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ARTICLE 2
AGRICULTURE POLICY

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ARTICLE 2
AGRICULTURE STATUTORY CHANGES

34.17 Section 1. [17.033] LICENSE AND PERMIT SURCHARGES.

34.18 The commissioner may collect license and permit surcharges on all licensing and
34.19 permitting transactions conducted by the Department of Agriculture for which a fee is
34.20 charged. The surcharge applies to all initial and renewal license and permit applications
34.21 and is calculated based on the license or permit base fee. Late penalties or other assessments
34.22 are not included in the calculation of the surcharge. The fee is set at five percent beginning
34.23 August 1, 2023, with a minimum fee of \$5 for each transaction. The surcharge rate must
34.24 be reviewed and set annually by the commissioner and may be assessed at a rate of between
34.25 three and eight percent of the licensing or permitting fee, with a minimum fee of \$5 for each
34.26 transaction. The fees collected for this surcharge must be deposited in a dedicated account
34.27 in the agricultural fund. Money in the account, including interest, is appropriated to the
34.28 commissioner for the information technology improvement activities needed to create
34.29 electronic systems for conducting licensing and permitting transactions and to modernize
34.30 the department's inspection and customer management systems.

35.1 Sec. 2. Minnesota Statutes 2022, section 17.055, subdivision 1, is amended to read:

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

35.13 Sec. 3. Minnesota Statutes 2022, section 17.055, is amended by adding a subdivision to
35.14 read:

35.15 Subd. 2a. Emerging Farmers Office. The Emerging Farmers Office exists to support
35.16 emerging farmers. For purposes of this subdivision, "emerging farmer" has the meaning
35.17 given in subdivision 1. At a minimum, the office must coordinate the emerging farmer
35.18 working group under subdivision 1 and the beginning farmer equipment and infrastructure
35.19 grant program under subdivision 3.

35.21 Section 1. Minnesota Statutes 2022, section 17.1016, subdivision 2, is amended to read:

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

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

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

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

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

36.3 (4) receive agricultural commodities produced primarily by shareholders or members
36.4 of the cooperative; and

36.5 (5) not allow nonpatron voting rights.

36.6 (c) The commissioner may receive applications and make grants up to \$50,000 to eligible
36.7 grantees for feasibility, marketing analysis, assistance with organizational development,
36.8 financing and managing new cooperatives, product development, development of business
36.9 and marketing plans, and predesign of facilities, including site analysis, the development

35.20 Sec. 4. Minnesota Statutes 2022, section 17.055, is amended by adding a subdivision to
35.21 read:

35.22 Subd. 3. **Beginning farmer equipment and infrastructure grants.** (a) The commissioner
35.23 may award and administer equipment and infrastructure grants to beginning farmers. The
35.24 commissioner shall give preference to applicants who are emerging farmers as defined in
35.25 subdivision 1. Grant money may be used for equipment and infrastructure development.

35.26 (b) The commissioner shall develop competitive eligibility criteria and may allocate
35.27 grants on a needs basis.

35.28 (c) Grant projects may continue for up to two years.

35.29 Sec. 5. Minnesota Statutes 2022, section 17.055, is amended by adding a subdivision to
35.30 read:

35.31 Subd. 4. **Report.** No later than February 1 each year, the commissioner must submit a
35.32 report to the chairs and ranking minority members of the legislative committees and divisions
36.1 with jurisdiction over agriculture regarding the emerging farmer working group's activities,
36.2 recommendations, and any grants awarded under this section.

36.3 Sec. 6. Minnesota Statutes 2022, section 17.1016, subdivision 2, is amended to read:

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

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

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

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

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

36.16 (4) receive agricultural commodities produced primarily by shareholders or members
36.17 of the cooperative; and

36.18 (5) not allow nonpatron voting rights.

36.19 (c) The commissioner may receive applications and make grants up to \$50,000 to eligible
36.20 grantees for feasibility, marketing analysis, assistance with organizational development,
36.21 financing and managing new cooperatives, product development, development of business
36.22 and marketing plans, and predesign of facilities, including site analysis, the development

36.10 of bid specifications, preliminary blueprints and schematics, and the completion of purchase
36.11 agreements and other necessary legal documents.
36.12 (d) Grants must be matched dollar-for-dollar with other money or in-kind contributions.

