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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 4135

02/22/2024 Authored by Hansen, R.; Rehm and Fischer

The bill was read for the first time and referred to the Committee on Agriculture Finance and Policy

03/04/2024 Adoption of Report: Amended and re-referred to the Committee on Environment and Natural Resources Finance and Policy

1.1 A bill for an act

1.2 relating to agriculture; extending an agricultural fertilizer research fee and program
1.3 by one year; establishing a drinking-water fee for nitrogen fertilizer and a private
1.4 well drinking-water assistance program; requiring testing of biosolids for
1.5 perfluoroalkyl and polyfluoroalkyl substances; requiring reports; appropriating
1.6 money; amending Minnesota Statutes 2022, sections 18C.005, by adding
1.7 subdivisions; 18C.425, by adding a subdivision; 18C.70, subdivision 5; 18C.71,
1.8 subdivision 4; 18C.80, subdivision 2; 18D.301, subdivision 1; Minnesota Statutes
1.9 2023 Supplement, section 18C.425, subdivision 6; proposing coding for new law
1.10 in Minnesota Statutes, chapter 18C.

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

1.12 Section 1. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision
1.13 to read:

1.14 Subd. 7b. **Diammonium phosphate.** "Diammonium phosphate" or "DAP" means a
1.15 fertilizer containing 18 percent total nitrogen and 46 percent available phosphate.

1.16 Sec. 2. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision to
1.17 read:

1.18 Subd. 18b. **Liquid 28.** "Liquid 28" means a liquid nitrogen solution containing 28 percent
1.19 total nitrogen.

1.20 Sec. 3. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision to
1.21 read:

1.22 Subd. 18c. **Liquid 32.** "Liquid 32" means a liquid nitrogen solution containing 32 percent
1.23 total nitrogen.

2.1 Sec. 4. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision to
2.2 read:

2.3 Subd. 19b. **Monoammonium phosphate.** "Monoammonium phosphate" or "MAP"
2.4 means a fertilizer containing ten to 11 percent total nitrogen and 48 to 55 percent available
2.5 phosphate.

2.6 Sec. 5. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision to
2.7 read:

2.8 Subd. 20a. **Nitrogen fertilizer.** "Nitrogen fertilizer" means any fertilizer, soil amendment,
2.9 or plant amendment totally or partially comprised of nitrogen, including but not limited to
2.10 anhydrous ammonia, urea, liquid 28, liquid 32, DAP, and MAP.

2.11 Sec. 6. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision to
2.12 read:

2.13 Subd. 37a. **Urea.** "Urea" means a white crystalline solid containing 46 percent nitrogen.

2.14 Sec. 7. Minnesota Statutes 2023 Supplement, section 18C.425, subdivision 6, is amended
2.15 to read:

2.16 **Subd. 6. Payment of inspection fee.** (a) The person who registers and distributes in the
2.17 state a specialty fertilizer, soil amendment, or plant amendment under section 18C.411 shall
2.18 pay the inspection fee to the commissioner.

2.19 (b) The person licensed under section 18C.415 who distributes a fertilizer to a person
2.20 not required to be so licensed shall pay the inspection fee to the commissioner, except as
2.21 exempted under section 18C.421, subdivision 1, paragraph (b).

2.22 (c) The person responsible for payment of the inspection fees for fertilizers, soil
2.23 amendments, or plant amendments sold and used in this state must pay the inspection fee
2.24 ~~set~~ under paragraph (e), and until June 30, ~~2024~~ 2025, an additional 40 cents per ton, of
2.25 fertilizer, soil amendment, and plant amendment sold or distributed in this state, with a
2.26 minimum of \$10 on all tonnage reports. Notwithstanding section 18C.131, the commissioner
2.27 must deposit all revenue from the additional 40 cents per ton fee in the agricultural fertilizer
2.28 research and education account in section 18C.80. Products sold or distributed to
2.29 manufacturers or exchanged between them are exempt from the inspection fee imposed by
2.30 this subdivision if the products are used exclusively for manufacturing purposes.

3.1 (d) A registrant or licensee must retain invoices showing proof of fertilizer, plant
3.2 amendment, or soil amendment distribution amounts and inspection fees paid for a period
3.3 of three years.

3.4 (e) ~~By commissioner's order, the commissioner must set~~ The inspection fee ~~at no less~~
3.5 ~~than 39~~ is 44 cents per ton and no more than until June 30, 2025, and increased to 70 cents
3.6 per ton on July 1, 2025, and thereafter. ~~The commissioner must hold a public meeting before~~
3.7 ~~increasing the fee by more than five cents per ton.~~

3.8 Sec. 8. Minnesota Statutes 2022, section 18C.425, is amended by adding a subdivision to
3.9 read:

3.10 Subd. 7. Private well drinking-water fee. (a) For nitrogen fertilizer sold or distributed
3.11 between July 1, 2023, and June 30, 2025, the person required to pay the inspection fee under
3.12 subdivision 6 must also pay to the commissioner a private well drinking-water fee of 99
3.13 cents per ton of nitrogen sold or distributed in this state, with a minimum of \$10 on all
3.14 tonnage reports. Notwithstanding section 18C.131, the commissioner must deposit all
3.15 revenue from the private well drinking-water fee in the private well drinking-water assistance
3.16 account established in section 18C.90.

3.17 (b) Except as provided in paragraph (c), for anhydrous ammonia sold or distributed after
3.18 June 30, 2025, the private well drinking-water fee under paragraph (a) is increased to \$1.39
3.19 per ton.

