

CHAPTER 34--H.F.No. 2446

An act relating to state government; establishing a budget for the Department of Agriculture, the Board of Animal Health, the Agricultural Utilization Research Institute, and the Office of Broadband Development; making policy and technical changes to agriculture provisions; modifying livestock marketing agency and dealer licensing provisions; modifying food handler licensing provisions; modifying the cottage foods licensing exemption; modifying and establishing fees; requiring reports; transferring money; appropriating money; amending Minnesota Statutes 2024, sections 17.1017; 17.1018; 17.117, subdivisions 1, 3; 17.118, subdivisions 1, 2, 3; 17.133, subdivisions 1, 2; 17A.03, subdivisions 8, 10, 11, by adding a subdivision; 17A.04, subdivisions 1, 2, 4, 6, 7, 8; 17A.06, subdivisions 2, 3; 17A.07; 17A.08; 17A.15; 18.79, subdivision 3; 18B.26, subdivision 8; 18B.37, subdivision 6; 18C.111, by adding a subdivision; 25.391, subdivisions 1, 2; 28A.03, subdivision 7, by adding subdivisions; 28A.04; 28A.05; 28A.06; 28A.07; 28A.0753, subdivision 3; 28A.08; 28A.081, subdivision 1; 28A.085, subdivision 1; 28A.14; 28A.151, subdivision 2; 28A.152, subdivisions 1, 2, 3, 4, 5, by adding a subdivision; 28A.17; 32D.01, by adding a subdivision; 35.155, subdivision 12; 41A.16, subdivision 7; 41B.039, subdivision 2; 41B.0391, subdivisions 1, 2, 4, by adding a subdivision; 41B.04, subdivision 8; 41B.042, subdivision 4; 41B.043, subdivision 1b; 41B.045, subdivision 2; 41B.047, subdivision 3; 41B.056, subdivision 1; 41B.057, subdivisions 1, 3; 223.17, subdivision 3; 232.22, subdivision 3; Laws 2021, First Special Session chapter 3, article 1, section 2, subdivision 4, as amended; Laws 2023, chapter 43, article 1, section 2, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapter 32D; repealing Minnesota Statutes 2024, sections 35.68; 35.830; 239.77, subdivision 5.

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

ARTICLE 1**APPROPRIATIONS****Section 1. AGRICULTURE APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2026</u>	<u>2027</u>

Sec. 2. DEPARTMENT OF AGRICULTURE

compensate for livestock that were destroyed or crippled during fiscal year 2025. 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 money 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. The base for this appropriation is \$175,000 in fiscal year 2028 and each year thereafter.

(d) \$255,000 the first year and \$230,000 the second year are for compensation for crop or fence damage caused by elk 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 \$40,000 of the appropriation each year for 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. The base for this appropriation is \$155,000 in fiscal year 2028 and each year thereafter.

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

(f) \$750,000 the first year and \$750,000 the second year are for additional meat and poultry inspection services. The commissioner is encouraged to seek inspection waivers, match federal money, and offer more online inspections for the purposes of this paragraph. This is a onetime appropriation.

(g) \$500,000 the first year and \$500,000 the second year are for grants to counties to support county agricultural inspectors. The commissioner may use up

to three percent of the appropriation each year for administration. This is a onetime appropriation. County agricultural inspectors and county-designated employees must annually submit an application, on a form approved by the commissioner, to be eligible for funding during a given year. The commissioner must equally divide available grant money among eligible counties. To be eligible for grants under this section, a county must employ a county agricultural inspector or a county-designated employee who:

(1) has attended training for new county agricultural inspectors offered by the commissioner;

(2) coordinates with the commissioner to review applicable laws and enforcement procedures;

(3) compiles and submits to the commissioner local weed inspector annual report data;

(4) conducts an annual meeting and training for local weed inspectors; and

(5) assists the commissioner with control programs and other agricultural programs when requested under Minnesota Statutes, section 18.81, subdivision 1b, as directed by the county board.

(h) \$250,000 the first year and \$250,000 the second year are appropriated to establish and administer the biofertilizer innovation and efficiency program under Minnesota Statutes, section 18C.113. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance at the end of fiscal year 2026 does not cancel and is available until June 30, 2027. This is a onetime appropriation.

(j) \$75,000 the first year is to conduct an evaluation of the practice performance and economic performance of the Olmsted County groundwater protection and soil health initiative, including the cover crop program, alternative crops program, and haying, grazing, and pasture enhancement program. The evaluation must look at environmental outcomes, include a cost-benefit analysis, and be submitted to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance by June 1, 2027. The commissioner may

contract with an independent third party to conduct the evaluation.

(k) \$420,000 the first year and \$924,000 the second year are to support current services.

Subd. 3. Agricultural Marketing and Development

22,851,000

22,601,000

(a) \$634,000 the first year and \$634,000 the second year are for the continuation of the dairy development and profitability enhancement program, including dairy profitability teams and dairy business planning grants under Minnesota Statutes, section 32D.30.

(b) 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.

(c) \$100,000 the first year and \$100,000 the second year are for mental health outreach and support to farmers, ranchers, farm workers and employees, and others in the agricultural community and profession and for farm and farm worker safety grant and outreach programs under Minnesota Statutes, section 17.1195. Mental health outreach and support may include a 24-hour hotline, stigma reduction, and education. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. The base for this appropriation is \$50,000 in fiscal year 2028 and each year thereafter.

(d) \$18,257,000 the first year and \$18,007,000 the second year are for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. The base for this appropriation is \$17,449,000 in fiscal year 2028 and each year thereafter.

(e) Except as provided in paragraph (f), the commissioner may allocate the appropriation in paragraph (d) each year among the following areas: facilitating the startup, modernization, improvement, or expansion of livestock operations, including beginning and transitioning livestock operations with preference given to robotic dairy-milking equipment;

assisting value-added agricultural businesses to begin or expand, to access new markets, or to diversify, including aquaponics systems, with preference given to hemp fiber processing equipment; facilitating the startup, 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; the development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research, including basic and applied turf seed research; Farm Business Management tuition assistance; supporting the commercialization of an innovative material additive utilizing agricultural coproducts or waste streams to produce fiber-based barrier packaging to reduce perfluoroalkyl and polyfluoroalkyl substances (PFAS) and plastics in packaging products; and good agricultural practices and good handling practices certification assistance. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 7.5 percent of the appropriation in paragraph (d) for costs incurred to administer the program.

(f) Of the amount appropriated for the agricultural growth, research, and innovation program under 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) \$3,000,000 the first year and \$3,000,000 the second year are for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. 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 other purposes under this paragraph;

(3) \$2,750,000 the first year and \$2,750,000 the second year are for grants that enable retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition

engines for vehicle model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than 20 retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 65 percent of the cost of the appropriate technology. A grant award must not exceed \$200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which the commissioner contracts, must submit a report on the biofuels infrastructure financial assistance program by January 15 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: (i) the number and types of projects financed; (ii) the amount of dollars leveraged or matched per project; (iii) the geographic distribution of financed projects; (iv) any market expansion associated with upgraded infrastructure; (v) the demographics of the areas served; (vi) the costs of the program; and (vii) the number of grants to minority-owned or female-owned businesses;

(4) \$350,000 the first year and \$250,000 the second year are for grants to facilitate the startup, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed \$200,000;

(5) \$1,594,000 the first year and \$1,544,000 the second year are for providing more fruits, vegetables, meat, poultry, grain, and dairy for children in school and early childhood education settings, including, at the commissioner's discretion, providing grants to reimburse schools and early childhood education and child care providers for purchasing equipment and agricultural products. Of the amount appropriated, \$150,000 each year is for a statewide coordinator of farm-to-institution strategy and programming. The coordinator must consult with relevant stakeholders and provide technical assistance and training for participating farmers and eligible grant recipients. The base for this appropriation is \$1,636,000 in fiscal year

2028 and each year thereafter. At the commissioner's discretion, for state administration of federal cooperative agreements for purchasing Minnesota grown and raised foods for schools, child care providers, food banks, and other institutions, the commissioner may use an amount of state funds equal to no more than 7.5 percent of the total federal funds awarded to the state. The commissioner shall expend any available federal administrative funds awarded for this purpose before using state funds;

(6) up to \$1,750,000 the first year and up to \$1,750,000 the second year are for grants to facilitate the development of urban agriculture, including projects related to youth education, community and economic development, value-added processing, and vocational training;

(7) \$1,000,000 the first year and \$1,000,000 the second year are for the food retail improvement and development program under Minnesota Statutes, section 17.1017;

(8) up to \$200,000 the first year and up to \$200,000 the second year are for cooperative development grants under Minnesota Statutes, section 17.1016;

(9) \$250,000 the first year and \$150,000 the second year are for the protecting livestock grant program for producers to support the installation of measures to prevent the transmission of avian influenza. For the appropriation in this clause, a grant applicant must document a cost-share of 20 percent. An applicant's cost-share amount may be reduced up to \$2,000 to cover time and labor costs. This is a onetime appropriation; and

(10) up to \$525,000 the first year and up to \$525,000 the second year are to award AGRI Works grants to institutions and organizations to provide regional and statewide services. Preference shall be given to legislatively created entities and organizations that enhance agricultural, horticultural, or rural community and economic development, marketing, and promotion, and research and education. A grant award under this clause must not exceed \$200,000. Grants made under this paragraph are subject to the requirements in Minnesota Statutes, sections 16B.98 and 16B.981. This is a onetime appropriation.

(g) Notwithstanding Minnesota Statutes, section 16A.28, the appropriation in paragraph (d) does not cancel at the end of the second year and is available until June 30, 2029. Appropriations encumbered under contract on or before June 30, 2029, for agricultural growth, research, and innovation grants are available until June 30, 2032. At the end of fiscal year 2027, the commissioner must prioritize any money resulting from canceled contracts to be used for AGRI Works grants under paragraph (f), clause (10).

Subd. 4. Administration and Financial Assistance

14,879,000

11,845,000

(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 must be disbursed no later than July 15 each year. These payments are the amount of aid from the state for an annual fair held in the previous calendar year.

(b) \$300,000 the first year and \$300,000 the second year are for grants to the Minnesota Agricultural Education and Leadership Council for programs of the council under Minnesota Statutes, chapter 41D. The base for this appropriation is \$250,000 in fiscal year 2028 and each year thereafter.

(c) \$1,250,000 the first year and \$1,250,000 the second year are to award and administer farm down payment assistance grants under Minnesota Statutes, section 17.133, with priority given to eligible applicants with no more than \$100,000 in annual gross farm product sales and eligible applicants who are producers of industrial hemp, cannabis, or one or more of the following specialty crops as defined by the United States Department of Agriculture for purposes of the specialty crop block grant program: fruits and vegetables, tree nuts, dried fruits, medicinal plants, culinary herbs and spices, horticulture crops, floriculture crops, and nursery crops. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance at the end of the first year does not cancel and is available in the second year and appropriations encumbered under contract by June 30, 2027, are available until June 30, 2029. The base for this appropriation is \$1,000,000 in fiscal year 2028 and each year thereafter.

(d) \$1,000,000 the first year and \$1,000,000 the second year are for the purchase of milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased with grant money 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. The commissioner 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 under this paragraph may use up to two percent for administrative expenses. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance the first year does not cancel and is available the second year.

(e) \$260,000 the first year and \$260,000 the second year are for a pass-through grant to Region Five Development Commission to provide, in collaboration with Farm Business Management, statewide mental health counseling support to Minnesota farm operators, families, and employees, and individuals who work with Minnesota farmers in a professional capacity. Region Five Development Commission may use up to 7.5 percent of the grant awarded under this paragraph for administration.

(f) \$1,000,000 the first year and \$1,000,000 the second year are to expand the Emerging Farmers Office and provide services to beginning and emerging farmers to increase connections between farmers and market opportunities throughout the state. This appropriation may be used for grants, translation services, training programs, or other purposes in line with the recommendations of the emerging farmer working group established under Minnesota Statutes, section 17.055, subdivision 1.

(g) \$137,000 the first year and \$203,000 the second year are to support current services.

(h) \$337,000 the first year and \$337,000 the second year are for farm advocate services. Of these amounts, \$50,000 the first year and \$50,000 the second year are for the continuation of the farmland transition

programs and may be used for grants to farmland access teams to provide technical assistance to potential beginning farmers. Farmland access teams must assist existing farmers and beginning farmers with transitioning farm ownership and farm operation. Services provided by teams may include but are not limited to mediation assistance, designing contracts, financial planning, tax preparation, estate planning, and housing assistance.

(i) \$3,000,000 the first year is for transfer to the Public Facilities Authority for a grant to First District Association to acquire land for and to design, engineer, construct, equip, and furnish a wastewater treatment project. This appropriation is in addition to the appropriation in Laws 2023, chapter 71, article 1, section 15, subdivision 7. This appropriation is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

(k) \$50,000 the first year is to be awarded as a grant in a competitive bid process to an entity that is not a for-profit entity to conduct a study of market and workforce factors that may contribute to the incorrect marking for the installation of underground telecommunications infrastructure that is located within ten feet of existing underground utilities or that crosses the existing underground utilities. The study must include recommendations to the legislature and be submitted to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance by June 1, 2027.

(r) \$50,000 the first year is to conduct a study and develop recommendations for establishing an incentive-based program to support and encourage agricultural retailers in promoting 4R nutrient management practices. The 4R nutrient management practices include: the right source of nutrients, at the right rate and right time, in the right place.

(1) As part of the study, the department must evaluate strategies for leveraging cost-share programs, including the feasibility of coordinating with the Agricultural Water Quality Certification Program and other efforts related to the state's Nutrient Reduction Strategy.

(2) The commissioner must submit a report detailing its findings, including potential funding sources and

proposal outlines for funding requests where appropriate. The commissioner must submit the report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and environment by March 15, 2026.

(s) \$700,000 the first year and \$700,000 the second year are for the local food purchasing assistance grant program under article 3, section 35. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year.

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

Sec. 3. <u>BOARD OF ANIMAL HEALTH</u>	<u>\$</u>	<u>6,675,000</u>	<u>\$</u>	<u>6,800,000</u>
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\$265,000 the first year and \$390,000 the second year are to maintain the current level of service delivery.

Sec. 4. <u>AGRICULTURAL UTILIZATION RESEARCH INSTITUTE</u>	<u>\$</u>	<u>4,388,000</u>	<u>\$</u>	<u>4,434,000</u>
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\$45,000 the first year and \$91,000 the second year are to maintain the current level of service delivery.

Sec. 5. **TRANSFERS; ADMINISTRATION.**

Positions, salary money, and nonsalary administrative money may be transferred within the Department of Agriculture as the commissioner of agriculture considers necessary, with the advanced approval of the commissioner of management and budget. The commissioner of agriculture shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance quarterly about the transfers made under this section.

Sec. 6. **TRANSFERS.**

(a) The commissioner of agriculture, in consultation with the commissioner of management and budget, must transfer \$1,500,000 in fiscal year 2026 from the general fund to the agricultural emergency account established under Minnesota Statutes, section 17.041.

(b) Of the amount transferred to the agricultural emergency account under Minnesota Statutes, section 17.041, up to \$750,000 may be used for the following purposes:

(1) to test milk, milk products, poultry products, and pet food before retail sale for the presence of avian influenza;

(2) to transfer money to the commissioner of health for biomonitoring for the presence of avian influenza in agricultural workers, farm workers, and poultry or livestock processing employees who volunteer to participate; and

(3) to transfer money to the Board of Regents of the University of Minnesota to develop rapid testing, quantification, and human exposure risk assessment models for avian influenza in urban wastewater treatment processes, drinking water treatment processes, and public and private wells.

Prior to using or transferring money under this paragraph, the commissioner of agriculture must communicate the intended use and the estimated amount of money to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over agriculture finance.