36.23 of bid specifications, preliminary blueprints and schematics, and the completion of purchase
36.24 agreements and other necessary legal documents.
36.25 (d) Grants must be matched dollar-for-dollar with other money or in-kind contributions.
36.26 Sec. 7. Minnesota Statutes 2022, section 17.116, subdivision 3, is amended to read:
36.27 Subd. 3. **Awarding of grants.** (a) Applications for grants must be made to the
36.28 commissioner on forms prescribed by the commissioner.
36.29 (b) The applications must be reviewed, ranked, and recommended by a technical review
36.30 panel appointed by the commissioner. The technical review panel shall consist of a soil
36.31 scientist, an agronomist, a representative from a postsecondary educational institution, an
37.1 agricultural marketing specialist, two resident farmers of the state using sustainable
37.2 agriculture methods, two resident farmers of the state using organic agriculture methods,
37.3 and a chair from the department.
37.4 (c) The technical review panel shall rank applications according to the following criteria:
37.5 (1) direct or indirect energy savings or production;
37.6 (2) environmental benefit;
37.7 (3) farm profitability;
37.8 (4) the number of farms able to apply the techniques or the technology proposed;
37.9 (5) the effectiveness of the project as a demonstration;
37.10 (6) the immediate transferability of the project to farms; and
37.11 (7) the ability of the project to accomplish its goals.
37.12 (d) The commissioner shall consider the recommendations of the technical review panel
37.13 and may award grants for eligible projects. Priority must be given to applicants who are
37.14 farmers or groups of farmers.
37.15 (e) Grants for eligible projects may not exceed \$25,000 unless the portion above \$25,000
37.16 is matched on an equal basis by the applicant's cash ~~or in-kind land use contribution~~
37.17 contribution or the value of the applicant's in-kind land use, equipment use, or personal
37.18 labor. Grant recipients who are not required to provide a match and grant recipients whose
37.19 in-kind contributions exceed the amount needed to meet matching requirements may submit
37.20 the value of the grant recipients' labor or equipment use as an expense eligible for payment
37.21 from grant money. Grant funding of projects may not exceed \$50,000 under this section,
37.22 but applicants may utilize other funding sources. A portion of each grant must be targeted
37.23 for public information activities of the project.
37.24 (f) A project may continue for up to three years. Multiyear projects must be reevaluated
37.25 by the technical review panel and the commissioner before second or third year funding is
37.26 approved. A project is limited to one grant for its funding.

36.13 Sec. 2. Minnesota Statutes 2022, section 17.133, subdivision 2, is amended to read:

36.14 Subd. 2. **Grants.** The commissioner ~~must~~ may award farm down payment assistance
36.15 grants of up to \$15,000 per eligible farmer. ~~An eligible farmer must match the grant with~~
36.16 ~~at least an equivalent amount~~ Each award must be matched with at least \$5,000 of other
36.17 funding. The commissioner must accept grant applications for at least 30 days. An eligible
36.18 farmer must commit to own and farm the land purchased with assistance provided under
36.19 this section for at least five years. For each year that a grant recipient does not own and
36.20 farm the land during the five-year period, the grant recipient must pay a penalty to the
36.21 commissioner equal to 20 percent of the grant amount.

36.22 Sec. 3. [17.134] SOIL HEALTH FINANCIAL ASSISTANCE PROGRAM.

36.23 Subdivision 1. **Establishment.** The commissioner must establish and administer a
36.24 program to support healthy soil management practices in accordance with this section.

