production in Minnesota during the quarter covered by the claim and certify that the eligible producer will not use payments received under this section to compensate a lobbyist who...
is required to register with the Campaign Finance and Public Disclosure Board under section
10A.03. For each claim and statement of total advanced biofuel production filed under this
subdivision, the volume of advanced biofuel production must be examined by a CPA firm
with a valid permit to practice under chapter 326A, in accordance with Statements on
Standards for Attestation Engagements established by the American Institute of Certified
Public Accountants.

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

Sec. 23. Minnesota Statutes 2020, section 41A.17, subdivision 2, is amended to read:

Subd. 2. Payment amounts; bonus; limits. (a) The commissioner shall make payments
to eligible producers of renewable chemicals located in the state. The amount of the payment
for each producer's annual production is $0.03 per pound of sugar-derived renewable
chemical, $0.03 per pound of cellulosic sugar, starch, oil, or animal fat, and $0.06 per pound
of cellulosic-derived renewable chemical produced at a specific location for ten years after
the start of production.

(b) An eligible facility producing renewable chemicals using agricultural cellulosic
biomass is eligible for a 20 percent bonus payment for each pound produced from agricultural
biomass that is derived from perennial crop or cover crop biomass.

(c) Total payments under this section to an eligible renewable chemical producer in a
fiscal year may not exceed the amount necessary for 99,999,999 pounds of renewable
chemical production. Total payments under this section to all eligible renewable chemical
producers in a fiscal year may not exceed the amount necessary for 599,999,999 pounds of
renewable chemical production. If the total amount for which all producers are eligible in
a quarter exceeds the amount available for payments, the commissioner shall make the
payments on a pro rata basis. An eligible producer may reapply for payment of the amount
of the difference between the claim for payment filed under subdivision 5 and the pro rata
amount received until the full amount of the original claim is paid.

(d) An eligible facility may blend renewable chemicals with other chemicals that are
not renewable chemicals, but only the percentage attributable to renewable chemicals in
the blended product is eligible to receive payment.

(e) For purposes of this section, an entity that holds a controlling interest in more than
one renewable chemical production facility is considered a single eligible producer.
EFFECTIVE DATE. This section is effective retroactively from January 1, 2020, and applies to claims filed after January 1, 2020.

Sec. 24. Minnesota Statutes 2020, section 41A.17, subdivision 4, is amended to read:

Subd. 4. Agricultural cellulosic biomass sourcing plan. (a) An eligible producer who utilizes agricultural cellulosic biomass other than corn kernel fiber or biogas must submit a responsible biomass sourcing plan to the commissioner prior to applying for payments under this section. The plan must:

(1) provide a detailed explanation of how agricultural cellulosic biomass will be produced and managed in a way that preserves soil quality, does not increase soil and nutrient runoff, avoids introduction of harmful invasive species, limits negative impacts on wildlife habitat, and reduces greenhouse gas emissions;

(2) include the producer's approach to verifying that biomass suppliers are following the plan;

(3) discuss how new technologies and practices that are not yet commercially viable may be encouraged and adopted during the life of the facility, and how the producer will encourage continuous improvement during the life of the project; and

(4) include specific numeric goals and timelines for making progress.

(b) An eligible producer who utilizes agricultural cellulosic biomass and receives payments under this section shall submit an annual report on the producer's responsible biomass sourcing plan to the commissioner by January 15 each year. The report must include data on progress made by the producer in meeting specific goals laid out in the plan. The commissioner shall make the report publicly available. The commissioner shall perform an annual review of submitted reports and may make a determination that the producer is not following the plan based on the reports submitted. The commissioner may take appropriate steps, including reducing or ceasing payments, until the producer is in compliance with the plan.

Sec. 25. Minnesota Statutes 2020, section 41A.17, subdivision 5, is amended to read:

Subd. 5. Claims. (a) By the last day of October, January, April, and July, each eligible renewable chemical producer shall file a claim for payment for renewable chemical production during the preceding three calendar months. An eligible renewable chemical producer that files a claim under this subdivision shall include a statement of the eligible producer's total renewable chemical production in Minnesota during the quarter covered by
the claim and certify that the eligible producer will not use payments received under this section to compensate a lobbyist who is required to register with the Campaign Finance and Public Disclosure Board under section 10A.03. For each claim and statement of total renewable chemical production filed under this paragraph, the volume of renewable chemical production must be examined by a CPA firm with a valid permit to practice under chapter 326A, in accordance with Statements on Standards for Attestation Engagements established by the American Institute of Certified Public Accountants.