(c) The commissioner of agriculture, in consultation with the commissioner of management and budget, must transfer \$100,000 in fiscal year 2026 and \$100,000 in fiscal year 2027 from the general fund to the pollinator research account established under Minnesota Statutes, section 18B.051. The commissioner of management and budget must include a transfer of \$100,000 each year from the general fund to the pollinator research account established under Minnesota Statutes, section 18B.051, in each forecast prepared under Minnesota Statutes, section 16A.103, from the effective date of this section through the February 2027 forecast.

(d) The commissioner of agriculture, in consultation with the commissioner of management and budget, must transfer \$186,000 in fiscal year 2026 and \$186,000 in fiscal year 2027 from the general fund to the Minnesota grown account under Minnesota Statutes, section 17.102, subdivision 4. The transferred money may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.102. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2027, for Minnesota grown grants in this paragraph are available until June 30, 2029. The commissioner of management and budget must include a transfer of \$186,000 each year from the general fund to the Minnesota grown account established under Minnesota Statutes, section 17.102, subdivision 4, in each forecast prepared under Minnesota Statutes, section 16A.103, from the effective date of this section through the February 2027 forecast.

(e) The commissioner of agriculture, in consultation with the commissioner of management and budget, must transfer \$10,677,000 in fiscal year 2026 and \$10,677,000 in fiscal year 2027 from the general fund to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3, for purposes of the agriculture research, education, extension, and technology transfer grant program under Minnesota Statutes, section 41A.14. The commissioner of agriculture shall transfer money each year to the Board of Regents of the University of Minnesota for purposes of Minnesota Statutes, section 41A.14, subdivision 1, clauses (1) and (2), and must supplement and not supplant existing sources and levels of funding. The commissioner may use up to one percent of this transfer for costs incurred to administer this program. Of the amount transferred for the agriculture research, education, extension, and technology transfer grant program under Minnesota Statutes, section 41A.14:

(1) \$600,000 in fiscal year 2026 and \$600,000 in fiscal year 2027 are for the Minnesota Agricultural Experiment Station's agriculture rapid response fund under Minnesota Statutes, section 41A.14, subdivision 1, clause (2);

(2) up to \$1,000,000 in fiscal year 2026 and up to \$1,000,000 in fiscal year 2027 are for research on avian influenza, salmonella, and other turkey related diseases and disease prevention measures;

(3) \$2,500,000 in fiscal year 2026 and \$2,500,000 in fiscal year 2027 are for grants to the Minnesota Agricultural Education Leadership Council to enhance agricultural education with priority given to Farm

Business Management challenge grants. This allocation is \$2,250,000 in fiscal year 2028 and each year thereafter;

(4) \$350,000 in fiscal year 2026 and \$350,000 in fiscal year 2027 are for potato research;

(5) \$802,000 in fiscal year 2026 and \$802,000 in fiscal year 2027 are to fund the Forever Green Initiative and protect Minnesota's natural resources while increasing the efficiency, profitability, and productivity of Minnesota farmers by incorporating perennial and winter annual crops into existing agricultural practices. By February 1 each year, the dean of the College of Food, Agricultural and Natural Resource Sciences must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and policy and higher education detailing uses of the money in this clause, including administrative costs, and the achievements this money contributed to;

(6) \$200,000 in fiscal year 2026 and \$200,000 in fiscal year 2027 are for research on natural stands of wild rice;

(7) \$250,000 in fiscal year 2026 and \$250,000 in fiscal year 2027 are for the cultivated wild rice forward selection project at the North Central Research and Outreach Center, including a tenure track or research associate plant scientist;

(8) \$290,000 in fiscal year 2026 is for the Board of Regents of the University of Minnesota for purposes of research on crop contamination and exposure to prions deposited by animals infected with chronic wasting disease. This is a onetime allocation; and

(9) \$75,000 in fiscal year 2026 and \$75,000 in fiscal year 2027 are for grants to the Southwest Minnesota State University Foundation to support the Minnesota Agriculture and Rural Leadership program. This is a onetime allocation.

The commissioner of management and budget must include a transfer of \$10,352,000 each year from the general fund to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3, in each forecast prepared under Minnesota Statutes, section 16A.103, from the effective date of this section through the February 2027 forecast.

(f) The commissioner of agriculture, in consultation with the commissioner of management and budget, must transfer \$1,425,000 in fiscal year 2026 and \$1,425,000 in fiscal year 2027 from the general fund to the agricultural and environmental revolving loan account established under Minnesota Statutes, section 17.117, subdivision 5a, for low-interest or no-interest loans issued through the agriculture best management practices loan program under Minnesota Statutes, section 17.117. The commissioner of management and budget must include a transfer of \$1,425,000 each year from the general fund to the agricultural and environmental revolving loan account under Minnesota Statutes, section 17.117, subdivision 5a, in each forecast prepared under Minnesota Statutes, section 16A.103, from the effective date of this section through the February 2027 forecast.

(g) The commissioner of agriculture, in consultation with the commissioner of management and budget, must transfer \$500,000 in fiscal year 2026 from the grain indemnity account under Minnesota Statutes, section 223.24, subdivision 1, in the agricultural fund to the grain buyers and storage account under Minnesota Statutes, section 232.22, subdivision 3, in the agricultural fund.

Sec. 7. CANCELLATIONS.

(a) \$3,000,000 of the appropriation in fiscal year 2024 from the general fund for green fertilizer production facilities under Laws 2023, chapter 60, article 10, section 4, is canceled to the general fund by June 30, 2025.

(b) \$1,000,000 of the fiscal year 2025 general fund appropriation for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12, that was allocated for Dairy Assistance, Investment, Relief Initiative (DAIRI) grants under Laws 2024, chapter 126, article 1, section 1, subdivision 4, paragraph (d), clause (6), is canceled to the general fund by June 30, 2025.

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

Sec. 8. Laws 2021, First Special Session chapter 3, article 1, section 2, subdivision 4, as amended by Laws 2022, chapter 95, article 1, section 1, is amended to read:

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

25,343,000

27,257,000

(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 fund 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. By January 15, 2023, entities receiving grants for potato breeding and wild rice breeding are requested to report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and higher education regarding the use of

the grant money and to provide an update on the status of research and related accomplishments.

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) \$16,028,000 the first year and \$17,928,000 the second year are for the agricultural growth, research, and innovation program under 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 of which \$10,000 each year is for transfer to the emerging farmer account under Minnesota Statutes, section 17.055, subdivision 1a; providing funding not to exceed \$450,000 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 under 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) \$4,500,000 the first year and \$5,750,000 the second year are for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. 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 other purposes under this paragraph. The base appropriation under this clause is \$5,750,000 in fiscal year 2024 and thereafter;

(3) \$3,000,000 the first year and \$3,000,000 the second year are for grants that enable retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than 10 retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 65 percent of the cost of the appropriate technology. A grant award must not exceed \$200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. 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: (i) the number and types of projects financed; (ii) the amount of dollars leveraged or matched per project; (iii) the geographic distribution of financed projects; (iv) any market expansion associated with upgraded infrastructure; (v) the demographics of the areas served; (vi) the costs of the program; and (vii) the number of grants to minority-owned or female-owned businesses;

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

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

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 this appropriation does not cancel at the end of the second year and is available until June 30, 2029.~~ Appropriations encumbered under contract on or before June 30, ~~2023~~ 2029, for agricultural growth, research, and innovation grants are available until June 30, ~~2026~~ 2032.

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

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

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

Sec. 9. Laws 2023, chapter 43, article 1, section 2, subdivision 4, as amended by Laws 2024, chapter 126, article 1, section 1, is amended to read:

Subd. 4. Agriculture, Bioenergy, and Bioproduct Advancement	34,034,000	38,159,000
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(a) \$10,702,000 the first year and \$10,702,000 the second year are for the agriculture research, education, extension, and technology transfer program under Minnesota Statutes, section 41A.14. Except as provided below, the appropriation each year is for transfer to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3, and the commissioner shall transfer funds each year to the Board of Regents of the University of Minnesota for purposes of Minnesota Statutes, section 41A.14. 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.

Of the amount appropriated for the agriculture research, education, extension, and technology transfer grant program under Minnesota Statutes, section 41A.14:

(1) \$600,000 the first year and \$600,000 the second year are for the Minnesota Agricultural Experiment Station's agriculture rapid response fund under Minnesota Statutes, section 41A.14, subdivision 1, clause (2);

(2) up to \$1,000,000 the first year and up to \$1,000,000 the second year are for research on avian influenza, salmonella, and other turkey-related diseases and disease prevention measures;

(3) \$2,250,000 the first year and \$2,250,000 the second year are for grants to the Minnesota Agricultural Education Leadership Council to enhance agricultural education with priority given to Farm Business Management challenge grants;

(4) \$450,000 the first year is for the cultivated wild rice breeding project at the North Central Research and Outreach Center to include a tenure track/research associate plant breeder;

(5) \$350,000 the first year and \$350,000 the second year are for potato breeding;

(6) \$802,000 the first year and \$802,000 the second year are to fund the Forever Green Initiative and protect the state's natural resources while increasing the efficiency, profitability, and productivity of Minnesota farmers by incorporating perennial and winter-annual crops into existing agricultural practices. The base for the allocation under this clause is \$802,000 in fiscal year 2026 and each year thereafter. By February 1 each year, the dean of the College of Food, Agricultural and Natural Resource Sciences must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and policy and higher education detailing uses of the funds in this paragraph, including administrative costs, and the achievements these funds contributed to;

(7) \$350,000 each year is for farm-scale winter greenhouse research and development coordinated by University of Minnesota Extension Regional Sustainable Development Partnerships. The allocation in this clause is onetime;

(8) \$200,000 the second year is for research on natural stands of wild rice; and

(9) \$250,000 the second year is for the cultivated wild rice forward selection project at the North Central Research and Outreach Center, including a tenure track or research associate plant scientist.

(b) The base for the agriculture research, education, extension, and technology transfer program is \$10,352,000 in fiscal year 2026 and \$10,352,000 in fiscal year 2027.

(c) \$23,332,000 the first year is for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. Except as provided below, the commissioner may allocate this appropriation 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; assisting value-added agricultural businesses to begin or expand, to access new markets, or to diversify, including aquaponics systems, with preference given to hemp fiber processing equipment; 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; the development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research, including basic and applied turf seed 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 under Minnesota Statutes, section 41A.12:

- (1) \$1,000,000 the first year is for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture;
- (2) \$5,750,000 the first year is for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. Notwithstanding Minnesota Statutes, section 16A.28, the first year appropriation is available until June 30, 2025. 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 other purposes under this paragraph;
- (3) \$3,375,000 the first year is for grants that enable retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than 10 retail petroleum dispensing sites and

each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 65 percent of the cost of the appropriate technology. A grant award must not exceed \$200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which the commissioner 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: (i) the number and types of projects financed; (ii) the amount of dollars leveraged or matched per project; (iii) the geographic distribution of financed projects; (iv) any market expansion associated with upgraded infrastructure; (v) the demographics of the areas served; (vi) the costs of the program; and (vii) the number of grants to minority-owned or female-owned businesses;

(4) \$1,250,000 the first year is for grants to facilitate the start-up, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed \$200,000. Any unencumbered balance at the end of the second year does not cancel until June 30, 2026, and may be used for other purposes under this paragraph;

(5) \$1,150,000 the first year is for providing more fruits, vegetables, meat, poultry, grain, and dairy for children in school and early childhood education settings, including, at the commissioner's discretion, providing grants to reimburse schools and early childhood education and child care providers for purchasing equipment and agricultural products. Organizations must participate in the National School Lunch Program or the Child and Adult Care Food Program to be eligible. Of the amount appropriated, \$150,000 is for a statewide coordinator of farm-to-institution strategy and programming. The coordinator must consult with relevant stakeholders and provide technical assistance and training for participating farmers and eligible grant recipients;

(6) \$2,000,000 the first year is for urban youth agricultural education or urban agriculture community development;

(7) \$1,000,000 the first year is for the good food access program under Minnesota Statutes, section 17.1017; and

(8) \$225,000 the first year is to provide grants to secondary career and technical education programs for the purpose of offering instruction in meat cutting and butchery. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 6.5 percent of this appropriation for administrative costs. This is a onetime appropriation. Grants may be used for costs, including but not limited to:

(i) equipment required for a meat cutting program;

(ii) facility renovation to accommodate meat cutting; and

(iii) training faculty to teach the fundamentals of meat processing.

A grant recipient may be awarded a grant of up to \$75,000 and may use up to ten percent of the grant for faculty training. Priority may be given to applicants who are coordinating with meat cutting and butchery programs at Minnesota State Colleges and Universities institutions or with local industry partners.

By January 15, 2025, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and education finance by listing the grants made under this paragraph by county and noting the number and amount of grant requests not fulfilled. The report may include additional information as determined by the commissioner, including but not limited to information regarding the outcomes produced by these grants. If additional grants are awarded under this paragraph that were not covered in the report due by January 15, 2025, the commissioner must submit an additional report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and education finance regarding all grants issued under this paragraph by November 1, 2025.

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, 2025, for agricultural growth, research, and innovation grants are available until June 30, 2028.

(d) \$27,457,000 the second year is for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. Except as provided below, the commissioner may allocate this appropriation 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; assisting value-added agricultural businesses to begin or expand, to access new markets, or to diversify, including aquaponics systems, with preference given to hemp fiber processing equipment; 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; the development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research, including basic and applied turf seed 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 under Minnesota Statutes, section 41A.12:

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

(2) \$5,750,000 the second year is for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027. 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 other purposes under this paragraph. The base under this clause is \$3,000,000 in fiscal year 2026 and each year thereafter;

(3) \$3,375,000 the second year is for grants that enable retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than ten retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 65 percent of the cost of the appropriate technology. A grant award must not exceed \$200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which the commissioner 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: (i) the number and types of projects financed; (ii) the amount of money leveraged or matched per project; (iii) the geographic distribution of financed projects; (iv) any market expansion associated with upgraded infrastructure; (v) the demographics of the areas served; (vi) the costs of the program; and (vii) the number of grants to minority-owned or female-owned businesses. The base under this clause is \$3,000,000 for fiscal year 2026 and each year thereafter;

(4) \$1,250,000 the second year is for grants to facilitate the start-up, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed \$200,000. Any unencumbered balance at the end of the second year does not cancel until June 30, 2027, and may be

used for other purposes under this paragraph. The base under this clause is \$250,000 in fiscal year 2026 and each year thereafter;

(5) \$1,275,000 the second year is for providing more fruits, vegetables, meat, poultry, grain, and dairy for children in school and early childhood education settings, including, at the commissioner's discretion, providing grants to reimburse schools and early childhood education and child care providers for purchasing equipment and agricultural products. Organizations must participate in the National School Lunch Program or the Child and Adult Care Food Program to be eligible. Of the amount appropriated, \$150,000 is for a statewide coordinator of farm-to-institution strategy and programming. The coordinator must consult with relevant stakeholders and provide technical assistance and training for participating farmers and eligible grant recipients. The base under this clause is \$1,294,000 in fiscal year 2026 and each year thereafter;

(6) \$4,000,000 the second year is for Dairy Assistance, Investment, Relief Initiative (DAIRI) grants and other forms of financial assistance to Minnesota dairy farms that enroll in coverage under a federal dairy risk protection program and produced no more than 16,000,000 pounds of milk in 2022. The commissioner must make DAIRI payments based on the amount of milk produced in 2022, up to 5,000,000 pounds per participating farm, at a rate determined by the commissioner within the limits of available funding. Any unencumbered balance on June 30, 2026, may be used for other purposes under this paragraph. The allocation in this clause is onetime;

(7) \$2,000,000 the second year is for urban youth agricultural education or urban agriculture community development;

(8) \$1,000,000 the second year is for the good food access program under Minnesota Statutes, section 17.1017; and

(9) \$225,000 the second year is for the protecting livestock grant program for producers to support the installation of measures to prevent the transmission of avian influenza. For the appropriation in this paragraph, a grant applicant must document a cost-share of 20 percent. An applicant's cost-share amount may be

reduced up to \$2,000 to cover time and labor costs. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 6.5 percent of this appropriation for administrative costs. This appropriation is available until June 30, 2027. This is a onetime appropriation.