36.25 Subd. 2. **Eligible projects.** The commissioner may award a grant under this section for
36.26 any project on agricultural land in Minnesota that will:

37.27 Sec. 8. Minnesota Statutes 2022, section 17.133, subdivision 3, is amended to read:

37.28 Subd. 3. **Report to legislature.** No later than December 1, 2023, and annually thereafter,
37.29 the commissioner must provide a report to the chairs and ranking minority members of the
37.30 legislative committees having jurisdiction over agriculture and rural development, in
38.1 compliance with sections 3.195 and 3.197, on the farm down payment assistance grants
38.2 under this section. The report must include:

38.3 (1) background information on beginning farmers in Minnesota and any other information
38.4 that the commissioner and authority find relevant to evaluating the effect of the grants on
38.5 increasing opportunities for and the number of beginning farmers;

38.6 (2) the number and amount of grants;

38.7 (3) the geographic distribution of grants by county;

38.8 (4) the number of grant recipients who are emerging farmers;

38.9 (5) disaggregated data regarding the gender, race, and ethnicity of grant recipients;

38.10 ~~(5)~~ (6) the number of farmers who cease to own land and are subject to payment of a
38.11 penalty, along with the reasons for the land ownership cessation; and

38.12 ~~(6)~~ (7) the number and amount of grant applications that exceeded the allocation available
38.13 in each year.

38.14 Sec. 9. [17.134] SOIL HEALTH FINANCIAL ASSISTANCE PROGRAM.

38.15 Subdivision 1. **Establishment.** The commissioner must establish and administer a
38.16 program to support healthy soil management practices in accordance with this section.

38.17 Subd. 2. **Eligible projects.** The commissioner may award a grant under this section for
38.18 any project on agricultural land in Minnesota that will:

36.27 (1) increase the quantity of organic carbon in soil through practices, including but not
36.28 limited to reduced tillage, cover cropping, manure management, precision agriculture, crop
36.29 rotations, and changes in grazing management;

36.30 (2) integrate perennial vegetation into the management of agricultural lands;

37.1 (3) reduce nitrous oxide and methane emissions through changes to livestock, soil
37.2 management, or nutrient optimization;

37.3 (4) increase the usage of precision agricultural practices;

37.4 (5) enable the development of site-specific management plans; or

37.5 (6) enable the purchase of equipment, parts and materials, technology, subscriptions,
37.6 technical assistance, seeds, seedlings, or amendments that will further any of the purposes
37.7 in clauses (1) to (5).

37.8 Subd. 3. **Grant eligibility.** Any owner or lessee of farmland may apply for a grant under
37.9 this section. Local government units, including cities, towns, counties, soil and water
37.10 conservation districts, Tribal Nations, and joint powers boards, are also eligible for a grant.
37.11 A local government unit that receives a grant for equipment or technology must make those
37.12 purchases available for use by the public.

37.13 Subd. 4. **Report.** By January 15 each year, the commissioner must submit a report on
37.14 the grants awarded under this section to the chairs and ranking minority members of the
37.15 legislative committees and divisions with jurisdiction over agriculture policy and finance.
37.16 The report must include the number of grants awarded by county and the combined value
37.17 of those grants.

37.18 Subd. 5. **Administrative costs.** The commissioner may use up to five percent of any
37.19 funds appropriated for this program for costs incurred to administer the program.

38.19 (1) increase the quantity of organic carbon in soil through practices, including but not
38.20 limited to reduced tillage, cover cropping, manure management, precision agriculture, crop
38.21 rotations, and changes in grazing management;

38.22 (2) integrate perennial vegetation into the management of agricultural lands;

38.23 (3) reduce nitrous oxide and methane emissions through changes to livestock, soil
38.24 management, or nutrient optimization;

38.25 (4) increase the usage of precision agricultural practices;

38.26 (5) enable the development of site-specific management plans; or

38.27 (6) enable the purchase of equipment, parts and materials, technology, subscriptions,
38.28 technical assistance, seeds, seedlings, or amendments that will further any of the purposes
38.29 in clauses (1) to (5).

39.1 Subd. 3. **Grant eligibility.** Any owner or lessee of farmland may apply for a grant under
39.2 this section. Local government units, including cities, towns, counties, soil and water
39.3 conservation districts, Tribal Nations, and joint powers boards, are also eligible for a grant.
39.4 A local government unit that receives a grant for equipment or technology must make those
39.5 purchases available for use by the public.