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

Sec. 26. Minnesota Statutes 2020, section 41A.18, subdivision 2, is amended to read:

Subd. 2. Payment amounts; bonus; limits; blending. (a) The commissioner shall make payments to eligible producers of biomass thermal located in the state. The amount of the payment for each producer's annual production is $5.00 per MMbtu of biomass thermal production produced at a specific location for ten years after the start of production.

(b) An eligible facility producing biomass thermal using agricultural cellulosic biomass is eligible for a 20 percent bonus payment for each MMbtu produced from agricultural biomass that is derived from perennial crop or cover crop biomass.

(c) Total payments under this section to an eligible thermal producer in a fiscal year may not exceed the amount necessary for 30,000 MMbtu of thermal production. Total payments under this section to all eligible thermal producers in a fiscal year may not exceed the amount necessary for 150,000 MMbtu of total thermal production. If the total amount for which all producers are eligible in a quarter exceeds the amount available for payments, the commissioner shall make the payments on a pro rata basis. An eligible producer may reapply for payment of the amount of the difference between the claim for payment filed under subdivision 5 and the pro rata amount received until the full amount of the original claim is paid.

(d) An eligible facility may blend a cellulosic feedstock with other fuels in the biomass thermal production facility, but only the percentage attributable to biomass meeting the cellulosic forestry biomass requirements or agricultural cellulosic biomass sourcing plan is eligible to receive payment.

(e) When a facility is eligible due to adding production capacity or retrofitting existing capacity, the entire amount of biomass meeting the cellulosic forestry biomass requirements...
or agricultural cellulosic biomass sourcing plan is assumed to have been used for the biomass thermal production from the added or retrofitted production capacity.

(f) For purposes of this section, an entity that holds a controlling interest in more than one biomass thermal production facility is considered a single eligible producer.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2020, and applies to claims filed after January 1, 2020.

Sec. 27. Minnesota Statutes 2020, section 41A.18, subdivision 5, is amended to read:

Subd. 5. Claims. (a) By the last day of October, January, April, and July, each producer shall file a claim for payment for biomass thermal production during the preceding three calendar months. A producer that files a claim under this subdivision shall include a statement of the producer's total biomass thermal production in Minnesota during the quarter covered by the claim and certify that the eligible producer will not use payments received under this section to compensate a lobbyist who is required to register with the Campaign Finance and Public Disclosure Board under section 10A.03. For each claim and statement of total biomass thermal production filed under this paragraph, the volume of biomass thermal production must be examined by a CPA firm with a valid permit to practice under chapter 326A, in accordance with Statements on Standards for Attestation Engagements established by the American Institute of Certified Public Accountants.

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

Sec. 28. Minnesota Statutes 2020, section 41A.19, is amended to read:

41A.19 REPORT; INCENTIVE PROGRAMS.

By January 15 each year, the commissioner shall report on the incentive programs under sections 41A.16, 41A.17, and 41A.18 to the legislative committees with jurisdiction over environment policy and finance and agriculture policy and finance. The report shall include information on production and incentive expenditures under the programs, as well as the following information that the commissioner must require of each producer who receives a payment during the reporting period:

(1) business structure of the producer;

(2) the name and address of the parent company of the producer, if any;

(3) a cumulative list of all financial assistance received from all grantors for the project;
goals for the number of jobs created and progress in achieving these goals, which may include separate goals for the number of part-time or full-time jobs, or, in cases where job loss is specific and demonstrable, goals for the number of jobs retained;

(5) equity hiring goals and progress in achieving these goals;

(6) wage goals and progress in achieving these goals for all jobs created or maintained by the producer;

(7) board member and executive compensation;

(8) evidence of compliance with environmental permits;

(9) the producer's intended and actual use of payments received from the commissioner; and

(10) if applicable, the latest financial audit opinion statement produced by a certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants.

Sec. 29. [41A.25] BIOFUELS INFRASTRUCTURE FINANCIAL ASSISTANCE PROGRAM.

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

(b) "Account" means the biofuels infrastructure financial assistance account established in subdivision 3.

(c) "Biofuel" has the meaning given in section 239.051.

(d) "Biodiesel blend" has the meaning given in section 239.77.

(e) "Biodiesel fuel" has the meaning given in section 239.77.