(e) Notwithstanding Minnesota Statutes, section 16A.28, ~~this~~ the appropriation in paragraph (d) does not cancel at the end of the second year and is available until June 30, 2027. Appropriations encumbered under contract on or before June 30, 2027, for agricultural growth, research, and innovation grants are available until June 30, 2030.

~~(e)~~ (f) The base for the agricultural growth, research, and innovation program is \$17,582,000 in fiscal year 2026 and each year thereafter and includes \$200,000 each year for cooperative development grants.

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

ARTICLE 2

BROADBAND

Section 1. **BROADBAND DEVELOPMENT APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

		<u>APPROPRIATIONS</u>	
		<u>Available for the Year</u>	
		<u>Ending June 30</u>	
		<u>2026</u>	<u>2027</u>
Sec. 2. <u>DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT</u>	<u>\$</u>	<u>1,001,000</u>	<u>\$ 1,001,000</u>
<u>\$1,001,000 each year is for the Office of Broadband Development.</u>			

ARTICLE 3
POLICY PROVISIONS

Section 1. Minnesota Statutes 2024, section 17.1017, is amended to read:

17.1017 ~~GOOD FOOD ACCESS~~ RETAIL IMPROVEMENT AND DEVELOPMENT PROGRAM.

Subdivision 1. **Definitions.** (a) For purposes of this section, unless the language or context indicates that a different meaning is intended, the following terms have the meanings given them.

(b) "Account" means the ~~good food access~~ retail improvement and development account established in subdivision 3.

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

(d) "Economic or community development financial institution (ECDFI)" means a lender, including but not limited to a community development financial institution (CDFI), an economic development district (EDD), a political subdivision of the state, a microenterprise firm, or a nonprofit community lending organization that has previous experience lending to a food retailer, producer, or another healthy food enterprise ~~in an underserved community in a low-income or moderate-income area, as defined in this section; has been in existence and operating prior to January 1, 2014;~~ has demonstrated the ability to raise matching capital and in-kind services to leverage appropriated money; has the demonstrated ability to underwrite loans and grants; and has partnered previously with nonprofit healthy food access, public health, or related governmental departments or community organizations.

(e) "Farmers' market" means an association of three or more persons who assemble at a defined location that is open to the public for the purpose of selling directly to the consumer the products of a farm or garden occupied and cultivated by the person selling the product.

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

(g) "Food hub" means a centrally located facility with a business management structure that facilitates the aggregation, storage, processing, distribution, marketing, and sale of locally or regionally produced food products, and which may include a small-scale retail grocery operation.

~~(h) "Good Food Access Program Advisory Committee" means the Good Food Access Program Advisory Committee under section 17.1018.~~

(h) "Food Retail Improvement and Development Program Advisory Committee" means the Food Retail Improvement and Development Program Advisory Committee under section 17.1018.

(i) "Grocery store" means a for-profit, not-for-profit, or cooperative self-service retail establishment that sells primarily meat, fish, seafood, fruits, vegetables, dry groceries, and dairy products and may also sell household products, sundries, and other products. Grocery store includes a supermarket or a large-, mid-, or small-scale retail grocery establishment and may include a mobile food market or a delivery service operation.

(j) "Low-income area" means a census tract as reported in the most recently completed decennial census published by the United States Bureau of the Census that has a poverty rate of at least 20 percent or in which the median family income does not exceed 80 percent of the greater of the statewide or metropolitan median family income.

(k) "Moderate-income area" means a census tract as reported in the most recently completed decennial census published by the United States Bureau of the Census in which the median family income is between 81 percent and 95 percent of the median family income for that area.

(l) "Mobile food market" means a self-contained for-profit, not-for-profit, or cooperative retail grocery operation located in a movable new or renovated truck, bus, or other vehicle that is used to store, prepare, display, and sell primarily meat, fish, seafood, fruits, vegetables, dry groceries, and dairy products and may also be used to sell a nominal supply of cooking utensils and equipment and other household products and sundries.

(m) "Program" means the ~~good food access~~ retail improvement and development program established in this section.

(n) "Small food retailer" means a small-scale retail food outlet, other than a grocery store as defined in this section. Small food retailer includes, but is not limited to, a corner store, convenience store, farmers' market, mobile food market, and a retail food outlet operated by an emergency food program or food hub.

(o) "Technical assistance" means needs-based project assistance provided through the program, including sustainability-focused individualized guidance, presentations, workshops, trainings, printed materials, mentorship opportunities, peer-to-peer opportunities, or other guidance and resources on relevant topics such as business planning, sales projections, cash flow, succession planning, financing, fundraising, marketing, food preparation demonstrations, and workforce training.

(p) "Underserved community" means a ~~census tract that is federally designated as a food desert by the United States Department of Agriculture, or a census tract in a low-income or moderate-income area that includes a substantial subpopulation such as the elderly or the disabled that has low supermarket access, regardless of distance, due to lack of transportation~~ geographic area or group of people whose food access needs are not met by existing retail options, including a low-income and moderate-income area, a census tract that is federally designated as a food desert by the United States Department of Agriculture, an area where there is a limited number of grocery stores, or a group of people with particular needs such as the aging population, people with disabilities, or people with special dietary needs or preferences, or as otherwise defined by the commissioner.

Subd. 2. **Program established.** (a) A ~~good food access~~ retail improvement and development program is established within the Department of Agriculture 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~~ by providing financial support and sustainable public-private projects to open, renovate, or expand the operations of grocery stores and small food retailers; expanding access to credit and reducing barriers to investment in underserved communities ~~in low- and moderate-income areas~~; and to provide technical assistance, primarily for small food retailers with demonstrated need, to increase availability and sustainable sales of affordable, nutritious, and culturally appropriate food, including fresh fruits and vegetables, to underserved communities in low-income and moderate-income areas. The commissioner, in cooperation with public and private partners, shall establish and implement the program as provided in this section.

(b) The ~~good food access~~ retail improvement and development program shall be comprised of state or private grants, loans, or other types of financial and technical assistance for the establishment, construction, expansion of operations, or renovation of grocery stores and small food retailers to increase the availability of and access to affordable fresh produce and other nutritious, culturally appropriate food to underserved communities ~~in low-income and moderate-income areas~~.

Subd. 3. **Good Food Access Retail Improvement and Development Account.** A ~~good food access~~ retail improvement and development account is established in the agricultural fund. The account consists of money appropriated by the legislature to the commissioner, as provided 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 shall 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 shall be the administrator of the account for auditing purposes and shall 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 shall remain in the account and shall not cancel. In each biennium, the commissioner shall 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 shall convene and maintain the ~~Good Food Access~~ Retail Improvement and Development Program Advisory Committee.

(f) The commissioner, in cooperation with the ~~Good Food Access~~ Retail Improvement and Development Program Advisory Committee, shall 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 ~~Good Food Access~~ Retail Improvement and Development Program Advisory Committee, shall 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 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~~ serve 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.

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) 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; and

(3) comply with all data collection and reporting requirements established by the commissioner; ~~and,~~

~~(4) 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.

Subd. 7. **Additional selection criteria.** In determining which qualified projects to finance, and in determining which qualified projects to provide with grants or other types of financial or technical assistance, the commissioner, in cooperation with any entities with which the commissioner contracts for those purposes and the ~~Good Food Access~~ Retail Improvement and Development Program Advisory Committee, ~~shall~~ may also consider:

(1) the level of need in the area to be served;

(2) the degree to which the project requires an investment of public support, or technical assistance where applicable, to move forward, build capacity, create community impact, or be competitive;

(3) the likelihood that the project will have positive economic and health impacts on the underserved community, including creation and retention of jobs for local or regional residents ~~from low income and~~

~~moderate-income areas~~ that reflect area demographics, including Indigenous communities and communities of color;

(4) the degree to which the project will participate in state and local health department initiatives to educate consumers on nutrition, promote healthy eating and healthy weight, and support locally grown food products through programs such as Minnesota Grown; and

(5) any other criteria that the commissioner, in cooperation with public and private partners, determines to be consistent with the purposes of this chapter.

Subd. 8. **Eligible costs.** Financing for project loans, including low-interest, zero-interest, and forgivable loans, grants, and other financial or technical assistance, may be used to support one or more of the following purposes:

- (1) site acquisition and preparation;
- (2) predevelopment costs, including but not limited to feasibility studies, market studies, and appraisals;
- (3) construction and build-out costs;
- (4) equipment and furnishings;
- (5) workforce or retailer training; and
- (6) working capital.

Subd. 9. **Legislative report.** The commissioner, in cooperation with any economic or community development financial institution and any other entity with which it contracts, shall submit an annual report on the good food access program by January 15 of each year to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over agriculture policy and finance. The annual report shall 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 or commodity expansion associated with increased access;~~
- ~~(6)~~ (5) the demographics of the areas served;
- ~~(7)~~ (6) the costs of the program;
- ~~(8)~~ (7) the number of SNAP ~~and WIC~~ dollars spent;
- ~~(9)~~ (8) any increase in retail square footage;
- ~~(10)~~ (9) the number of loans or grants to ~~minority-owned or female-owned businesses~~ businesses owned by women and Black, Indigenous, or Persons of Color; and
- ~~(11)~~ (10) measurable economic and health outcomes, including, but not limited to, increases in sales and consumption of locally sourced and other fresh fruits and vegetables, the number of construction and retail jobs retained or created, and any health initiatives associated with the program.

Sec. 2. Minnesota Statutes 2024, section 17.1018, is amended to read:

17.1018 ~~GOOD FOOD ACCESS~~ RETAIL IMPROVEMENT AND DEVELOPMENT PROGRAM ADVISORY COMMITTEE.

Subdivision 1. **Definitions.** As used in this section, the following terms have the meanings given them:

- (1) "program" means the good food access program under section 17.1017; and
- (2) "commissioner" means the commissioner of agriculture.

Subd. 2. **Creation.** The ~~Good Food Access~~ Retail Improvement and Development Program Advisory Committee consists of the following members, appointed by the commissioner of agriculture, unless otherwise specified:

(1) the commissioners of health; employment and economic development; and ~~human services~~ children, youth, and families, or their respective designees;

(2) one person representing the grocery industry;

(3) two people representing economic or community development, one rural member and one urban or suburban member;

(4) two people representing political subdivisions of the state;

(5) one person designated by the Council for Minnesotans of African Heritage;

(6) one person designated by the Minnesota Indian Affairs Council;

(7) one person designated by the Council on Asian Pacific Minnesotans;

(8) one person designated by the ~~Chicago-Latino Affairs~~ Council on Latino Affairs;

(9) one person designated by the Minnesota Farmers Union;

(10) one person representing public health experts;

(11) one person representing philanthropic foundations;

(12) one person representing economic or community development financial institutions;

(13) one person representing the University of Minnesota Regional Sustainable Development Partnerships;

(14) two people representing organizations engaged in addressing food security, one representative from a statewide hunger relief organization and one from a community-based organization;

(15) one person representing immigrant farmer-led organizations;

(16) one person representing small business technical assistance with experience in food retail; and

(17) up to four additional members with economic development, health equity, financial, or other relevant expertise.

At least half of the members must reside in or their organizations must serve rural Minnesota. The commissioner may remove members and fill vacancies as provided in section 15.059, subdivision 4.

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 shall serve as chair of the committee.

Subd. 7. **Compensation.** The public members of the advisory committee serve without compensation or payment of expenses.

Subd. 8. **Expiration.** The advisory committee does not expire.

Sec. 3. Minnesota Statutes 2024, section 17.117, subdivision 1, is amended to read:

Subdivision 1. **Purpose.** The purpose of the agriculture best management practices loan program is to provide low or no interest financing to farmers, agriculture supply businesses, ~~rural~~ landowners, and water-quality cooperatives for the implementation of agriculture and other best management practices that reduce environmental pollution.

Sec. 4. Minnesota Statutes 2024, section 17.117, subdivision 3, is amended to read:

Subd. 3. **Appropriations.** Up to ~~\$140,000,000~~ \$280,000,000 of the balance in the clean water revolving fund in section 446A.07, as determined by the Public Facilities Authority, is appropriated to the commissioner for the establishment of this program. In addition, the commissioner may receive appropriations from the legislature and grants or funds from other sources for implementation of the program.

Sec. 5. Minnesota Statutes 2024, section 17.118, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The commissioner may award a livestock investment grant to ~~a person~~ an eligible applicant who raises livestock in this state equal to ten percent of the first \$500,000 of qualifying expenditures, provided the person makes qualifying expenditures of at least \$4,000 50 percent of the first \$20,000 of qualifying expenditures and 25 percent of the next \$220,000 of qualifying expenditures. The commissioner may award multiple livestock investment grants to a person over the life of the program and shall give preference to applicants who have not previously received a grant under this section.

Sec. 6. Minnesota Statutes 2024, section 17.118, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision have the meanings given ~~them~~.

(b) "Livestock" means animals raised for the production of fiber, meat, and animal by-products for sale or as breeding stock, including but not limited to beef cattle, dairy cattle, swine, poultry, goats, mules, farmed Cervidae, Ratitae, bison, sheep, horses, aquaculture, and llamas.

(c) "Qualifying expenditures" means the amount spent for:

(1) the acquisition, construction, or improvement of buildings or facilities for the production of livestock or livestock products;

(2) the development of pasture for use by livestock including, but not limited to, the acquisition, development, or improvement of:

- (i) lanes used by livestock that connect pastures to a central location;
- (ii) watering systems for livestock on pasture including water lines, booster pumps, and well installations;
- (iii) livestock stream crossing stabilization; and
- (iv) fences; or

(3) the acquisition of equipment for livestock housing, confinement, feeding, and waste management including, but not limited to, the following:

- (i) freestall barns;
- (ii) watering facilities;
- (iii) feed storage and handling equipment;
- (iv) milking parlors;
- (v) robotic equipment;
- (vi) scales;
- (vii) milk storage and cooling facilities;
- (viii) bulk tanks;
- (ix) computer hardware and software and associated equipment used to monitor the productivity and feeding of livestock;
- (x) manure pumping and storage facilities;
- (xi) swine farrowing facilities;
- (xii) swine and cattle finishing barns;
- (xiii) calving facilities;
- (xiv) digesters;
- (xv) equipment used to produce energy;
- (xvi) on-farm processing facilities equipment;
- (xvii) fences, including but not limited to farmed Cervidae perimeter fences required under section 35.155, subdivision 4; and
- (xviii) livestock pens and corrals and sorting, restraining, and loading chutes.

Except for qualifying pasture development expenditures under clause (2), qualifying expenditures only include amounts that are allowed to be capitalized and deducted under either section 167 or 179 of the

Internal Revenue Code in computing federal taxable income. Qualifying expenditures do not include an amount paid to refinance existing debt.

Sec. 7. Minnesota Statutes 2024, section 17.118, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** To be eligible for a livestock investment grant, ~~a person~~ an applicant must:

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

(2) be the principal operator of the farm;

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

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

Sec. 8. Minnesota Statutes 2024, section 17.133, subdivision 1, is amended to read:

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

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

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

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

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

(4) is not, and whose spouse is not, ~~related by blood or marriage to an owner~~ a family member of the owner of the farmland that the individual intends to acquire. "Family member" has the meaning given in section 267(c)(4) of the Internal Revenue Code.

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

(d) "Incubator farm" means a farm where:

(1) individuals are given temporary, exclusive, and affordable access to small parcels of land, infrastructure, and often training, for the purpose of honing skills and launching a farm business; and

(2) a majority of the individuals farming the small parcels of land grow industrial hemp, cannabis, or one or more of the following specialty crops as defined by the United States Department of Agriculture for purposes of the specialty crop block grant program: fruits and vegetables, tree nuts, dried fruits, medicinal plants, culinary herbs and spices, horticulture crops, floriculture crops, and nursery crops.