39.6 Sec. 10. Minnesota Statutes 2022, section 18B.01, subdivision 2b, is amended to read:

39.7 Subd. 2b. **Bee owner.** "Bee owner" means a person who owns ~~an apiary~~ a bee colony
39.8 or colonies.

39.9 Sec. 11. Minnesota Statutes 2022, section 18B.01, is amended by adding a subdivision to
39.10 read:

39.11 Subd. 2c. **Bee kill incident.** "Bee kill incident" means an acute pesticide poisoning of
39.12 a bee colony or colonies located within one-half mile of each other at a single time point.

39.13 Sec. 12. Minnesota Statutes 2022, section 18B.01, is amended by adding a subdivision to
39.14 read:

39.15 Subd. 18a. **Pesticide-treated seed.** "Pesticide-treated seed" means seed that has a
39.16 pesticide directly applied to the seed before planting and is classified by the United States

39.17 Environmental Protection Agency as a treated article under Code of Federal Regulations,
39.18 title 40, section 152.25(a), and exempt from regulation under the federal Insecticide,
39.19 Fungicide, and Rodenticide Act.

39.20 Sec. 13. Minnesota Statutes 2022, section 18B.01, is amended by adding a subdivision to
39.21 read:

39.22 Subd. 30b. **Systemic pesticide.** "Systemic pesticide" means a pesticide designed to be
39.23 absorbed by plants and translocated throughout plant tissue. Systemic pesticides include:

39.24 (1) acetamiprid, dinotefuran, clothianidin, thiamethoxam, imidacloprid, nitenpyram,
39.25 thiacloprid, fipronil, flupyradifurone, sulfoxaflor, cyantraniliprole, or chlorantraniliprole;
39.26 and

39.27 (2) any other pesticide determined by the commissioner to be a systemic pesticide,
39.28 including any chemical belonging to the neonicotinoid or anthranilic diamide class.

40.1 Sec. 14. Minnesota Statutes 2022, section 18B.03, subdivision 1, is amended to read:

40.2 Subdivision 1. **Administration by commissioner.** The commissioner shall administer,
40.3 implement, and enforce this chapter and the Department of Agriculture is the lead state
40.4 agency for the regulation of pesticides and pesticide-treated seed. The commissioner has
40.5 the sole regulatory authority over the terrestrial application of pesticides, including, but not
40.6 limited to, the application of pesticides to agricultural crops, structures, and other nonaquatic
40.7 environments. Except as provided in subdivision 3, a state agency other than the Department
40.8 of Agriculture shall not regulate or require permits for the terrestrial or nonaquatic application
40.9 of pesticides.

40.10 Sec. 15. Minnesota Statutes 2022, section 18B.04, is amended to read:

40.11 **18B.04 PESTICIDE IMPACT ON ENVIRONMENT.**

40.12 (a) The commissioner shall:

40.13 (1) determine the impact of pesticides and pesticide-treated seed on the environment,
40.14 including the impacts on surface water and groundwater in this state;

40.15 (2) develop best management practices involving pesticide or pesticide-treated seed
40.16 distribution, storage, handling, use, and disposal; and

40.17 (3) cooperate with and assist other state agencies and local governments to protect public
40.18 health, pollinators, and the environment from harmful exposure to pesticides.

40.19 (b) The commissioner may assemble a group of experts under section 16C.10, subdivision
40.20 2, to consult in the investigation of pollinator deaths or illnesses. The group of experts may
40.21 include representatives from local, state, and federal agencies; academia, including the
40.22 University of Minnesota; the state pollinator bank; or other professionals as deemed necessary
40.23 by the commissioner. The amount necessary for the purposes of this paragraph, not to exceed