(f) "Biofuels Infrastructure Financial Assistance Program Advisory Committee" or "advisory committee" means the Biofuels Infrastructure Financial Assistance Program Advisory Committee under section 41A.26.

(g) "Commissioner" means the commissioner of agriculture.

(h) "Financing" means loans, including low-interest loans, zero-interest loans, forgivable loans, and other types of financial assistance other than grants.

(i) "Program" means the biofuels infrastructure financial assistance program established in this section.
"Technical assistance" means individualized guidance, presentations, workshops, trainings, printed materials, or other guidance and resources on relevant topics.

"Transportation fuel storage and dispensing infrastructure" means an underground storage tank or above-ground storage tank, as those terms are defined in section 116.46 and any rules adopted under that section. Transportation fuel storage and dispensing infrastructure includes any structures or appurtenances to an underground storage tank or above-ground storage tank.

Subd. 2. Program established. (a) A biofuels infrastructure financial assistance program is established within the Department of Agriculture to provide financing and financial assistance to owners of transportation fuel storage and dispensing infrastructure for the purpose of upgrading infrastructure to become compatible with blends of gasoline containing greater than ten percent biofuel by volume or biodiesel blends containing greater than 20 percent of biodiesel fuel by volume. The commissioner, in cooperation with public and private partners, must establish and implement the program as provided in this section.

(b) The biofuels infrastructure financial assistance program must be comprised of state or private grants, loans, or other types of financial and technical assistance for the purpose as provided in this subdivision.

(c) The commissioner's actions under this subdivision are not subject to chapter 14.

Subd. 3. Biofuels infrastructure financial assistance account. A biofuels infrastructure financial assistance account is established in the agricultural fund. The account consists of money appropriated to the commissioner and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account, including interest, is appropriated to the commissioner for the purposes of this section, and must be used, to the extent practicable, to leverage other forms of public and private financing or financial assistance for the projects.

Subd. 4. Program administration. (a) The commissioner is the administrator of the account for auditing purposes and must establish program requirements and a competitive process for projects applying for financial and technical assistance.

(b) The commissioner may receive money or other assets from any source, including but not limited to philanthropic foundations and financial investors, for deposit into the account.

(c) Through issuance of requests for proposals, the commissioner may contract with one or more qualified economic or community development financial institutions to manage
the financing component of the program and with one or more qualified organizations or
public agencies with financial or other program-related expertise to manage the provision
of technical assistance to project grantees.

(d) Money in the account at the close of each fiscal year does not cancel. In each
biennium, the commissioner must determine the appropriate proportion of money to be
allocated to loans, grants, technical assistance, and any other types of financial assistance.

(e) To encourage public-private, cross-sector collaboration and investment in the account
and program and to ensure that the program intent is maintained throughout implementation,
the commissioner must convene and maintain the Biofuels Infrastructure Financial Assistance
Program Advisory Committee.

(f) The commissioner, in cooperation with the Biofuels Infrastructure Financial Assistance
Program Advisory Committee, must manage the program, establish program criteria, facilitate
leveraging of additional public and private investment, and promote the program statewide.

(g) The commissioner, in cooperation with the Biofuels Infrastructure Financial
Assistance Program Advisory Committee must establish annual monitoring and accountability
mechanisms for all projects receiving financing or other financial or technical assistance
through this program.

Subd. 5. Eligible projects. (a) The commissioner, in cooperation with the Biofuels
Infrastructure Financial Assistance Program Advisory Committee, must establish project
eligibility guidelines and application processes to be used to review and select project
applicants for financing or other financial or technical assistance.

(b) Projects eligible for financing, financial assistance such as grants, or technical
assistance, must fulfill the purpose as provided in subdivision 2.

Subd. 6. Legislative report. The commissioner, in cooperation with any economic or
community development financial institution and any other entity with which it contracts,
must submit a report on the biofuels infrastructure financial assistance program by January
15 of each year to the chairs and ranking minority members of the legislative committees
and divisions with jurisdiction over agriculture policy and finance. The annual report must
include but not be limited to a summary of the following metrics:

(1) the number and types of projects financed;

(2) the amount of dollars leveraged or matched per project;

(3) the geographic distribution of financed projects;
(4) the number and types of technical assistance recipients;
(5) any market expansion associated with upgraded infrastructure;
(6) the demographics of the areas served;
(7) the costs of the program; and
(8) the number of loans or grants to minority-owned or female-owned businesses.