(e) "Limited land access" means farming without ownership of land and:

(1) the individual or the individual's child rents or leases the land, with the term of each rental or lease agreement not exceeding three years in duration, from a person who is not related to the individual or the individual's spouse by blood or marriage; or

(2) the individual rents the land from an incubator farm.

(f) "Limited market access" means the individual has gross sales of no more than \$100,000 per year from the sale of farm products.

Sec. 9. Minnesota Statutes 2024, section 17.133, subdivision 2, is amended to read:

Subd. 2. **Grants.** The commissioner may award farm down payment assistance grants of up to ~~\$15,000~~ \$20,000 per eligible farmer. Each award must be matched with at least \$8,000 of other funding. Grants under this subdivision may be awarded by a randomized selection process after applications are collected over a period of no less than 30 calendar days. An eligible farmer must commit to own and farm the land purchased with assistance provided under this section for at least five years. For each year that a grant recipient does not own and farm the land during the five-year period, the grant recipient must pay a penalty to the commissioner equal to 20 percent of the grant amount.

Sec. 10. Minnesota Statutes 2024, section 18.79, subdivision 3, is amended to read:

Subd. 3. **Entry upon land.** To administer and enforce sections 18.76 to 18.91, an inspector or county-designated employee shall contact a landowner through direct communication prior to entering upon the land for a noxious weed inspection. If a landowner cannot be contacted, an inspector or county-designated employee may enter upon land without consent of the owner and without being subject to an action for trespass or any damages. For the purposes of this subdivision, "direct communication" may include contact with the landowner through an in-person visit, phone call, voice mail, text message, mail, or email. A landowner cannot refuse an inspector or county-designated employee having probable cause to conduct an inspection for noxious weeds on their lands. Within five business days of a completed inspection, the inspector or county-designated employee shall provide the landowner with a copy of the inspection report, including further actions if applicable.

Sec. 11. Minnesota Statutes 2024, section 18B.26, subdivision 8, is amended to read:

Subd. 8. **PFAS prohibitions.** (a) Beginning January 1, 2026, the commissioner may not register a ~~cleaning~~ product in the categories listed in section 116.943, subdivision 5, paragraph (a), if the product contains intentionally added PFAS unless the commissioner determines that the use of PFAS is a currently unavoidable use.

(b) Beginning January 1, 2032, the commissioner may not register a pesticide product that contains intentionally added PFAS unless the commissioner determines that the use of PFAS is a currently unavoidable use.

Sec. 12. Minnesota Statutes 2024, section 18B.37, subdivision 6, is amended to read:

Subd. 6. **Access to pesticide application information.** (a) A physician ~~licensed to practice in Minnesota,~~ physician assistant, or nurse practitioner, or a Minnesota licensed veterinarian, may submit a request to the commissioner for access to available information on the application of pesticides by a commercial or noncommercial pesticide applicator related to a course of diagnosis, care, or treatment of a patient under

the care of the physician or veterinarian. For purposes of this subdivision, the physician, physician assistant, or nurse practitioner making the request must be licensed to practice in Minnesota.

(b) A request for pesticide application information under this subdivision must include available details as to the specific location of a known or suspected application that occurred on one or more specified dates and times. The request must also include information on symptoms displayed by the patient that prompted the physician or veterinarian to suspect pesticide exposure. The request must indicate that any information discovered will become part of the confidential patient record and will not be released publicly.

(c) Upon receipt of a request under paragraph (a), the commissioner, in consultation with the commissioner of health, shall promptly review the information contained in the request and determine if release of information held by the department may be beneficial for the medical diagnosis, care, and treatment of the patient.

(d) The commissioner may release to the requester available information on the pesticide. The commissioner shall withhold nonessential information such as total acres treated, the specific amount of pesticides applied, and the identity of the applicator or property owner.

Sec. 13. Minnesota Statutes 2024, section 18C.111, is amended by adding a subdivision to read:

Subd. 6. **Fertilizers and fertilizer by-products.** The commissioner may coordinate the protection of public health and the environment from the unreasonable adverse effects of fertilizers and fertilizer by-products among state agencies and local governments and may assist other state agencies and local governments in providing such protection.

Sec. 14. Minnesota Statutes 2024, section 25.391, subdivision 1, is amended to read:

Subdivision 1. **Exemption.** The provisions of this chapter do not apply to ~~an individual~~ a person who prepares and sells home-processed pet treats for dogs and cats, provided the following conditions are met:

(1) the person is an individual, a sole proprietorship, a single-member limited liability company owned by one individual, or a limited liability company owned by two individuals residing at the same residence;

(2) the person does not hold a commercial feed license under section 25.341;

(3) the ~~individual~~ person is registered with the commissioner under section 28A.152, subdivision 4;

~~(2)~~ (4) the pet treats are not potentially hazardous food, as defined in Minnesota Rules, part 4626.0020, subpart 62, that is safe for human consumption and for consumption by the intended species;

~~(3)~~ (5) the pet treats are baked or dehydrated;

~~(4)~~ (6) the ~~individual~~ person displays at the point of sale a clearly legible sign or placard stating, "These products are homemade and not subject to state inspection."; and

~~(5)~~ (7) each individual pet treat package is labeled with the following: (i) the name and registration number or address of the individual preparing the pet treat; (ii) the date on which the pet treat was prepared; (iii) the ingredients listed; and (iv) the statement "These products are homemade and not subject to state inspection."

EFFECTIVE DATE. This section is effective August 1, 2027.

Sec. 15. Minnesota Statutes 2024, section 25.391, subdivision 2, is amended to read:

Subd. 2. **Direct sales to consumers.** ~~An individual~~ A person qualifying for the exemption under subdivision 1 may sell the exempt pet treats to consumers in accordance with section 28A.152, except that pet treats may also be delivered by mail or commercial delivery.

EFFECTIVE DATE. This section is effective August 1, 2027.

Sec. 16. Minnesota Statutes 2024, section 32D.01, is amended by adding a subdivision to read:

Subd. 12a. **Milk marketer.** "Milk marketer" means any person who collects or procures milk from dairy producers in Minnesota or markets milk on behalf of Minnesota dairy producers. Milk marketer does not include:

(1) a person who only brokers a contract between a milk producer and a milk contractor but does not become a party to the contract, take control of the milk, or accept payment on behalf of the milk producer;

(2) a person who only buys or sells milk on a board of trade or commodity exchange;

(3) a person who collects milk solely from their own farm, for use in their own dairy plant; or

(4) a person who only sells milk direct to the end consumer, from their own farm.

Sec. 17. **[32D.31] MILK MARKETING LICENSE.**

Subdivision 1. **License requirement and eligibility.** A current milk marketing license is required for any milk marketer who procures more than 700,000 pounds of milk annually from Minnesota farms. Before a milk marketing license is issued, the commissioner must determine that the applicant meets the relevant licensing requirements.

Subd. 2. **Application.** An applicant for a milk marketing license must apply on a form provided by the commissioner. An applicant must also submit:

(1) a report of the total milk payroll obligations that the applicant incurred during the applicant's last completed fiscal year. If the applicant has not yet operated as a milk marketer in Minnesota, the applicant shall estimate the total milk payroll obligations that the applicant will incur during the applicant's first complete fiscal year;

(2) a report of any milk payroll obligations to dairy producers that were unpaid during the applicant's last completed fiscal year and the payroll amount; and

(3) the total amount of hundredweights procured, collected, or marketed from Minnesota milk producers during the applicant's last completed fiscal year.

Subd. 3. **Term of license; transferability.** A milk marketing license issued by the commissioner expires on December 31 of each year, must be renewed annually, and is not transferable.

Subd. 4. **Fees and penalties.** (a) The fee for a milk marketing license is:

(1) \$100 for an initial license; and

(2) \$250 annually for a license renewal.

(b) The fee must be paid to the commissioner before the commissioner issues an initial or renewal license. If a person has not applied for a milk marketing license renewal before January 1, a late fee of \$100 must be imposed. After January 1, 2026, any person who requires a milk marketing license and conducts activities subject to licensing within 365 days prior to obtaining a milk marketing license must pay a penalty of \$250 to receive the person's initial license.

Subd. 5. **License requirements.** An applicant for a milk marketing license must:

- (1) complete monthly procurement payments under section 32D.11, if applicable;
- (2) provide, upon request of the commissioner, a list of dairy producers from whom the applicant collects milk;
- (3) provide dairy field service as described in section 32D.02, subdivision 6;
- (4) submit associated farm inspection fees as required under sections 32D.06 and 32D.08;
- (5) provide, upon the request of the commissioner, a financial statement to demonstrate that sufficient financial resources are available to satisfy payroll obligations for milk that is procured or collected from Minnesota dairy producers; and
- (6) satisfy all contractual payments and agreements made with any Minnesota dairy producer that maintains a permit or certification as required under section 32D.05 or 32D.07. A person's failure to pay dairy producers in accordance with contracts may result in the revocation or suspension of the person's milk marketing license.

Subd. 6. **Permit requirement.** (a) A person conducting the following activities must hold a valid milk marketing permit:

- (1) any activities subject to a milk marketing license; or
- (2) if the person is a Minnesota milk producer, marketing milk on the producer's own behalf.

(b) An applicant must apply for a milk marketing permit on a form provided by the commissioner. A milk marketing permit must be issued to an applicant in conjunction with the initial license issued and must contain a milk marketing permit number. An applicant for a milk marketing permit must not be required to pay a fee to the commissioner when applying. A milk marketing permit is valid if the holder of the permit maintains a current milk marketing license or continues to market the permit holder's own milk, with no renewals required.

Sec. 18. Minnesota Statutes 2024, section 35.155, subdivision 12, is amended to read:

Subd. 12. **Importation.** (a) A person must not import live Cervidae into the state from a state or province where chronic wasting disease has been detected in the farmed or wild cervid population in the last five years unless the animal has tested not detected for chronic wasting disease with a validated live-animal test.

(b) Live Cervidae or Cervidae semen must originate from a herd that has been subject to a state-, federal-, or provincial-approved chronic wasting disease herd certification program and that has reached a status equivalent to the highest certification.

(c) Cervidae imported in violation of this section may be seized and destroyed by the commissioner of natural resources.

(d) This subdivision does not apply to the interstate transfer of animals between two facilities accredited by the Association of Zoos and Aquariums.

(e) Notwithstanding this subdivision, the commissioner of natural resources may issue a permit allowing the importation of orphaned wild cervid species that are not susceptible to chronic wasting disease from another state to an Association of Zoos and Aquariums accredited institution in Minnesota following a joint risk-based assessment conducted by the commissioner and the institution.

(f) Notwithstanding this subdivision, the state veterinarian may issue a permit to a zoo that is a United States Department of Agriculture licensed exhibitor of regulated animals to import live reindeer from another state if the reindeer are part of a herd that is:

(1) in the United States Department of Agriculture Herd Certification Program; or

(2) subject to similar equivalent disease surveillance at the discretion of the state veterinarian.

Sec. 19. Minnesota Statutes 2024, section 41A.16, subdivision 7, is amended to read:

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

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

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

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

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

(f) Biobutanol is eligible under this section.

Sec. 20. Minnesota Statutes 2024, section 41B.039, subdivision 2, is amended to read:

Subd. 2. **State participation.** The state may participate in a new real estate loan with an eligible lender to a beginning farmer to the extent of 45 percent of the principal amount of the loan ~~or. Individual loans must be no less than \$20,000 and no more than \$500,000, whichever is less.~~ The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 21. Minnesota Statutes 2024, section 41B.0391, subdivision 1, is amended to read:

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

(b) "Agricultural assets" means agricultural land, livestock, facilities, buildings, and machinery used for farming in Minnesota.

(c) "Beginning farmer" means an individual who:

(1) is a resident of Minnesota;

(2) is seeking entry, or has entered within the last ten years, into farming;

(3) intends to farm land located within the state borders of Minnesota;

(4) except as provided in subdivision 2, paragraph (f), is not and whose spouse is not a family member of the owner of the agricultural assets from whom the beginning farmer is seeking to purchase or rent agricultural assets;

(5) except as provided in subdivision 2, paragraph (f), is not and whose spouse is not a family member of a partner, member, shareholder, or trustee of the owner of agricultural assets from whom the beginning farmer is seeking to purchase or rent agricultural assets; and

(6) meets the following eligibility requirements as determined by the authority:

(i) has a net worth that does not exceed the limit provided under section 41B.03, subdivision 3, paragraph (a), clause (2);

(ii) provides the majority of the day-to-day physical labor and management of the farm;

(iii) has, by the judgment of the authority, adequate farming experience or demonstrates knowledge in the type of farming for which the beginning farmer seeks assistance from the authority;

(iv) demonstrates to the authority a profit potential by submitting projected earnings statements;

(v) asserts to the satisfaction of the authority that farming will be a significant source of income for the beginning farmer;

(vi) is enrolled in or has completed within ten years of their first year of farming a financial management program approved by the authority or the commissioner of agriculture;

(vii) agrees to notify the authority if the beginning farmer no longer meets the eligibility requirements within the three-year certification period, in which case the beginning farmer is no longer eligible for credits under this section; and

(viii) has other qualifications as specified by the authority.

The authority may waive the requirement in item (vi) if the participant requests a waiver and has a four-year degree in an agricultural program or related field, reasonable agricultural job-related experience, or certification as an adult farm management instructor.

~~(d) "Emerging farmer" means an emerging farmer within the meaning of section 17.055, subdivision 1.~~

~~(e)~~ (d) "Family member" means a family member within the meaning of the Internal Revenue Code, section 267(c)(4).

~~(f)~~ (e) "Farm product" means plants and animals useful to humans and includes, but is not limited to, forage and sod crops, oilseeds, grain and feed crops, dairy and dairy products, poultry and poultry products, livestock, fruits, and vegetables.

~~(g)~~ (f) "Farming" means the active use, management, and operation of real and personal property for the production of a farm product.

(g) "Limited land access farmer" means a farmer experiencing limited land access as defined in section 17.133, subdivision 1.

(h) "Owner of agricultural assets" means an individual, trust, or pass-through entity that is the owner in fee of agricultural land or has legal title to any other agricultural asset. Owner of agricultural assets does not mean an equipment dealer, livestock dealer defined in section 17A.03, subdivision 7, or comparable entity that is engaged in the business of selling agricultural assets for profit and that is not engaged in farming as its primary business activity. An owner of agricultural assets approved and certified by the authority under subdivision 4 must notify the authority if the owner no longer meets the definition in this paragraph within the three year certification period and is then no longer eligible for credits under this section.

(i) "Resident" has the meaning given in section 290.01, subdivision 7.

(j) "Share rent agreement" means a rental agreement in which the principal consideration given to the owner of agricultural assets is a predetermined portion of the production of farm products produced from the rented agricultural assets and which provides for sharing production costs or risk of loss, or both.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2024.

Sec. 22. Minnesota Statutes 2024, section 41B.0391, subdivision 2, is amended to read:

Subd. 2. **Tax credit for owners of agricultural assets.** (a) An owner of agricultural assets may take a credit against the tax due under chapter 290 for the sale or rental of agricultural assets to a beginning farmer in the amount allocated by the authority under subdivision 4. An owner of agricultural assets is eligible for allocation of a credit equal to:

(1) eight percent of the lesser of the sale price or the fair market value of the agricultural asset, up to a maximum of \$50,000;

(2) ten percent of the gross rental income in each of the first, second, and third years of a rental agreement, up to a maximum of \$7,000 per year; or

(3) 15 percent of the cash equivalent of the gross rental income in each of the first, second, and third years of a share rent agreement, up to a maximum of \$10,000 per year.

(b) A qualifying rental agreement includes cash rent of agricultural assets or a share rent agreement. The agricultural asset must be rented at prevailing community rates as determined by the authority.