- 40.24 \$100,000 per fiscal year, is appropriated from the pesticide regulatory account in section
40.25 18B.05.
- 40.26 Sec. 16. Minnesota Statutes 2022, section 18B.051, is amended to read:
- 40.27 **18B.051 POLLINATOR RESEARCH ACCOUNT.**
- 40.28 Subdivision 1. **Account established.** A pollinator research account is established in the
40.29 agricultural fund. Money in the account, including interest, is appropriated to the Board of
40.30 Regents of the University of Minnesota for pollinator research and outreach, including, but
40.31 not limited to, ~~science-based best practices and the identification and establishment of habitat~~
40.32 ~~beneficial to pollinators.~~
- 41.1 (1) the identification and establishment of habitat beneficial to pollinators;
- 41.2 (2) the development and promotion of science-based best management practices;
- 41.3 (3) the development and promotion of practices that can reduce the effects of pesticides
41.4 on pollinators;
- 41.5 (4) the effects of seed treatments on pollinators; and
- 41.6 (5) the development and promotion of integrated pest management, including pest
41.7 economic thresholds.
- 41.8 The University of Minnesota must select projects in consultation with the Minnesota
41.9 Department of Agriculture.
- 41.10 Subd. 2. **Expiration.** This section expires July 1, ~~2025~~ 2027.
- 41.11 Sec. 17. **[18B.052] SYSTEMIC PESTICIDE-TREATED SEED.**
- 41.12 Subdivision 1. **Systemic pesticide-treated seed program.** The commissioner must
41.13 develop a program for systemic pesticide-treated seed and do the following:
- 41.14 (1) develop guidance on appropriate use of systemic pesticide-treated seeds in Minnesota;
- 41.15 (2) collaborate with the University of Minnesota and other interested parties to evaluate
41.16 national and international research on efficacy of seed treatment rates, scouting techniques,
41.17 pest pressures, economic thresholds, and planting or other technology to determine their
41.18 applicability to Minnesota-specific conditions;
- 41.19 (3) identify the research needs and projects that may be funded to help identify the times
41.20 and locations where the use of systemic pesticide-treated seed would be effective in
41.21 addressing a pest problem in Minnesota, including but not limited to consideration of
41.22 cropping systems, pest pressures, soil types, geographic location, and feasibility of
41.23 alternatives to systemic pesticide treatments; and

- 41.24 (4) develop science-based best management practices for situations where use of systemic
41.25 pesticide-treated seed is appropriate in Minnesota. This shall include a process for public
41.26 comment on proposed BMPs.
- 41.27 Subd. 2. **Education and outreach.** The commissioner shall, in coordination with the
41.28 University of Minnesota and other interested parties, develop and disseminate educational
41.29 materials on best management practices and other related information for the use of systemic
41.30 pesticide-treated seed and alternatives to the use of systemic pesticide-treated seed.
- 42.1 Subd. 3. **Engagement.** The commissioner may engage with and provide grants to the
42.2 University of Minnesota and others in conducting research, demonstration projects, and
42.3 developing recommended best management practices for the use of pesticide-treated seed.
- 42.4 Sec. 18. **[18B.053] PESTICIDE-TREATED SEED RESEARCH ACCOUNT.**
- 42.5 A pesticide-treated seed research account is established in the agricultural fund. Money
42.6 in the account, including interest, is appropriated to the commissioner to provide grants to
42.7 the University of Minnesota or other parties for research related to the use of pesticide-treated
42.8 seed and alternatives to the use of pesticide-treated seed. Funding in the account may be
42.9 used to:
- 42.10 (1) determine situations where the use of pesticide-treated seed is necessary in Minnesota,
42.11 including but not limited to consideration of cropping systems, pest pressures, soil types,
42.12 geographic location, and feasibility of alternatives to systemic pesticide treatments;
- 42.13 (2) evaluate nonchemical pest prevention methods that may be used instead of
42.14 pesticide-treated seed;
- 42.15 (3) develop science-based best management practices for situations where use of systemic
42.16 pesticide-treated seed is appropriate in Minnesota; and
- 42.17 (4) develop and conduct demonstration, educational, and promotional activities for best
42.18 management practices and other recommended practices related to the use, or minimization
42.19 of the use, of pesticide-treated seed.
- 42.20 Sec. 19. Minnesota Statutes 2022, section 18B.055, is amended to read:
- 42.21 **18B.055 COMPENSATION FOR BEES KILLED BY PESTICIDE;**
42.22 **APPROPRIATION.**
- 42.23 Subdivision 1. **Compensation required.** (a) The commissioner must compensate a
42.24 person bee owner for an acute pesticide poisoning resulting in the death of bees or loss of
42.25 bee colonies owned by the person, ~~provided:~~ bee owner.
- 42.26 (1) the person who applied the pesticide cannot be determined;
- 42.27 (2) the person who applied the pesticide did so in a manner consistent with the pesticide
42.28 product's label or labeling; or