Sec. 30. [41A.26] BIOFUELS INFRASTRUCTURE FINANCIAL ASSISTANCE PROGRAM ADVISORY COMMITTEE.

Subdivision 1. Definitions. As used in this section, the following terms have the meanings given:
(1) "commissioner" means the commissioner of agriculture; and
(2) "program" means the biofuels infrastructure financial assistance program under section 41A.25.

Subd. 2. Creation. The Biofuels Infrastructure Financial Assistance Program Advisory Committee consists of no more than 15 members appointed by the commissioner of agriculture, including but not limited to representatives of agriculture, the biofuels industry, and motor fuel retailers.

Subd. 3. Duties. The advisory committee must advise the commissioner of agriculture on managing the program, establishing program criteria, establishing project eligibility guidelines, establishing application processes and additional selection criteria, establishing annual monitoring and accountability mechanisms, facilitating leveraging of additional public and private investments, and promoting the program statewide.

Subd. 4. Meetings. The commissioner must convene the advisory committee at least two times per year to achieve the committee's duties.

Subd. 5. Administrative support. The commissioner of agriculture must provide staffing, meeting space, and administrative services for the advisory committee.

Subd. 6. Chair. The commissioner of agriculture or the commissioner's designee must serve as chair of the committee.

Subd. 7. Compensation. The public members of the advisory committee serve without compensation or payment of expenses.
Sec. 31. Minnesota Statutes 2020, section 41B.048, subdivision 2, is amended to read:

Subd. 2. Establishment. The authority shall establish and implement an agroforestry loan program to help finance the production of short rotation woody crops. The authority may contract with a fiscal agent to provide an efficient delivery system for this program.

Sec. 32. Minnesota Statutes 2020, section 41B.048, subdivision 4, is amended to read:

Subd. 4. Definitions. (a) The definitions in this subdivision apply to this section.

(b) "Fiscal agent" means any lending institution or other organization of a for-profit or nonprofit nature that is in good standing with the state of Minnesota that has the appropriate business structure and trained personnel suitable to providing efficient disbursement of loan funds and the servicing and collection of loans over an extended period of time.

(c) "Growing cycle" means the number of years from planting to harvest.

(d) "Harvest" means the day that the crop arrives at the scale of the buyer of the crop.

(e) "Short rotation woody crops" or "crop" means hybrid poplar and other woody plants that are harvested for their fiber within 15 years of planting.

Sec. 33. Minnesota Statutes 2020, section 41B.048, subdivision 6, is amended to read:

Subd. 6. Loans. (a) The authority may disburse loans through a fiscal agent participate with eligible lenders in agroforestry loans to farmers and agricultural landowners who are eligible under subdivision 5. The total accumulative loan principal must not exceed The authority's participation is limited to 45 percent or $75,000 of total accumulative principal per loan.

(b) The fiscal agent may impose a loan origination fee in the amount of one percent of the total approved loan. This fee is to be paid by the borrower to the fiscal agent at the time of loan closing. The interest rates and repayment terms of the authority's participation interest may differ from those of the lender's retained portion of the loan.

(c) The loan may be disbursed over a period not to exceed 12 years.

(d) A borrower may receive loans, depending on the availability of funds, for planted areas up to 160 acres for up to:

(1) the total amount necessary for establishment of the crop;

(2) the total amount of maintenance costs, including weed control, during the first three years; and
(3) 70 percent of the estimated value of one year’s growth of the crop for years four through 12.

c) Security for the loan must be the crop, a personal note executed by the borrower, an interest in the land upon which the crop is growing, and whatever other security is required by the fiscal agent eligible lender or the authority. All recording fees must be paid by the borrower.

f) The authority may prescribe forms and establish an application process for applicants to apply for a loan.

g) The authority may impose a reasonable, nonrefundable application fee for each application for a loan under this program. The application fee is initially $50. Application fees received by the authority must be deposited in the Rural Finance Authority administrative account established in section 41B.03.

(h) Loans under the program must be made using money in the revolving loan account established under section 41B.06.

(i) All repayments of financial assistance granted under this section, including principal and interest, must be deposited into the revolving loan account established under section 41B.06.

(j) The interest payable on loans made by the authority for the agroforestry loan program must, if funded by revenue bond proceeds, be at a rate not less than the rate on the revenue bonds, and may be established at a higher rate necessary to pay costs associated with the issuance of the revenue bonds and a proportionate share of the cost of administering the program. The interest payable on loans for the agroforestry loan program funded from sources other than revenue bond proceeds must be at a rate determined by the authority.