(c) The credit may be claimed only after approval and certification by the authority, and is limited to the amount stated on the certificate issued under subdivision 4. An owner of agricultural assets must apply to the authority for certification and allocation of a credit, in a form and manner prescribed by the authority.

(d) An owner of agricultural assets or beginning farmer may terminate a rental agreement, including a share rent agreement, for reasonable cause upon approval of the authority. If a rental agreement is terminated without the fault of the owner of agricultural assets, the tax credits shall not be retroactively disallowed. In determining reasonable cause, the authority must look at which party was at fault in the termination of the agreement. If the authority determines the owner of agricultural assets did not have reasonable cause, the owner of agricultural assets must repay all credits received as a result of the rental agreement to the commissioner of revenue. The repayment is additional income tax for the taxable year in which the authority makes its decision or when a final adjudication under subdivision 5, paragraph (a), is made, whichever is later.

(e) The credit is limited to the liability for tax as computed under chapter 290 for the taxable year. If the amount of the credit determined under this section for any taxable year exceeds this limitation, the excess is a beginning farmer incentive credit carryover according to section 290.06, subdivision 37.

(f) For purposes of the credit for the sale of agricultural land only, the family member definitional exclusions in subdivision 1, paragraph (c), clauses (4) and (5), do not apply. For a sale to a family member to qualify for the credit, the sales price of the agricultural land must equal or exceed the assessed value of the land as of the date of the sale. For purposes of this paragraph, "sale to a family member" means a sale to a beginning farmer in which the beginning farmer or the beginning farmer's spouse is a family member of:

- (1) the owner of the agricultural land; or
- (2) a partner, member, shareholder, or trustee of the owner of the agricultural land.

(g) For a sale to ~~an emerging~~ a limited land access farmer, the credit rate under paragraph (a), clause (1), is twelve percent rather than eight percent.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2024.

Sec. 23. Minnesota Statutes 2024, section 41B.0391, subdivision 4, is amended to read:

Subd. 4. **Authority duties.** (a) The authority shall:

- (1) approve and certify or recertify beginning farmers as eligible for the program under this section;
- (2) approve and certify or recertify owners of agricultural assets as eligible for the tax credit under subdivision 2 subject to the allocation limits in paragraph (c);
- (3) provide necessary and reasonable assistance and support to beginning farmers for qualification and participation in financial management programs approved by the authority;
- (4) refer beginning farmers to agencies and organizations that may provide additional pertinent information and assistance; and
- (5) notwithstanding section 41B.211, the Rural Finance Authority must share information with the commissioner of revenue to the extent necessary to administer provisions under this subdivision and section 290.06, subdivisions 37 and 38. The Rural Finance Authority must annually notify the commissioner of revenue of approval and certification or recertification of beginning farmers and owners of agricultural assets under this section. For credits under subdivision 2, the notification must include the amount of credit approved by the authority and stated on the credit certificate.

(b) The certification of a beginning farmer or an owner of agricultural assets under this section is valid for the year of the certification and the two following years, after which time the beginning farmer or owner of agricultural assets must apply to the authority for recertification.

(c) For credits for owners of agricultural assets allowed under subdivision 2, the authority must not allocate more than \$6,500,000 for taxable years beginning after December 31, 2022, and before January 1, 2024, and \$4,000,000 for taxable years beginning after December 31, 2023. The authority must allocate credits on a first-come, first-served basis beginning on January 1 of each year, except that recertifications for the second and third years of credits under subdivision 2, paragraph (a), clauses (1) and (2), have first priority. Any amount authorized but not allocated for taxable years ending before January 1, 2023, is canceled and is not allocated for future taxable years. For taxable years beginning after December 31, 2022, any amount authorized but not allocated in any taxable year does not cancel and is added to the allocation for the next taxable year. For each taxable year, 50 percent of newly allocated credits must be allocated to emerging limited land access farmers. Any portion of a taxable year's newly allocated credits that is reserved for emerging limited land access farmers that is not allocated by September 30 of the taxable year is available for allocation to other credit allocations beginning on October 1.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2024.

Sec. 24. Minnesota Statutes 2024, section 41B.0391, is amended by adding a subdivision to read:

Subd. 6a. Report to legislature. (a) No later than February 1 each year the Rural Finance Authority, in consultation with the commissioner of revenue, must provide a report to the chairs and ranking minority members of the legislative committees having jurisdiction over agriculture, economic development, rural development, and taxes, in compliance with sections 3.195 and 3.197, on the beginning farmer tax credits under this section.

(b) The report must include background information on beginning farmers in Minnesota and any other information the commissioner and authority find relevant to evaluating the effect of the credits on increasing opportunities for and the number of beginning farmers.

(c) For credits issued under subdivision 2, paragraph (a), clauses (1) to (3), the report must include:

(1) the number and amount of credits issued under each clause;

(2) the geographic distribution of credits issued under each clause;

(3) the type of agricultural assets for which credits were issued under clause (1);

(4) the number and geographic distribution of beginning farmers whose purchase or rental of assets resulted in credits for the seller or owner of the asset;

(5) the number and amount of credits disallowed under subdivision 2, paragraph (d);

(6) data on the number of beginning farmers by geographic region, including:

(i) the number of beginning farmers by race and ethnicity, as those terms are applied in the 2020 United States Census; and

(ii) to the extent available, the number of beginning farmers who are limited land access farmers; and

(7) the number and amount of credit applications that exceeded the allocation available in each year.

(d) For credits issued under subdivision 3, the report must include:

(1) the number and amount of credits issued;

(2) the geographic distribution of credits;

(3) a listing and description of each approved financial management program for which credits were issued; and

(4) a description of the approval procedure for financial management programs not on the list maintained by the authority, as provided in subdivision 3, paragraph (a).

EFFECTIVE DATE. This section is effective for reports due for credits issued for taxable years beginning after December 31, 2025.

Sec. 25. Minnesota Statutes 2024, section 41B.04, subdivision 8, is amended to read:

Subd. 8. **State participation.** With respect to loans that are eligible for restructuring under sections 41B.01 to 41B.23 and upon acceptance by the authority, the authority shall enter into a participation agreement or other financial arrangement whereby it shall participate in a restructured loan to the extent of 45 percent of the primary principal ~~or. Individual loans must be no less than \$20,000 and no more than \$625,000; whichever is less.~~ The authority's portion of the loan must be protected during the authority's participation by the first mortgage held by the eligible lender to the extent of its participation in the loan.

Sec. 26. Minnesota Statutes 2024, section 41B.042, subdivision 4, is amended to read:

Subd. 4. **Participation limit; interest.** The authority may participate in new seller-sponsored loans to the extent of 45 percent of the principal amount of the loan ~~or. Individual loans must be no less than \$20,000 and no more than \$500,000; whichever is less.~~ The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the seller's retained portion of the loan.

Sec. 27. Minnesota Statutes 2024, section 41B.043, subdivision 1b, is amended to read:

Subd. 1b. **Loan participation.** The authority may participate in an agricultural improvement loan with an eligible lender to a farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who is actively engaged in farming. Participation is limited to 45 percent of the principal amount of the loan ~~or. Individual loans must be no less than \$20,000 and no more than \$500,000; whichever is less.~~ The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 28. Minnesota Statutes 2024, section 41B.045, subdivision 2, is amended to read:

Subd. 2. **Loan participation.** The authority may participate in a livestock expansion and modernization loan with an eligible lender to a livestock farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in a livestock operation. A prospective borrower must have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$1,700,000 in 2017 and an amount in subsequent years which is adjusted for inflation by multiplying that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index.

Participation is limited to 45 percent of the principal amount of the loan ~~or~~. Individual loans must be no less than \$20,000 and no more than \$625,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different from the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 29. Minnesota Statutes 2024, section 41B.047, subdivision 3, is amended to read:

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

- (1) meet the requirements of section 41B.03, subdivision 1;
- (2) certify that the damage or loss was: (i) sustained within a county that was the subject of a state or federal disaster declaration; (ii) due to the confirmed presence of a highly contagious animal disease in Minnesota; (iii) due to an infectious human disease for which the governor has declared a peacetime emergency; or (iv) due to an emergency as determined by the authority;
- (3) demonstrate an ability to repay the loan; ~~and~~
- (4) have received at least 25 percent of annual gross income from farming in the past year; and
- (5) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$10,000,000.

Sec. 30. Minnesota Statutes 2024, section 41B.056, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The authority shall establish and implement ~~a pilot~~ an agricultural microloan program to help finance the purchase of agricultural land or the production of specialty crops or eligible livestock. The authority may contract with an intermediary to provide an efficient delivery system for this program.

Sec. 31. Minnesota Statutes 2024, section 41B.057, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The authority shall establish a farm opportunity loan program to provide loans that enable farmers to:

- (1) add value to crops or livestock produced in Minnesota; or
- ~~(2) adopt best management practices that emphasize sufficiency and self-sufficiency;~~
- ~~(3) reduce or improve management of agricultural inputs resulting in environmental improvements; or~~
- ~~(4)~~ (2) increase production of on-farm energy.

Sec. 32. Minnesota Statutes 2024, section 41B.057, subdivision 3, is amended to read:

Subd. 3. **Loan participation.** The authority may participate in a farm opportunity loan with an eligible lender, as defined in section 41B.02, subdivision 8, to a farmer or a group of farmers on joint projects who are eligible under subdivision 2, paragraph (c), and who are actively engaged in farming. Participation is limited to 45 percent of the principal amount of the loan or \$100,000 per individual, whichever is less. For loans to a group made up of four or more individuals, participation is limited to 45 percent of the principal amount of the loan or \$250,000, whichever is less. The interest rate on the loans must not exceed six percent. A borrower must have a total net worth, including assets and liabilities of the borrower's spouse and

dependents, of less than \$1,700,000 in 2017 and an amount in subsequent years that is adjusted for inflation by multiplying that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index.

Sec. 33. Minnesota Statutes 2024, section 223.17, subdivision 3, is amended to read:

Subd. 3. **Grain buyers and storage account; fees.** (a) The commissioner shall set the ~~fees for inspections under sections 223.15 to 223.22~~ examination fees at levels necessary to pay the expenses of administering and enforcing sections 223.15 to 223.22. The fee for any license issued or renewed after June 30, 2005, ~~shall be set according to the following schedule:~~ 2025, is \$500 for each licensed location.

~~(1) \$140 plus \$110 for each additional location for grain buyers whose gross annual purchases are less than \$100,000;~~

~~(2) \$275 plus \$110 for each additional location for grain buyers whose gross annual purchases are at least \$100,000, but not more than \$750,000;~~

~~(3) \$415 plus \$220 for each additional location for grain buyers whose gross annual purchases are more than \$750,000 but not more than \$1,500,000;~~

~~(4) \$550 plus \$220 for each additional location for grain buyers whose gross annual purchases are more than \$1,500,000 but not more than \$3,000,000; and~~

~~(5) \$700 plus \$220 for each additional location for grain buyers whose gross annual purchases are more than \$3,000,000.~~

(b) In addition to the license fee required under paragraph (a), a grain buyer must pay to the commissioner an annual examination fee for each licensed location, as follows:

Bushel Capacity	Examination Fee
Examinations without a grain measure	\$ 100
Less than 150,001	\$ 300
150,001 to 250,000	\$ 425
250,001 to 500,000	\$ 545
500,001 to 750,000	\$ 700
750,001 to 1,000,000	\$ 865
1,000,001 to 1,200,000	\$ 1,040
1,200,001 to 1,500,000	\$ 1,205
1,500,001 to 2,000,000	\$ 1,380
More than 2,000,000	\$ 1,555

(1) examination fees must be calculated based on bushel capacity of each licensed location with a charge of \$0.0035 per bushel of capacity;

(2) examination fees must not be less than \$350 and must not exceed \$4,000; and

(3) a licensed location with no grain bin capacity must be charged a \$200 examination fee.

(c) Examination fees for each licensed location must not increase more than 150 percent above the examination fee for the licensed location in the previous year.

~~(e)~~ (d) The fee for any supplemental examination required by the commissioner under section 223.23 is ~~\$55~~ \$110 per hour per examiner.

~~(d)~~ (e) A licensed grain buyer meeting the annual examination requirements under section 223.23 is exempt from the fees under paragraph (b) if the annual examination is conducted by the Agricultural Marketing Service of the United State Department of Agriculture.

~~(e)~~ (f) A penalty amount not to exceed ten percent of the fees due may be imposed by the commissioner for each month for which the fees are delinquent.

~~(f)~~ (g) There is created the grain buyers and storage account in the agricultural fund. Money collected pursuant to sections 223.15 to 223.23 shall be paid into the state treasury and credited to the grain buyers and storage account. Money in the account, including interest, is appropriated to the commissioner for the administration and enforcement of sections 223.15 to 223.23.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 34. Minnesota Statutes 2024, section 232.22, subdivision 3, is amended to read:

Subd. 3. **Fees; grain buyers and storage account.** (a) There is created in the agricultural fund an account known as the grain buyers and storage account. The commissioner shall set the fees for examinations, certifications, and licenses under sections 232.20 to 232.24 at levels necessary to pay the costs of administering and enforcing sections 232.20 to 232.24, except that fees must not increase more than 150 percent above the fees charged in the previous year. All money collected pursuant to sections 232.20 to 232.24 shall be paid by the commissioner into the state treasury and credited to the grain buyers and storage account. Money in the account, including interest, is appropriated to the commissioner for the administration and enforcement of sections 232.20 to 232.24.

(b) All money collected pursuant to chapter 231 shall be paid by the commissioner into the grain buyers and storage account. Money in the account is appropriated to the commissioner for the administration and enforcement of chapter 231.

(c) The fees for a license to store grain are as follows:

(1) for a license to store grain, ~~\$140~~ \$300 for each home rule charter or statutory city or town in which a public grain warehouse is operated; and

~~(2) in addition to the license fee required under clause (1), a person with a license to store grain in a public grain warehouse is subject to an examination fee for each licensed location, as follows:~~

Bushel Capacity	Examination Fee
Less than 150,001	\$ 300
150,001 to 250,000	\$ 425

250,001 to 500,000	\$	545
500,001 to 750,000	\$	700
750,001 to 1,000,000	\$	865
1,000,001 to 1,200,000	\$	1,040
1,200,001 to 1,500,000	\$	1,205
1,500,001 to 2,000,000	\$	1,380
More than 2,000,000	\$	1,555

~~(3)~~ (2) the fee for supplemental examinations required by the commissioner under section 232.24 is ~~\$55~~ \$110 per hour per examiner.

(d) A penalty amount not to exceed ten percent of the fees due may be imposed by the commissioner for each month for which the fees are delinquent.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 35. **LOCAL FOOD PURCHASING ASSISTANCE GRANT PROGRAM.**

(a) The commissioner of agriculture may award grants to eligible applicants to purchase and distribute food at no cost to Minnesotans experiencing food insecurity. When awarding grants, the commissioner of agriculture must give preference to applicants that:

(1) source 100 percent of food from Minnesota;

(2) source at least 70 percent of food from farmers who are experiencing limited land access or limited market access as defined in Minnesota Statutes, section 17.133, subdivision 1; and

(3) demonstrate strong connections to individuals whose needs are not met through the traditional emergency food system.

(b) Eligible applicants include but are not limited to individuals, nonprofit organizations, for-profit businesses, Tribal governments, government entities, agricultural cooperatives, economic development organizations, and educational institutions.

(c) Grantees may use up to 15 percent of each grant awarded under this section for administrative and transportation expenses.

(d) By January 15 each year, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture regarding:

(1) the amount awarded to each grantee;

(2) the amount of each grant award that has been disbursed to each grantee;

(3) a description of the purposes for which the grantee was issued a grant;

(4) an analysis of the grant recipients' success in meeting the purpose of the grant and any goals or measurable outcomes specified in the grant agreement;

(5) information about the amount and type of food distributed by the grantee; and

(6) the amount of the grant used by each grantee for administrative costs.

As a condition of receiving a grant, a grantee must agree to provide the commissioner any information necessary to complete the report required by this paragraph.