3.20 (c) Beginning July 1, 2026, and each July 1 thereafter, if total statewide sales and
3.21 distribution of nitrogen increase over the prior reporting year, the commissioner must
3.22 increase the private well drinking-water fee under paragraph (b). The commissioner must
3.23 increase the fee by an amount equal to the percentage increase in sales and distribution
3.24 year-over-year, rounded to the nearest cent, and calculated as the difference between total
3.25 statewide sales and distribution of nitrogen for the latest reporting year minus total statewide
3.26 sales and distribution of nitrogen for the prior reporting year, with this difference divided
3.27 by total statewide sales and distribution of nitrogen for the prior reporting year. If total
3.28 statewide sales and distribution of nitrogen decrease or remain constant relative to the prior
3.29 reporting year, the commissioner must not adjust the private well drinking-water fee.

3.30 Sec. 9. Minnesota Statutes 2022, section 18C.70, subdivision 5, is amended to read:

3.31 Subd. 5. **Expiration.** This section expires June 30, ~~2025~~ 2026.

4.1 Sec. 10. Minnesota Statutes 2022, section 18C.71, subdivision 4, is amended to read:

4.2 Subd. 4. **Expiration.** This section expires June 30, ~~2025~~ 2026.

4.3 Sec. 11. Minnesota Statutes 2022, section 18C.80, subdivision 2, is amended to read:

4.4 Subd. 2. **Expiration.** This section expires June 30, ~~2025~~ 2026.

4.5 Sec. 12. **[18C.90] PRIVATE WELL DRINKING-WATER ASSISTANCE PROGRAM.**

4.6 Subdivision 1. **Account; appropriation.** A private well drinking-water assistance account
4.7 is established in the agricultural fund. Money in the account, including interest earned, is
4.8 appropriated to the commissioner for aid payments to community health boards under
4.9 subdivision 2.

4.10 Subd. 2. **Aid payments.** (a) At least annually, the commissioner must make aid payments
4.11 to community health boards established under chapter 145A and located in Dodge, Fillmore,
4.12 Goodhue, Houston, Mower, Olmsted, Wabasha, or Winona County for purposes of assisting
4.13 eligible residents under subdivision 3.

4.14 (b) The commissioner must award proportional aid payments to eligible community
4.15 health boards based on each board's share of total private drinking-water wells in the
4.16 eight-county area with documented nitrate in excess of ten milligrams per liter, as determined
4.17 by the commissioner in consultation with the commissioners of health and the Pollution
4.18 Control Agency.

4.19 Subd. 3. **Provision of safe drinking water.** (a) For purposes of this section, "safe
4.20 drinking water" means water required for drinking, cooking, and maintaining oral hygiene
4.21 that has a nitrate level of no more than ten milligrams per liter.

4.22 (b) Community health boards must use aid payments received under subdivision 2 to
4.23 assist residents in obtaining safe drinking water when the documented level of nitrate in the
4.24 resident's private drinking-water well is more than ten milligrams per liter, with priority
4.25 given to pregnant women and children under the age of one.

4.26 (c) Community health boards must assist eligible residents in obtaining safe drinking
4.27 water through one or more of the following methods:

4.28 (1) convenient bottled water distribution or delivery;

4.29 (2) reverse osmosis treatment unit acquisition, installation, and maintenance;

4.30 (3) connection to a public water system; or

5.1 (4) another method, as determined by the commissioner of health, that provides eligible
5.2 residents with a sufficient quantity of safe drinking water.

5.3 Subd. 4. **Reports.** No later than January 15 each year, the commissioner must report
5.4 outcomes achieved under this section and any corresponding recommendations to the chairs
5.5 and ranking minority members of the legislative committees with jurisdiction over agriculture
5.6 and health.

5.7 Sec. 13. Minnesota Statutes 2022, section 18D.301, subdivision 1, is amended to read:

5.8 Subdivision 1. **Enforcement required.** (a) The commissioner shall enforce this chapter
5.9 and chapters 18B, 18C, and 18F.

5.10 (b) Violations of chapter 18B, 18C, or 18F or rules adopted under chapter 18B, 18C, or
5.11 18F, or section 103H.275, subdivision 2, are a violation of this chapter.

5.12 (c) Upon the request of the commissioner, county attorneys, sheriffs, and other officers
5.13 having authority in the enforcement of the general criminal laws shall take action to the
5.14 extent of their authority necessary or proper for the enforcement of this chapter or special
5.15 orders, standards, stipulations, and agreements of the commissioner.

5.16 Sec. 14. **ANALYSIS AND REPORT REQUIRED; PFAS IN BIOSOLID**
5.17 **AGRICULTURAL FERTILIZER.**

5.18 Pursuant to Minnesota Rules, part 7041.1500, subpart 3, and until December 31, 2024,
5.19 the commissioner of the Pollution Control Agency must require sewage sludge prepared
5.20 for application to agricultural land in Minnesota to be analyzed for the presence of
5.21 perfluoroalkyl and polyfluoroalkyl substances (PFAS). No later than February 1, 2025, the
5.22 commissioner must report the commissioner's findings and recommendations, including
5.23 but not limited to an appropriate ceiling concentration and cumulative pollutant loading
5.24 rate, to the legislative committees with jurisdiction over agriculture and the environment.

5.25 Sec. 15. **EFFECTIVE DATE.**

5.26 Sections 1 to 14 are effective the day following final enactment.