(k) Loan principal balance outstanding plus all assessed interest must be repaid within 120 days of harvest, but no later than 15 years from planting.

Sec. 34. Minnesota Statutes 2020, section 583.215, is amended to read:

583.215 EXPIRATION.

Sections 336.9-601, subsections (h) and (i); 550.365; 559.209; 582.039; and 583.20 to 583.32, expire June 30, 2022.

EFFECTIVE DATE. This section is effective the day following final enactment.
Sec. 35. Minnesota Statutes 2020, section 583.26, subdivision 4, is amended to read:

Subd. 4. Mediation proceeding notice. (a) By ten days after receiving a mediation request, the director shall send: (1) a mediation proceeding notice to the debtor; (2) a mediation proceeding notice to all creditors listed by the debtor in the mediation request and any additional secured creditors identified by the director from the credit report obtained with the debtor's permission under subdivision 2; and (3) a claim form to all secured creditors stated by the debtor or identified by the director.

(b) The mediation proceeding notice must state:

(1) the name and address of the debtor;

(2) that the debtor has requested mediation under the Farmer-Lender Mediation Act;

(3) the time and place for the orientation session;

(4) the time and place for the initial mediation meeting;

(5) a list of the names of three mediators that may be assigned to the proceeding, along with background information on those mediators including biographical information, a summary of previous mediation experience, and the number of agreements signed by parties to previous mediation;

(6) that the debtor and the initiating creditor may each request the director to exclude one mediator by notifying the director within three days after receiving the notice;

(7) that in lieu of having a mediator assigned by the director, the debtor and any one or more of the creditors may agree to select and pay for a professional mediator that is approved by the director;

(8) that the Farmer-Lender Mediation Act prohibits the creditor from beginning or continuing a proceeding to enforce the debt against agricultural property for 120 days after the debtor files a mediation request with the director unless otherwise allowed; and

(9) that the creditor must provide the debtor by the initial mediation meeting with copies of notes and contracts for debts subject to the Farmer-Lender Mediation Act and provide a statement of interest rates on the debts, delinquent payments, unpaid principal and interest balances, the creditor's value of the collateral, and debt restructuring programs available by the creditor.

(c) An initial mediation meeting must be held within 20 days of the notice.
(d) The initiating creditor and the debtor may each request the director to exclude one
mediator from the list by sending the director a notice to exclude the mediator within three
days after receiving the mediation proceeding notice.

(e) In lieu of the director assigning a mediator, the debtor and any one or more of the
creditors may agree to select and pay for a professional mediator for the mediation
proceeding. The director must approve the professional mediator before the professional
mediator may be assigned to the mediation proceeding. The professional mediator may not
be approved unless the professional mediator prepares and signs an affidavit:

1. disclosing any biases, relationships, or previous associations with the debtor or
creditors subject to the mediation proceedings;

2. stating certifications, training, or qualifications as a professional mediator;

3. disclosing fees to be charged or a rate schedule of fees for the mediation proceeding;

and

4. affirming to uphold the Farmer-Lender Mediation Act and faithfully discharge the
duties of a mediator.

(f) After receiving a mediation proceeding notice, a secured creditor must return a claim
form if the debt is not subject to the Farmer-Lender Mediation Act and specify why the debt
is not subject to sections 583.20 to 583.32.

EFFECTIVE DATE. This section is effective the day following final enactment and
applies to mediation proceedings in progress on that date and mediation proceedings
beginning after that date.

Sec. 36. Minnesota Statutes 2020, section 583.26, subdivision 5, is amended to read:

Subd. 5. Effect of mediation proceeding notice. (a) Except as provided in paragraphs
(b), (c), and (d), if a creditor receives a mediation proceeding notice under subdivision 4
the creditor and the creditor's successors in interest may not begin or continue proceedings
to enforce a debt subject to the Farmer-Lender Mediation Act against agricultural property
of the debtor under chapter 580 or 581 or sections 336.9-501 to 336.9-508, to terminate a
contract for deed to purchase agricultural property under section 559.21, or to garnish, levy
on, execute on, seize, or attach agricultural property until 120 days after the date the
debtor files a mediation request with the director.

