

CHAPTER 2--S.F.No. 27

An act relating to agriculture; modifying the farm loan origination fee grant program; amending Laws 2020, chapter 101, section 5, subdivision 1.

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

Section 1. Laws 2020, chapter 101, section 5, subdivision 1, is amended to read:

Subdivision 1. **Farm loan origination fee grants.** (a) \$175,000 in fiscal year 2020 is appropriated from the coronavirus relief federal fund to the commissioner of agriculture for grants to eligible farmers who have been approved for farm debt restructuring loans guaranteed by the United States Department of Agriculture (USDA), Farm Service Agency or issued under a loan program administered by the Rural Finance Authority. The commissioner must award an eligible farmer a grant in an amount equal to 50 percent of the loan origination fee amount required for the farmer to obtain the USDA, Farm Service Agency guaranteed loan or Rural Finance Authority program loan.

(b) For purposes of this section, "eligible farmer" means an individual who regularly participates in physical labor or operations management in the individual's farming operation and files "Schedule F" as part of the person's annual Form 1040 filing with the United States Internal Revenue Service or a family farm organized under Minnesota Statutes, section 500.24, if the individual or family farm:

~~(1) has a total net worth of less than \$800,000 in calendar year 2020; and~~

~~(2) is either in mediation proceedings under Minnesota Statutes, chapter 583, or has received a mediation notice under Minnesota Statutes, section 583.26, subdivision 1, paragraph (a).~~

~~(c) The commissioner must give first priority to grant applicants who are currently in mediation under Minnesota Statutes, chapter 583, and must give second priority to grant applicants who have received a mediation notice under Minnesota Statutes, section 583.26, subdivision 1, paragraph (a).~~

(d) The amount appropriated under this subdivision is onetime.

(e) The commissioner may use up to ten percent of the amount appropriated under this section to administer the grant program.

(f) If money appropriated under this subdivision is not encumbered by November 15, 2020, the commissioner may award the unencumbered amount as grants of not more than \$5,000 per farmer to eligible farmers who can otherwise demonstrate financial need due to COVID-19 but have not been approved for a farm debt restructuring loan guaranteed by USDA, Farm Service Agency or issued under a loan program administered by the Rural Finance Authority. When awarding grants under this paragraph, the commissioner must give preference to farmers in mediation as required under paragraph (c).

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

Presented to the governor October 16, 2020

Signed by the governor October 21, 2020, 2:36 p.m.