Sec. 36. CAT DECLAWING RECOMMENDATIONS.

By February 1, 2026, the Board of Veterinary Medicine shall consult with veterinarians and submit recommendations on the prohibition of cat declawing to the chairs and ranking minority members of the legislative committees with jurisdiction over companion animals and animal cruelty.

Sec. 37. MATERIALS ON HIGHLY PATHOGENIC AVIAN INFLUENZA.

By March 1, 2026, the Board of Animal Health shall prepare information and materials about highly pathogenic avian influenza and preventing its spread in companion animals.

Sec. 38. BIOFERTILIZER INNOVATION AND EFFICIENCY PILOT PROGRAM.

Subdivision 1. **Program established.** In consultation with the University of Minnesota, the commissioner of agriculture must develop and administer a biofertilizer water protection program to address water quality by incentivizing Minnesota farmers to improve nitrogen management and incorporate innovative technologies into the farmers' crop nutrient management plans. The commissioner must determine which products qualify for the program, including soil amendments, fertilizers with nitrogen-fixing properties, biological sources of nitrogen, and other biofertilizers.

Subd. 2. **Payments to qualified farmers.** In consultation with farmers and the fertilizer industry, the commissioner of agriculture must establish a per-acre payment rate for payments provided to a qualifying farmer. The commissioner may provide an annual per-acre incentive payment to a qualifying farmer who verifies through documentation that the farmer has reduced commercial nitrogen fertilizer rates by using a qualifying product in the farmer's crop nutrient management plans by the lesser of:

(1) 15 percent; or

(2) 30 pounds per acre.

Subd. 3. **Qualifications.** To qualify for the biofertilizer water preservation program, a farmer must:

(1) be a Minnesota resident operating farmland located in the counties of Becker, Benton, Carver, Cass, Crow Wing, Dakota, Dodge, Douglas, Fillmore, Goodhue, Houston, Hubbard, Kandiyohi, Lincoln, Morrison, Mower, Murray, Nicollet, Nobles, Olmsted, Otter Tail, Pipestone, Pope, Rock, Scott, Sherburne, Stearns, Swift, Todd, Wabasha, Wadena, or Winona;

(2) submit documentation to the commissioner of agriculture, including but not limited to a crop nutrient management plan or verifiable records that show reduction in the use of nitrogen at the reduction rate required under subdivision 2 by using a qualifying product determined by the commissioner of agriculture under subdivision 1; and

(3) enroll a minimum of 40 eligible acres.

Subd. 4. **Report required.** By January 1, 2028, the commissioner of agriculture must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture policy and finance on the pilot program under this section. The report must include information about the grant awards, nitrogen application rates, technologies and products capable of reducing nitrogen application rates, and environmental outcomes.

Sec. 39. **REPEALER.**

(a) Minnesota Statutes 2024, section 239.77, subdivision 5, is repealed.

(b) Minnesota Statutes 2024, sections 35.68; and 35.830, are repealed.

Sec. 40. **EFFECTIVE DATE.**

Except as otherwise provided, this article is effective August 1, 2025.

ARTICLE 4

LIVESTOCK MARKET AGENCY AND DEALER LICENSING PROVISIONS

Section 1. Minnesota Statutes 2024, section 17A.03, subdivision 8, is amended to read:

Subd. 8. **Livestock dealer agent.** "Livestock dealer agent" means any individual who is engaged by a livestock dealer to act as the dealer's representative.

Sec. 2. Minnesota Statutes 2024, section 17A.03, subdivision 10, is amended to read:

Subd. 10. **Meat packing plants companies, packers, and slaughtering houses.** "Meat packing plants companies," "packers," and "slaughtering houses" means mean places of business where livestock purchased or acquired is slaughtered that have the meaning given to "packers" as defined in section 31B.02, subdivision 8.

Sec. 3. Minnesota Statutes 2024, section 17A.03, subdivision 11, is amended to read:

Subd. 11. **Buying station.** "Buying station" means any stockyard or concentration point, other than a public stockyard, at which livestock is bought and sold or assembled for shipment to a meat packing plant company or a public stockyard, or graded or weighed for the purpose of establishing a basis for sale or reshipment.

Sec. 4. Minnesota Statutes 2024, section 17A.03, is amended by adding a subdivision to read:

Subd. 16. **Meat packing company agent.** "Meat packing company agent" means an individual who is engaged by a meat packing company to act as the company's representative.

Sec. 5. Minnesota Statutes 2024, section 17A.04, subdivision 1, is amended to read:

Subdivision 1. **Licensing provisions.** (a) Licenses shall be issued to livestock market agencies and public stockyards annually and shall expire on December 31 each year, renewable annually thereafter. A separate license must be obtained for each separate geographical location even though operated under the same management or same person, partnership, firm, corporation, or livestock market. The license issued

to a livestock market agency ~~and~~ or public stockyard shall be conspicuously posted at the licensee's place of business.

(b) Licenses shall be required for livestock dealers ~~and their agents~~, livestock dealer agents, meat packing companies, and meat packing company agents for the period beginning July 1 each year and ending June 30. A license issued under this subdivision is renewable annually thereafter. The license issued to a livestock dealer ~~or the agent of a~~ livestock dealer agent, meat packing company, or meat packing company agent shall be carried by the person ~~so~~ who is licensed. ~~The~~ A livestock dealer or meat packing company shall be responsible for the acts of the ~~dealer's agents~~ livestock dealer agent or meat packing company agent. Licensed livestock market agencies, public stockyards, and livestock dealers shall be responsible for the faithful performance of duty of the public livestock weighers at their places of business. The license issued to a livestock market agency, public stockyard ~~or~~, meat packing company, meat packing company agent, livestock dealer, or agent of a livestock dealer agent is not transferable. The operation of livestock market agencies, livestock dealers, agents, and ~~packers~~ meat packing companies at a public stockyard are exempt from sections 17A.01 to 17A.09 and 17A.12 to 17A.17.

Sec. 6. Minnesota Statutes 2024, section 17A.04, subdivision 2, is amended to read:

Subd. 2. **Application.** Any person desiring to carry on the business of a livestock market agency or livestock dealer, or both, or a public stockyard, livestock dealer agent, meat packing company, or meat packing company agent shall make application to the commissioner on a form or forms provided by the commissioner.

Sec. 7. Minnesota Statutes 2024, section 17A.04, subdivision 4, is amended to read:

Subd. 4. **Surety bonds required.** Each livestock market agency and livestock dealer applying for a license ~~under Laws 1974, chapter 347~~ shall file with the commissioner a valid and effective bond issued by a surety company licensed to do business in this state, or meeting the requirements of section 17A.05, in the form and amount set forth in section 17A.05. No bond shall be required of a public stockyard or any agent of a bonded livestock dealer. The commissioner may at any time raise or lower bond requirements if it appears that a modification of such bond requirements is justified and will protect the public. The bonds of livestock market agencies and dealers whose residence or principal place of business is within the state of Minnesota shall name the commissioner as the trustee. ~~Any~~ A license issued under Laws 1974, chapter 347 shall automatically become void upon the termination of the surety bond covering the licensed operations.

Sec. 8. Minnesota Statutes 2024, section 17A.04, subdivision 6, is amended to read:

Subd. 6. **Refusal to license.** The commissioner shall refuse to issue or renew a livestock market agency, meat packing company, or livestock dealer license if the applicant has not filed a surety bond in the form and amount required under this section and section 17A.05; the commissioner may refuse to issue or renew a license if the applicant: (1) has not satisfactorily demonstrated by a current balance sheet and financial statement that the applicant's assets exceed liabilities; (2) has been found by the department to have failed to pay, without reasonable cause, obligations incurred in connection with livestock transactions; (3) has failed to maintain and operate livestock or monorail scales in a manner to ensure accurate and correct weights; or (4) has failed to comply with other statutes, rules, or regulations enforced by the commissioner, the Board of Animal Health, the Division of Weights and Measures of the Department of Commerce, or the federal Packers and Stockyards Administration.

Sec. 9. Minnesota Statutes 2024, section 17A.04, subdivision 7, is amended to read:

Subd. 7. **Revocation of license.** Whenever the commissioner finds that any livestock market agency, meat packing company, or livestock dealer has violated the provisions of this chapter, or has failed to comply with other laws, rules, or regulations enforced by the Board of Animal Health, the Division of Weights and Measures of the Department of Commerce, or the federal Packers and Stockyards Administration, the commissioner may, by order, pursuant to the provisions of chapter 14, and this subdivision, revoke the license of the offender. ~~Before any such license shall be revoked, the licensee shall be furnished with a statement of the complaints made against the licensee, and a hearing shall be had before the commissioner upon at least ten days' notice to the licensee to determine whether such license shall be revoked, which notice may be served either by certified mail addressed to the address of the licensee as shown in the license application or in the manner provided by law for the service of a summons. At the time and place fixed for hearing, the commissioner or any official, employee or agent of the department authorized by the commissioner, shall receive evidence, administer oaths, examine witnesses, hear the testimony and thereafter file an order either dismissing the proceedings or revoking the license.~~

Sec. 10. Minnesota Statutes 2024, section 17A.04, subdivision 8, is amended to read:

Subd. 8. **Suspension of license.** Whenever the commissioner finds that the licensee has violated provisions of this chapter, or has failed to comply with other laws, rules, or regulations enforced by the Board of Animal Health, the Division of Weights and Measures of the Department of Commerce, or the federal Packers and Stockyards Administration, and that the continued activity of a licensee may cause irreparable injury or loss to persons engaged in business with the licensee, the commissioner may, without hearing, suspend the license of the licensee, provided that when a license is so suspended, the commissioner shall immediately initiate procedures to afford the licensee a hearing pursuant to subdivision 7 ~~except that the ten days' notice required in subdivision 7 may be waived by the licensee.~~

Sec. 11. Minnesota Statutes 2024, section 17A.06, subdivision 2, is amended to read:

Subd. 2. **Hearing on claims.** In case of default by the licensee, the commissioner shall have the power to have the matter heard as a contested case pursuant to procedures outlined in chapter 14. ~~No hearing shall be required if all affected parties to a bond claim proceeding waive their right to a hearing and agree to accept the commissioner's determination as to the validity of the claim and the allocation of the proceeds of the bond.~~ The commissioner must first determine whether a claim is valid. If the commissioner determines that a claim is valid, the commissioner must notify the licensee of the determination and that the licensee has 15 days to either pay the claim or appeal the determination. If the licensee does not respond within 15 days, the determination must be considered a final order by the commissioner. If the commissioner determines that a claim is not valid, the commissioner must notify the claimant of the determination and that the claimant has 15 days to appeal the determination. If the claimant does not respond within 15 days, the determination must be considered a final order by the commissioner.

Sec. 12. Minnesota Statutes 2024, section 17A.06, subdivision 3, is amended to read:

Subd. 3. **Public notice.** ~~Prior to a hearing~~ After the commissioner determines that a claim is valid, the commissioner shall publish a notice setting forth the default of the licensee and requiring all claimants to file proof of claim with the commissioner within 45 days of the date such notice is published or be barred from participating in the proceeds of the bond. Such publication shall be made in a newspaper published in the county in which the licensee's principal place of business is located. The commissioner shall also fulfill any notice requirements prescribed by chapter 14 and rules of the Office of Administrative Hearings. No

claim shall be allowed unless it is filed with the commissioner within one year of the date of the transaction. If a livestock market agency, meat packing company, or livestock dealer has on file a Packers and Stockyards Act bond and is registered with the Packers and Stockyards Administration, the terms of the bond or that federal agency's regulations will control.

Sec. 13. Minnesota Statutes 2024, section 17A.07, is amended to read:

17A.07 PROHIBITED CONDUCT.

It shall be unlawful for any person to: (1) carry on the business of a livestock market agency, livestock dealer, livestock dealer agent, meat packing company, meat packing company agent, or public stockyard without a valid and effective license issued by the commissioner under the provisions of section 17A.04; (2) carry on the business of a livestock market agency, meat packing company, or livestock dealer without filing and maintaining a valid and effective surety bond in conformity with sections 17A.04 and 17A.05; (3) carry on the business of a livestock market agency, meat packing company, or livestock dealer if the person cannot pay debts as they become due or ceases to pay debts in the ordinary course of business as they become due; (4) use or allow to be used any livestock scale or monorail scale which has not been certified and approved for official use or has been found to be inaccurate; (5) fail to maintain and operate livestock or monorail scales in a manner to ensure accurate and correct weights; (6) weigh livestock or carcasses at other than true and correct weights or issue accounts and records on the basis of inaccurate or incorrect weights; (7) engage in or use any unfair or deceptive practice or device in connection with marketing of livestock; (8) willfully make or cause to be made any false entry or statement of fact in any application, financial statement or report filed with the department under this chapter.

Sec. 14. Minnesota Statutes 2024, section 17A.08, is amended to read:

17A.08 RECORD KEEPING.

Every person shall make and retain such accounts, records, and memoranda necessary to fully and correctly disclose all transactions involved in the person's business, including the true ownership of such business by stockholding or otherwise. Whenever the commissioner finds that the accounts, records, and memoranda of any such person do not fully and correctly disclose all transactions involved in the person's business, the commissioner may ~~prescribe~~ take enforcement actions in addition to prescribing the manner or form and length of time for retention which such accounts, records, and memoranda shall be kept. The commissioner shall at all reasonable times have access to, for the purpose of examination, and the right to copy any documentary evidence of any person being investigated or proceeded against.

Sec. 15. Minnesota Statutes 2024, section 17A.15, is amended to read:

17A.15 POWERS AND DUTIES OF COMMISSIONER.

The commissioner shall enforce the provisions of ~~Laws 1974, chapter 347~~ this chapter and shall promulgate, in the manner provided by law, such rules as the commissioner deems necessary or desirable, and may cooperate with any department of state or government, to carry out the provisions of sections 17A.01 to 17A.15. The commissioner or a duly authorized agent shall have the power to issue subpoenas, administer oaths and affirmations, examine witnesses, receive evidence, and shall have the power to require by subpoena the attendance and testimony of witnesses and the production of all such documentary evidence relating to any matter under investigation or administrative proceeding.

Sec. 16. EFFECTIVE DATE.

This article is effective August 1, 2025.

ARTICLE 5**FOOD HANDLER LICENSING PROVISIONS**

Section 1. Minnesota Statutes 2024, section 28A.03, subdivision 7, is amended to read:

Subd. 7. **Principal mode of business.** "Principal mode of business" means that type of business described under paragraph (a); or (b); ~~(c) or (d)~~ in section 28A.05 within which category the greatest amount of the applicant's food business lies.

Sec. 2. Minnesota Statutes 2024, section 28A.03, is amended by adding a subdivision to read:

Subd. 12. **Risk category.** "Risk category" means a classification of the level of food safety risk associated with food handling, processing, preparation, and storage based upon an assessment by regulatory food safety professionals of the potential likelihood and severity of harm.

Sec. 3. Minnesota Statutes 2024, section 28A.03, is amended by adding a subdivision to read:

Subd. 13. **Gross sales or service.** "Gross sales or service" means a calculation in dollars of the total value of food sales or service at the location before taxes or deductions that includes the value of food items held for distribution to other places of business or donated.

Sec. 4. Minnesota Statutes 2024, section 28A.04, is amended to read:

28A.04 LICENSE REQUIRED; CUSTOM PROCESSING PERMIT APPLICATIONS; RENEWALS.

Subdivision 1. **Application; date of issuance.** (a) Except as provided under section 28A.152, no person shall engage in the business of manufacturing, processing, selling, handling, or storing food without having first obtained from the commissioner a license for doing such business. Applications for such license shall be made to the commissioner in such manner and time as required and upon such forms as provided by the commissioner and shall contain the name and address of the applicant, address or description of each place of business, and the nature of the business to be conducted at each place, and such other pertinent information as the commissioner may require.