(b) Except as provided in paragraph (c), if a creditor is an agency of the United States
and receives a mediation proceeding notice under subdivision 4, the creditor and the creditor's
successors in interest may not begin or continue proceedings to enforce a debt against agricultural property of the debtor under chapter 580 or 581 or sections 336.9-501 to 336.9-508, to terminate a contract for deed to purchase agricultural property under section 559.21, or to garnish, levy on, execute on, seize, or attach agricultural property until 120 days after the date the debtor files a mediation request with the director.

(c) Notwithstanding paragraphs (a) and (b) or subdivision 1, a creditor receiving a mediation proceeding notice may begin proceedings to enforce a debt against agricultural property of the debtor:

(1) at the time the creditor receives a mediator's affidavit of the debtor's lack of good faith under section 583.27; or

(2) five days after the date the debtor and creditor sign an agreement allowing the creditor to proceed to enforce the debt against agricultural property if the debtor has not rescinded the agreement within the five days.

(d) A creditor receiving a mediation proceeding notice must provide the debtor by the initial mediation meeting with copies of notes and contracts for debts subject to the Farmer-Lender Mediation Act and provide a statement of interest rates on the debts, delinquent payments, unpaid principal balance, a list of all collateral securing debts, a creditor's estimate of the value of the collateral, and debt restructuring programs available by the creditor.

(e) The provisions of this subdivision are subject to section 583.27, relating to extension or reduction in the period before a creditor may begin to enforce a debt and court-supervised mediation.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to mediation proceedings in progress on that date and mediation proceedings beginning after that date.

Sec. 37. Minnesota Statutes 2020, section 583.26, subdivision 8, is amended to read:

Subd. 8. **Mediation period.** The mediator may call mediation meetings during the mediation period, which is up to 90 days after the initial mediation meeting.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to mediation proceedings in progress on that date and mediation proceedings beginning after that date.
Sec. 38. Minnesota Statutes 2020, section 583.27, subdivision 3, is amended to read:

Subd. 3. Creditor's bad faith; court supervision. If the mediator finds the creditor has not participated in mediation in good faith, the debtor may require court supervised mandatory mediation by filing the affidavit with the district court of the county of the debtor's residence with a request for court supervision of mediation and serving a copy of the request on the creditor. Upon request the court shall require both parties to mediate under the supervision of the court in good faith for a period of not more than 90 days. All creditor remedies must be suspended during this period. The court may issue orders necessary to effect good faith mediation. Following the mediation period, if the court finds the creditor has not participated in mediation in good faith, the court shall by order suspend the creditor's remedies for an additional period of 180 days. A creditor found by the mediator not to have participated in good faith shall pay attorneys' fees and costs of the debtor requesting court-supervision of mediation or additional suspension of creditor's remedies.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to mediation proceedings in progress on that date and mediation proceedings beginning after that date.

Sec. 39. Laws 2020, chapter 71, article 2, section 19, is amended to read:


(a) A person who uses a general-use sanitizer or disinfectant for hire in response to COVID-19 is exempt from the commercial applicator license requirements under Minnesota Statutes, section 18B.33.

(b) This section expires April 1, 2022, or 60 days after the peacetime emergency declared in response to the infectious disease known as COVID-19 expires or is terminated by the proper authority, whichever is later.

EFFECTIVE DATE. This section is effective retroactively from March 31, 2021.

Sec. 40. REPEALER.

Minnesota Statutes 2020, section 41B.048, subdivision 8, is repealed.
ARTICLE 3

BROADBAND

Section 1. BROADBAND DEVELOPMENT APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agency and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023.

<table>
<thead>
<tr>
<th>APPROPRIATIONS</th>
<th>Available for the Year</th>
<th>Ending June 30</th>
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<tbody>
<tr>
<td></td>
<td>2022</td>
<td>2023</td>
</tr>
<tr>
<td>Sec. 2. DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT</td>
<td>$30,350,000</td>
<td>$350,000</td>
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</tbody>
</table>

(a) $350,000 each year is for the Office of Broadband Development.

(b) $30,000,000 the first year is for transfer to the border-to-border broadband fund account under Minnesota Statutes, section 116J.396. This transfer is onetime.
41B.048 AGROFORESTRY LOAN PROGRAM.

Subd. 8. Revenue bonds. The authority may issue revenue bonds to finance the agroforestry loan program in accordance with sections 41B.08 to 41B.15, 41B.17, and 41B.18. Bonds may be refunded by the issuance of refunding bonds in the manner authorized by chapter 475.