42.29 ~~(2) the person who applied the pesticide did so in a manner inconsistent with the pesticide~~
42.30 ~~product's label or labeling.~~

43.1 (b) Except as provided in this section, the bee owner is entitled to the fair market value
43.2 of the dead bees and bee colonies losses as determined by the commissioner upon
43.3 recommendation by academic experts and bee keepers. ~~In any fiscal year, A bee owner must~~
43.4 ~~not be compensated for a claim that is less than \$100 or compensated more than \$20,000~~
43.5 ~~for all eligible claims; \$10,000 for a bee kill incident. A bee owner may only make one~~
43.6 ~~claim for a single bee kill incident.~~

43.7 (c) A bee owner must not be compensated more than \$20,000 in a fiscal year for bee
43.8 ~~kill incidents.~~

43.9 ~~(e)~~ (d) To be eligible for compensation under this section, the bee owner and the affected
43.10 ~~apiary must be registered prior to the bee kill incident with a commonly utilized pesticide~~
43.11 ~~registry program, as designated by the commissioner.~~

43.12 Subd. 2. **Applicator responsible.** ~~In the event a person applies a pesticide in a manner~~
43.13 ~~inconsistent with the pesticide product's label or labeling requirements as approved by the~~
43.14 ~~commissioner and is determined to have caused the acute pesticide poisoning of bees,~~
43.15 ~~resulting in death or loss of a bee colony kept for commercial purposes, then the person so~~
43.16 ~~identified must bear the responsibility of restitution for the value of the bees to the owner.~~
43.17 ~~In these cases the commissioner must not provide compensation as provided in this section.~~

43.18 Subd. 3. **Claim form.** ~~Within three months of the commissioner making a determination~~
43.19 ~~of whether the death of bees or loss of bee colonies was caused by acute pesticide poisoning,~~
43.20 ~~the bee owner must file a claim on forms provided by the commissioner and available on~~
43.21 ~~the Department of Agriculture's website.~~

43.22 Subd. 4. **Determination.** ~~The commissioner must determine whether the death of the~~
43.23 ~~bees or loss of bee colonies was caused by an acute pesticide poisoning, whether the pesticide~~
43.24 ~~applicator can be determined, and whether the pesticide applicator applied the pesticide~~
43.25 ~~product in a manner consistent with the pesticide product's label or labeling.~~

43.26 Subd. 5. **Payments; denial of compensation.** ~~(a) If the commissioner determines the~~
43.27 ~~bee death or loss of bee colony was caused by an acute pesticide poisoning and either the~~
43.28 ~~pesticide applicator cannot be determined or the pesticide applicator applied the pesticide~~
43.29 ~~product in a manner consistent with the pesticide product's label or labeling, the commissioner~~
43.30 ~~may award compensation from the pesticide regulatory account. If the pesticide applicator~~
43.31 ~~can be determined and the applicator applied the pesticide product in a manner inconsistent~~
43.32 ~~with the product's label or labeling, the commissioner may collect a penalty from the pesticide~~
43.33 ~~applicator sufficient to compensate the bee owner for the fair market value of the dead bees~~
43.34 ~~and bee colonies losses, and must award the money to the bee owner.~~

44.1 ~~(b)~~ (a) If the commissioner denies compensation claimed by a bee owner under this
44.2 ~~section, the commissioner must issue a written decision based upon the available evidence.~~
44.3 ~~The decision must include specification of the facts upon which the decision is based and~~

44.4 the conclusions on the material issues of the claim. The commissioner must mail a copy of
44.5 the decision to the bee owner.