(b) An applicant for a license must submit a nonrefundable application fee of \$50 with each license application. The fee under this paragraph does not apply to annual license renewals. The fee under this paragraph is not required for applications to operate solely as a special event food stand or custom exempt food handler.

~~(b)~~ (c) A retail or wholesale food handler license shall be issued for the period July January 1 to June 30 following December 31 and shall be renewed thereafter by the licensee on or before July January 1 of each year, except that:

(1) retail and wholesale food handler licenses issued for the period of July 1, 2025, to June 30, 2026, must be renewed on or before July 1, 2026, for the period of July 1, 2026, to December 31, 2026. The renewal

fee for the period of July 1, 2026, to December 31, 2026, is one-half of the fee for a food handler specified in section 28A.08, subdivision 3;

~~(1)~~ (2) licenses for all mobile food concession units and retail mobile units must be issued for the period April 1 to March 31, and must be renewed thereafter by the licensee on or before April 1 of each year; ~~and.~~

~~(2)~~ A license issued for a temporary food concession stand must have a license issuance and renewal date consistent with appropriate statutory provisions; and

(3) a license for a food handler operating only at the State Fair must be issued for the period of July 1 to June 30 and must be renewed thereafter by the licensee on or before July 1 of each year.

(d) A penalty for late renewal under paragraph (b) must be assessed in accordance with section 28A.08.

~~(e)~~ (c) A custom exempt food handler license shall be issued for the period July 1 to June 30 ~~following~~ and ~~shall~~ must be renewed thereafter by the licensee on or before July 1 each year. The custom exempt food handler license is for businesses that only conduct custom exempt operations and mark all products as "Not For Sale." Food handlers that conduct retail exempt operations or other operations other than custom exempt processing or slaughter are not eligible for this license.

~~(d) A license for a food broker or for a food processor or manufacturer shall be issued for the period January 1 to December 31 following and shall be renewed thereafter by the licensee on or before January 1 of each year, except that a license for a wholesale food processor or manufacturer operating only at the state fair shall be issued for the period July 1 to June 30 following and shall be renewed thereafter by the licensee on or before July 1 of each year. A penalty for a late renewal shall be assessed in accordance with section 28A.08.~~

~~(e)~~ (f) On a quarterly basis during the licensing period, the commissioner must prorate the fee for an initial license issued under this chapter, except that a person applying for a new license up to 14 calendar days before the effective date of the new license period under paragraph (b) must be issued a license for the 14 days and the next license year as a single license and pay a single license fee as if the 14 days were part of the upcoming license period.

Subd. 2. **Custom processing or Minnesota Meat and Poultry Inspection Act permit.** In addition to the license requirements set forth in subdivision 1, every custom exempt processor or establishment operating under the Minnesota Meat and Poultry Inspection Act as defined in section 31A.31, shall obtain a custom processing permit or Minnesota Meat and Poultry Grant of Inspection permit. Application for a permit shall be made on forms provided by the commissioner. The commissioner shall cause the custom processor's place of business to be inspected and if the commissioner finds that the applicant's place of business complies with state standards relating to meat processing plants, a ~~custom processing~~ permit under this subdivision shall be issued to the applicant. ~~No~~ An additional fee ~~shall~~ of up to \$500 may be charged for a custom processing permit under this subdivision.

Sec. 5. Minnesota Statutes 2024, section 28A.05, is amended to read:

28A.05 CLASSIFICATION FOOD HANDLER CLASSES.

All persons required to have a license under section 28A.04 shall be classified into one of the following classes of food handlers, according to their principal mode of business.

(a) ~~Retail~~ Food handlers are persons who:

(1) sell or process and sell food directly to the ultimate consumer or who custom process meat or poultry. The term includes a person who sells food directly to the ultimate consumer through the use of vending machines, and a person who sells food for consumption on site or off site if the sale is conducted on the premises that are part of a grocery or convenience store operation;

~~(b) Wholesale food handlers are persons who~~ (2) sell to others other business entities or establishments for resale, including a person who handles food in job lots (jobbers) is included in this classification; or

~~(c) Wholesale food processors or manufacturers are persons who~~ (3) process or manufacture raw materials and other food ingredients into food items, or who reprocess food items, or who package food for sale to others other business entities or establishments for resale, or who commercially slaughter animals or poultry. Included herein are persons who can, extract, ferment, distill, pickle, bake, freeze, dry, smoke, grind, mix, stuff, pack, bottle, recondition, or otherwise treat or preserve food for sale to others other business entities or establishments for resale, cold storage warehouse operators as defined in section 28.01, subdivision 3, salvage food processors as defined in section 31.495, subdivision 1, and dairy plants as defined in section 32D.01, subdivision 6.

~~(d)~~ (b) Custom exempt food handlers are persons who only conduct custom exempt processing as defined in section 31A.02, subdivision 5. A retail or wholesale transaction may not take place in a facility operated by a person with a custom exempt food handler license.

~~(e) A food broker is a person who buys and sells food and who negotiates between a buyer and a seller of food, but who at no time has custody of the food being bought and sold.~~

Sec. 6. Minnesota Statutes 2024, section 28A.06, is amended to read:

28A.06 EXTENT OF LICENSE.

No person, except as described in section 27.03, shall be required to hold more than one license in order to engage in any aspect of food handling ~~described in section 28A.05 provided, except that:~~

(1) each issued license shall be valid for no more than one place of business;~~except that;~~

(2) a license for a mobile unit or a retail food vehicle, portable structure, or cart is valid statewide and is required to be issued only once each year unless the licensee fails to display the license as required by section 28A.07 or it is a seasonal permanent food stand, seasonal temporary food stand, food cart, or special event food stand as defined in section 157.15, in which case the duration of the license is restricted by the limitations found in the definitions in section 157.15; and

(3) the commissioner may authorize a food handler reporting \$50,000 or less gross annual food sales to conduct business activities under the food handler's license at up to two additional locations if:

(i) the food handler has reported each location and activity to the commissioner; and

(ii) the commissioner has approved each location and activity before the food handler conducts business activities at each location.

Sec. 7. Minnesota Statutes 2024, section 28A.07, is amended to read:

28A.07 ISSUANCE OF LICENSE.

Prior to the issuance or renewal of any license herein, the commissioner may cause appropriate inspections to be made to determine under applicable statutory and promulgated rule requirements, the applicant's risk

category and fitness to engage in the ~~mode(s)~~ of business activities described in that person's license application. A valid and properly displayed license shall be sufficient to allow the licensee to engage in the manner of food handling so described in the licensee's application, provided that the commissioner may withhold authorization to engage in any aspects of business for which the applicant is not deemed fit under this section. A licensee may, at any time, apply to change such application which shall then be considered by the commissioner in the same manner as a new or renewal application hereunder.

Sec. 8. Minnesota Statutes 2024, section 28A.0753, subdivision 3, is amended to read:

Subd. 3. **Food ~~manufacturer, processor, or distributor~~ handlers who manufacture, process, or distribute; licensing, preemption by state.** When a food ~~manufacturer, processor, or distributor~~ handler described in section 28A.05, subdivision 1, paragraph (a), clauses (2) and (3), is licensed by the commissioner of agriculture, the food ~~manufacturer, processor or distributor~~ handler is exempt from the licensing requirements of any municipal corporation or subdivision of state government, except for licensing requirements which may be imposed by the municipal corporation or subdivision of state government in which the ~~manufacturer, processor, or distributor~~ food handler locates a plant. All delivery equipment used by such a food ~~manufacturer, processor or distributor~~ handler is included within the meaning of this section, whether owned or operated, independently contracted, or contracted with a common carrier approved by the commissioner of agriculture. This delivery equipment is exempt from licensing by any municipal corporation or subdivision of state government except for those requirements which may be imposed by the municipal corporation or subdivision of state government in which the equipment is principally located. Delivery equipment approved by the commissioner of agriculture shall carry, at all times, a certificate of approval for the purposes for which the equipment is utilized. Nothing in this section is intended to permit the enactment of an ordinance regulating an activity where the state has preempted the field.

Sec. 9. Minnesota Statutes 2024, section 28A.08, is amended to read:

28A.08 LICENSE FEES; PENALTIES.

Subdivision 1. **General.** (a) License fees, penalties for late renewal of licenses, and penalties for not obtaining a license before conducting business in food handling that are set in this section apply to the sections named except as provided under section 28A.09. Except as specified herein, bonds and assessments based on number of units operated or volume handled or processed which are provided for in said laws shall not be affected, nor shall any penalties for late payment of said assessments, nor shall inspection fees, be affected by this chapter. The penalties may be waived by the commissioner. Fees for all new licenses must be based on the anticipated future gross annual food sales. If a firm is found to be operating for multiple years without paying license fees, the state may collect the appropriate fees and penalties for each year of operation.

(b) The commissioner may adjust the fees in subdivision 3 every five years to the inflation level established in the United States Bureau of Labor and Statistics Consumer Price Index, using July 2025 as the base month and year.

Subd. 3. **Fees effective ~~July 1, 2003~~ August 1, 2025.**

Type of food handler	<u>Risk</u> <u>Category</u>	License Fee <u>Effective</u> <u>July 1, 2003</u>	Penalties	
			Late Renewal	No License

1. ~~Retail food handler~~ or Custom exempt food handler

(a) Having gross sales of only prepackaged nonperishable food of less than \$15,000 for the immediately previous license or fiscal year and filing a statement with the commissioner	\$50	\$17	\$33
(b) (a) Having under \$15,000 gross sales or service including food preparation or having \$15,000 to \$50,000 or less gross sales or service for the immediately previous license or fiscal year	\$77	\$25	\$51
	<u>\$135</u>	<u>\$45</u>	<u>\$90</u>
(c) (b) Having \$50,001 to \$250,000 gross sales or service for the immediately previous license or fiscal year	\$155	\$51	\$102
	<u>\$200</u>	<u>\$67</u>	<u>\$133</u>
(d) (c) Having \$250,001 to \$1,000,000 gross sales or service for the immediately previous license or fiscal year	\$276	\$91	\$182
	<u>\$370</u>	<u>\$123</u>	<u>\$247</u>
(e) (d) Having \$1,000,001 to \$5,000,000 gross sales or service for the immediately previous license or fiscal year	\$799	\$264	\$527
	<u>\$475</u>	<u>\$158</u>	<u>\$317</u>
(f) (e) Having \$5,000,001 to \$10,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,162	\$383	\$767
	<u>\$1,350</u>	<u>\$450</u>	<u>\$900</u>
<u>(f) Having \$5,000,001 to \$10,000,000 gross sales or service for the immediately previous license or fiscal year</u>	<u>\$1,750</u>	<u>\$583</u>	<u>\$1,167</u>
<u>(g) Having \$10,000,001 to \$15,000,000 gross sales or service for the immediately previous license or fiscal year</u>	<u>\$1,376</u>	<u>\$454</u>	<u>\$908</u>
	<u>\$2,150</u>	<u>\$717</u>	<u>\$1,433</u>
<u>(h) Having \$15,000,001 to \$20,000,000 gross sales or service for the immediately previous license or fiscal year</u>	<u>\$1,607</u>	<u>\$530</u>	<u>\$1,061</u>
	<u>\$2,550</u>	<u>\$849</u>	<u>\$1,700</u>
<u>(i) Having \$20,000,001 to \$25,000,000 gross sales or service for the immediately previous license or fiscal year</u>	<u>\$1,847</u>	<u>\$610</u>	<u>\$1,219</u>
	<u>\$2,950</u>	<u>\$984</u>	<u>\$1,967</u>
<u>(j) Having over \$25,000,001 gross sales or service for the immediately previous license or fiscal year</u>	<u>\$2,001</u>	<u>\$660</u>	<u>\$1,321</u>
	<u>\$3,350</u>	<u>\$1,117</u>	<u>\$2,233</u>

2. ~~Wholesale~~ Food handler

<u>(a) Having gross sales of only prepackaged nonperishable food of less than \$30,000 for the</u>	<u>\$90</u>	<u>\$30</u>	<u>\$60</u>
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immediately previous license or fiscal year and
filing a statement with the commissioner

		\$57	\$19	\$38
(a) (b) Having gross sales or service of less than \$25,000 <u>\$50,000</u> for the immediately previous license or fiscal year	High	<u>\$285</u>	<u>\$95</u>	<u>\$190</u>
	Medium	<u>\$195</u>	<u>\$65</u>	<u>\$130</u>
	Low	<u>\$135</u>	<u>\$45</u>	<u>\$90</u>
(b) (c) Having \$25,001 <u>\$50,001</u> to \$250,000 <u>\$125,000</u> gross sales or service for the immediately previous license or fiscal year	High	\$284 <u>\$350</u>	\$94 <u>\$117</u>	\$187 <u>\$233</u>
	Medium	<u>\$260</u>	<u>\$87</u>	<u>\$173</u>
	Low	<u>\$200</u>	<u>\$67</u>	<u>\$133</u>
(c) (d) Having \$250,001 <u>\$125,001</u> to <u>\$1,000,000</u> <u>\$250,000</u> gross sales or service from a mobile unit without a separate food facility for the immediately previous license or fiscal year	High	\$444 <u>\$415</u>	\$147 <u>\$138</u>	\$293 <u>\$277</u>
	Medium	<u>\$350</u>	<u>\$117</u>	<u>\$233</u>
	Low	<u>\$265</u>	<u>\$ 88</u>	<u>\$177</u>
(d) (e) Having <u>\$250,001</u> to \$1,000,000 <u>\$500,000</u> gross sales or service not covered under paragraph (e) for the immediately previous license or fiscal year	High	\$590 <u>\$520</u>	\$195 <u>\$173</u>	\$389 <u>\$347</u>
	Medium	<u>\$430</u>	<u>\$143</u>	<u>\$287</u>
	Low	<u>\$370</u>	<u>\$123</u>	<u>\$247</u>
(e) (f) Having \$1,000,001 <u>\$500,001</u> to \$5,000,000 <u>\$1,000,000</u> gross sales or service for the immediately previous license or fiscal year	High	\$769 <u>\$625</u>	\$254 <u>\$208</u>	\$508 <u>\$417</u>
	Medium	<u>\$535</u>	<u>\$178</u>	<u>\$357</u>
	Low	<u>\$475</u>	<u>\$158</u>	<u>\$317</u>
(f) (g) Having \$5,000,001 <u>\$1,000,001</u> to \$10,000,000 <u>\$5,000,000</u> gross sales or service for the immediately previous license or fiscal year	High	\$920 <u>\$1,500</u>	\$304 <u>\$500</u>	\$607 <u>\$1,000</u>
	Medium	<u>\$1,425</u>	<u>\$475</u>	<u>\$950</u>
	Low	<u>\$1,350</u>	<u>\$450</u>	<u>\$900</u>
(h) Having <u>\$5,000,001</u> to <u>\$10,000,000</u> gross sales or service for the immediately previous license or fiscal year	High	<u>\$1,900</u>	<u>\$633</u>	<u>\$1,267</u>
	Medium	<u>\$1,825</u>	<u>\$608</u>	<u>\$1,217</u>
	Low	<u>\$1,750</u>	<u>\$583</u>	<u>\$1,167</u>
(g) (i) Having <u>\$10,000,001</u> to <u>\$15,000,000</u> gross sales or service for the immediately previous license or fiscal year	High	\$990 <u>\$2,300</u>	\$327 <u>\$767</u>	\$653 <u>\$1,533</u>
	Medium	<u>\$2,225</u>	<u>\$742</u>	<u>\$1,483</u>
	Low	<u>\$2,150</u>	<u>\$717</u>	<u>\$1,433</u>
(h) (j) Having <u>\$15,000,001</u> to <u>\$20,000,000</u> gross sales or service for the immediately previous license or fiscal year	High	\$1,156 <u>\$2,700</u>	\$381 <u>\$900</u>	\$763 <u>\$1,800</u>
	Medium	<u>\$2,625</u>	<u>\$875</u>	<u>\$1,750</u>
	Low	<u>\$2,550</u>	<u>\$849</u>	<u>\$1,700</u>
(i) (k) Having <u>\$20,000,001</u> to <u>\$25,000,000</u> gross sales or service for the immediately previous license or fiscal year	High	\$1,329 <u>\$3,100</u>	\$439 <u>\$1,033</u>	\$877 <u>\$2,067</u>
	Medium	<u>\$3,025</u>	<u>\$1,008</u>	<u>\$2,017</u>
	Low	<u>\$2,950</u>	<u>\$984</u>	<u>\$1,967</u>

		\$1,502	\$496	\$991
(j) (l) Having over \$25,000,001 or more to	<u>High</u>	<u>\$3,500</u>	<u>\$1,167</u>	<u>\$2,333</u>
<u>\$50,000,000 gross sales or service for the</u>	<u>Medium</u>	<u>\$3,425</u>	<u>\$1,142</u>	<u>\$2,283</u>
<u>immediately previous license or fiscal year</u>	<u>Low</u>	<u>\$3,350</u>	<u>\$1,117</u>	<u>\$2,233</u>
 (m) Having \$50,000,001 to \$100,000,000 gross	<u>High</u>	<u>\$4,000</u>	<u>\$1,334</u>	<u>\$2,667</u>
<u>sales or service for the immediately previous</u>	<u>Medium</u>	<u>\$3,925</u>	<u>\$1,309</u>	<u>\$2,617</u>
<u>license or fiscal year</u>	<u>Low</u>	<u>\$3,850</u>	<u>\$1,284</u>	<u>\$2,567</u>
 (n) Having \$100,000,001 or more gross sales or	<u>High</u>	<u>\$4,500</u>	<u>\$1,500</u>	<u>\$3,000</u>
<u>service for the immediately previous license or</u>	<u>Medium</u>	<u>\$4,425</u>	<u>\$1,475</u>	<u>\$2,950</u>
<u>fiscal year</u>	<u>Low</u>	<u>\$4,350</u>	<u>\$1,450</u>	<u>\$2,900</u>
 3. Food broker <u>Food handler operating under</u>				
<u>authority of this chapter solely as a special event</u>				
<u>food stand as defined in Minnesota Statutes, section</u>				
<u>157.15</u>		<u>\$150</u>	<u>\$ 50</u>	<u>\$ 99</u>
		<u>\$75</u>	<u>\$25</u>	<u>\$50</u>
 4. Wholesale food processor or manufacturer				
 (a) Having gross sales or service of less than				
\$125,000 for the immediately previous license or				
fiscal year		\$169	\$ 56	\$112
 (b) Having \$125,001 to \$250,000 gross sales or				
service for the immediately previous license or				
fiscal year		\$392	\$129	\$259
 (c) Having \$250,001 to \$1,000,000 gross sales or				
service for the immediately previous license or				
fiscal year		\$590	\$195	\$389
 (d) Having \$1,000,001 to \$5,000,000 gross sales				
or service for the immediately previous license or				
fiscal year		\$769	\$254	\$508
 (e) Having \$5,000,001 to \$10,000,000 gross sales				
or service for the immediately previous license or				
fiscal year		\$920	\$304	\$607
 (f) Having \$10,000,001 to \$15,000,000 gross sales				
or service for the immediately previous license or				
fiscal year		\$1,377	\$454	\$909
 (g) Having \$15,000,001 to \$20,000,000 gross sales				
or service for the immediately previous license or				
fiscal year		\$1,608	\$531	\$1,061
 (h) Having \$20,000,001 to \$25,000,000 gross sales				
or service for the immediately previous license or				
fiscal year		\$1,849	\$610	\$1,220

(i) Having \$25,000,001 to \$50,000,000 gross sales or service for the immediately previous license or fiscal year	\$2,090	\$690	\$1,379
(j) Having \$50,000,001 to \$100,000,000 gross sales or service for the immediately previous license or fiscal year	\$2,330	\$769	\$1,538
(k) Having \$100,000,000 or more gross sales or service for the immediately previous license or fiscal year	\$2,571	\$848	\$1,697
5. Wholesale food processor of Meat or poultry products processing solely under supervision of the U.S. Department of Agriculture			
(a) Having gross sales or service of less than \$125,000 for the immediately previous license or fiscal year	\$112 <u>\$190</u>	\$ 37 <u>\$63</u>	\$ 74 <u>\$127</u>
(b) Having \$125,001 to \$250,000 gross sales or service for the immediately previous license or fiscal year	\$214 <u>\$365</u>	\$ 71 <u>\$122</u>	\$141 <u>\$243</u>
(c) Having \$250,001 to \$1,000,000 <u>\$500,000</u> gross sales or service for the immediately previous license or fiscal year	\$333 <u>\$450</u>	\$110 <u>\$150</u>	\$220 <u>\$300</u>
<u>(d) Having \$500,001 to \$1,000,000 gross sales or service for the immediately previous license or fiscal year</u>	<u>\$565</u>	<u>\$188</u>	<u>\$377</u>
(d) (e) Having \$1,000,001 to \$5,000,000 gross sales or service for the immediately previous license or fiscal year	\$425 <u>\$725</u>	\$140 <u>\$241</u>	\$281 <u>\$483</u>
(e) (f) Having \$5,000,001 to \$10,000,000 gross sales or service for the immediately previous license or fiscal year	\$521 <u>\$885</u>	\$172 <u>\$295</u>	\$344 <u>\$590</u>
(f) (g) Having \$10,000,001 to \$15,000,000 gross sales or service for the immediately previous license or fiscal year	\$765 <u>\$1,305</u>	\$252 <u>\$435</u>	\$505 <u>\$807</u>
(g) (h) Having \$15,000,001 to \$20,000,000 gross sales or service for the immediately previous license or fiscal year	\$893 <u>\$1,515</u>	\$295 <u>\$505</u>	\$589 <u>\$1,010</u>
(h) (i) Having \$20,000,001 to \$25,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,027 <u>\$1,745</u>	\$339 <u>\$582</u>	\$678 <u>\$1,163</u>

(j) (j) Having \$25,000,001 to \$50,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,161			
	<u>\$1,975</u>	<u>\$383</u>	<u>\$658</u>	<u>\$766</u> <u>\$1,317</u>
(k) (k) Having \$50,000,001 to \$100,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,295			
	<u>\$2,215</u>	<u>\$427</u>	<u>\$738</u>	<u>\$855</u> <u>\$1,477</u>
(l) (l) Having \$100,000,001 or more gross sales or service for the immediately previous license or fiscal year	\$1,428			
	<u>\$2,465</u>	<u>\$471</u>	<u>\$822</u>	<u>\$942</u> <u>\$1,643</u>
6. Wholesale food processor or manufacturer operating only at the State Fair	\$125	\$ 40	\$ 50	
7. Wholesale food manufacturer having the permission of the commissioner to use the name Minnesota Farmstead cheese	\$ 30	\$ 10	\$ 15	
8. Wholesale food manufacturer processing less than 700,000 pounds per year of raw milk	\$ 30	\$ 10	\$ 15	
9. A milk marketing organization without facilities for processing or manufacturing that purchases milk from milk producers for delivery to a licensed wholesale food processor or manufacturer	\$ 50	\$ 15	\$ 25	

Subd. 4. **Food handler license account; appropriation.** A food handler license account is established in the agricultural fund. Fees paid under subdivision 3 and section 28A.04 must be deposited in this account. Money in the account, including interest, is appropriated to the commissioner for expenses relating to ~~licensing and inspecting~~ regulating food handlers under chapters 28 to 34A or rules adopted under one of those chapters.

Sec. 10. Minnesota Statutes 2024, section 28A.081, subdivision 1, is amended to read:

Subdivision 1. **Fee.** A fee of \$125 for each certificate shall be charged to any person who requests a certificate issued by the Minnesota Department of Agriculture to facilitate the movement of Minnesota processed and manufactured foods destined for export from the state of Minnesota. Certificates include, but are not limited to, a certificate of free sale, certificate of export, certificate of sanitation, sanitary certificate, certificate of origin and/or free sale, certificate of health and/or free sale, sanitation, and purity, certificate of free trade, certificate of free sale, sanitation, purity, and origin, certificate of health, sanitation, purity, and free sale, and letter of plant certification.

The commissioner ~~shall~~ must receive payment with the request or bill the requesting person within seven days after issuing a certificate to the person. The requesting person must submit payment for a certificate at the time of receiving the request or within ten days of the billing date. If a certificate fee payment is not received within 15 days of the billing date, the commissioner may not issue any future certificates to the requesting person until previous fees due are paid in full. Fees paid under this section must be deposited in the food certificate account established under subdivision 2 or another account in the agricultural fund if the expenses for the certificate will be paid from that other account.

Sec. 11. Minnesota Statutes 2024, section 28A.085, subdivision 1, is amended to read:

Subdivision 1. **Violations; prohibited acts.** The commissioner may charge a reinspection fee for each reinspection of a food handler or custom exempt food handler that:

(1) is found with a major violation of requirements in chapter 28, 29, 30, 31, 31A, 32D, 33, or 34, or rules adopted under one of those chapters; or

(2) fails to correct equipment and facility deficiencies as required in rules adopted under chapter 28, 29, 30, 31, 31A, 32D, or 34.

The first reinspection of a firm with gross food sales under \$1,000,000 must be assessed at ~~\$150~~ \$250. The fee for a firm with gross food sales over \$1,000,000 is ~~\$200~~ \$300. The fee for a subsequent reinspection of a firm for the same violation is 50 percent of their current license fee or ~~\$300~~ \$500, whichever is greater. The establishment must be issued written notice of violations with a reasonable date for compliance listed on the notice. An initial inspection relating to a complaint is not a reinspection.

Sec. 12. Minnesota Statutes 2024, section 28A.14, is amended to read:

28A.14 TRANSFER OF BUSINESS.

(a) Except as provided in paragraph (b), a transfer of a business or a discontinuance of its operation by the licensee at the address covered by the license voids the license and the license certificate shall be surrendered to the commissioner immediately by anyone in possession of the same.

(b) If a licensee discontinues operating at an additional location authorized under section 28A.06, the license is not void if the licensee has provided written notification to the commissioner.

Sec. 13. Minnesota Statutes 2024, section 28A.151, subdivision 2, is amended to read:

Subd. 2. **Food sampling and demonstration.** (a) Food used in sampling and demonstration must be obtained from sources that comply with Minnesota Food Law.

(b) Raw animal, raw poultry, and raw fish products must not be served as samples.

(c) Food product sampling or food product demonstrations, ~~including that contain~~ including that contain cooked animal, poultry, or fish products, must be prepared on site at the event.

(d) Animal or poultry products used for food product sampling or food product demonstrations must ~~be~~ originate from animals slaughtered under continuous inspection, either by the USDA or through Minnesota's "Equal-to" inspection program.

(e) The licensing provisions of sections 28A.01 to 28A.16 shall not apply to persons engaged in food product sampling or food product demonstrations.

Sec. 14. Minnesota Statutes 2024, section 28A.152, subdivision 1, is amended to read:

Subdivision 1. **Licensing provisions applicability.** (a) Except as provided in paragraph (d), the licensing provisions of sections 28A.01 to 28A.16 do not apply to the following:

(1) ~~an individual~~ a person 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 the registration number or address of the ~~individual~~ person preparing and selling the food, the date on which the food was prepared, the ingredients and any possible allergens, and the statement "These products are homemade and not subject to state inspection."; and

(ii) the ~~individual~~ person 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~~ a person 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~~ person displays at the point of sale a clearly legible sign or placard stating: "These products 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 the registration number or address of the ~~individual~~ person who processed and canned the goods, the date on which the goods were processed and canned, ingredients and any possible allergens, and the statement "These products are homemade and not subject to state inspection."

(b) ~~An individual~~ A person 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~~ To qualify for an exemption under paragraph (a) ~~may organize the individual's cottage food business as a business entity recognized by state law, a person must be an individual, a sole proprietorship, a single-member limited liability company owned by one individual, or a limited liability company owned by two individuals residing at the same residence.~~

(d) A person cannot qualify for an exemption under paragraph (a) if the person holds a food handler license required under section 28A.04.

EFFECTIVE DATE. This section is effective August 1, 2027.

Sec. 15. Minnesota Statutes 2024, section 28A.152, subdivision 2, is amended to read:

Subd. 2. **Direct sales to consumers.** (a) ~~An individual~~ A person qualifying for an exemption under subdivision 1 may sell the exempt food:

(1) directly to the ultimate consumer at a community event or farmers' market;

(2) directly from the ~~individual's~~ person's home to the ultimate consumer, to the extent allowed by local ordinance; or

(3) through donation to a community event with the purpose of fundraising for an individual, or fundraising for an educational, charitable, or religious organization.

(b) ~~If~~ An exempt food product will may be delivered to the ultimate consumer upon sale of the food product; by the individual person who prepared the food product must be the person who delivers the food product to the ultimate consumer, by mail, or by commercial delivery.

(c) Food products exempt under subdivision 1, paragraph (a), clause (2), may not be sold outside of Minnesota.

(d) Food products exempt under subdivision 1 may be sold over the Internet ~~but must be delivered directly to the ultimate consumer by the individual who prepared the food product.~~ The statement "These products are homemade and not subject to state inspection." must be displayed on the website that offers the exempt foods for purchase.

EFFECTIVE DATE. This section is effective August 1, 2027.

Sec. 16. Minnesota Statutes 2024, section 28A.152, subdivision 3, is amended to read:

Subd. 3. **Limitation on sales.** ~~An individual~~ A person selling exempt foods under this section is limited to total sales with gross receipts of \$78,000 or less in a calendar year.

EFFECTIVE DATE. This section is effective August 1, 2027.

Sec. 17. Minnesota Statutes 2024, section 28A.152, subdivision 4, is amended to read:

Subd. 4. **Registration.** ~~An individual~~ A person who prepares and sells exempt food under subdivision 1 must register annually with the commissioner. The commissioner shall register ~~an individual~~ a person within 30 days of submitting a complete registration to the commissioner. A registration shall be deemed accepted after 30 days following ~~an individual's~~ a person's complete registration to the commissioner. The annual registration fee is ~~\$50~~ \$30. ~~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. By January 1, 2022, the commissioner shall adjust the gross receipts amount of this fee exemption based on the consumer price index using 2002 as the index year for the \$5,000 gross receipts exemption.~~

EFFECTIVE DATE. This section is effective August 1, 2027.

Sec. 18. Minnesota Statutes 2024, section 28A.152, subdivision 5, is amended to read:

Subd. 5. **Training.** ~~(a) An individual~~ A person who sells exempt food under this section and is required to pay the registration fee in subdivision 4 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~~ person is registered under subdivision 4.

~~(b) An individual who sells exempt food under this section and is exempt from paying the registration fee in subdivision 4 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.~~

EFFECTIVE DATE. This section is effective August 1, 2027.

Sec. 19. Minnesota Statutes 2024, section 28A.152, is amended by adding a subdivision to read:

Subd. 8. **Adjustments.** The commissioner must adjust the limitation on sales in subdivision 3 every two years to the inflation level established in the United States Bureau of Labor and Statistics Consumer Price Index, using July 2025 as the base month and year.

EFFECTIVE DATE. This section is effective August 1, 2027.

Sec. 20. Minnesota Statutes 2024, section 28A.17, is amended to read:

28A.17 LICENSE RENEWAL.

Licenses for food ~~processors or manufacturers or food brokers~~ handlers shall be renewed annually ~~on January 1. Licenses for retail and wholesale food handlers shall be renewed annually on July 1. Licenses for mobile food concessions and for retail mobile units shall be renewed annually on April 1 prior to the~~ end of the licensing period. Approval of license renewal is contingent upon conditions described in section 28A.07 and payment of license fees identified in section 28A.08.

Sec. 21. **EFFECTIVE DATE.**

Except as otherwise provided, this article is effective August 1, 2025.

Presented to the governor May 20, 2025

Signed by the governor May 23, 2025, 10:55 a.m.