44.6 ~~(e)~~ (b) A decision to deny compensation claimed under this section is not subject to the
44.7 contested case review procedures of chapter 14, but may be reviewed upon a trial de novo
44.8 in a court in the county where the loss occurred. The decision of the court may be appealed
44.9 as in other civil cases. Review in court may be obtained by filing a petition for review with
44.10 the administrator of the court within 60 days following receipt of a decision under this
44.11 section. Upon the filing of a petition, the administrator must mail a copy to the commissioner
44.12 and set a time for hearing within 90 days of the filing.

44.13 Subd. 6. **Deduction from payment.** The commissioner must reduce payments made
44.14 under this section by any compensation received by the bee owner for dead bees and bee
44.15 colonies losses as proceeds from an insurance policy or from another source.

44.16 Subd. 6a. **Enhanced penalty factor.** If the commissioner determines that a bee death
44.17 or loss of bee colony was caused by acute pesticide poisoning, is able to determine the
44.18 pesticide applicator that was responsible, and determines that the applicator applied the
44.19 pesticide in a manner inconsistent with the product's label or labeling, the commissioner
44.20 may add the amount that the bee owner received from the bee owner's claim to any penalty
44.21 amount assessed by the commissioner under any penalty actions against the pesticide
44.22 applicator under section 18D.315 or 18D.325.

44.23 Subd. 7. **Appropriation.** The amount necessary to pay claims under this section, not to
44.24 exceed \$150,000 per fiscal year, is appropriated from the pesticide regulatory account in
44.25 section 18B.05.

44.26 Sec. 20. **[18B.075] PESTICIDE-TREATED SEED.**

44.27 A person may not use, store, handle, distribute, or dispose of seed treated with pesticide
44.28 in a manner that:

- 44.29 (1) endangers humans, food, livestock, fish, or wildlife; or
44.30 (2) will cause unreasonable adverse effects on the environment.

45.1 Sec. 21. **[18B.117] REGISTRATION PROHIBITED.**

45.2 The commissioner must not register under section 18B.26 a pesticide product that contains
45.3 a perfluoroalkyl or polyfluoroalkyl substance as an active or inert ingredient.

45.4 **EFFECTIVE DATE.** This section is effective July 1, 2024.

45.5 Sec. 22. Minnesota Statutes 2022, section 18C.425, subdivision 6, is amended to read:

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

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

45.12 (c) The person responsible for payment of the inspection fees for fertilizers, soil
45.13 amendments, or plant amendments sold and used in this state must pay an inspection fee of
45.14 39 64 cents per ton, and until June 30, 2024, an additional 40 cents per ton, of fertilizer, soil
45.15 amendment, and plant amendment sold or distributed in this state, with a minimum of \$10
45.16 on all tonnage reports. Notwithstanding section 18C.131, the commissioner must deposit
45.17 all revenue from the additional 40 cents per ton fee in the agricultural fertilizer research and
45.18 education account in section 18C.80. Products sold or distributed to manufacturers or
45.19 exchanged between them are exempt from the inspection fee imposed by this subdivision
45.20 if the products are used exclusively for manufacturing purposes.

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

45.24 Sec. 23. Minnesota Statutes 2022, section 18H.02, is amended by adding a subdivision to
45.25 read:

45.26 Subd. 15a. **Live plant dealer.** "Live plant dealer" means an entity who:

45.27 (1) raises, grows, or propagates nursery stock for sale, outdoors or indoors;

45.28 (2) acquires and further distributes nursery stock, including through landscaping or
45.29 distribution with a tree spade; or

45.30 (3) operates a business in Minnesota selling nursery stock with or without taking
45.31 ownership or handling the nursery stock.

46.1 Sec. 24. Minnesota Statutes 2022, section 18H.03, subdivision 6, is amended to read:

46.2 Subd. 6. **Dissemination of information.** The commissioner may disseminate information
46.3 among growers live plant dealers relative to treatment of nursery stock in both prevention
46.4 and elimination of attack by plant pests and diseases.

46.5 Sec. 25. Minnesota Statutes 2022, section 18H.05, is amended to read:

46.6 **18H.05 NURSERY CERTIFICATE REQUIREMENTS.**

46.7 (a) No person may offer for sale or distribute certified nursery stock as a nursery stock
46.8 grower or live plant dealer without first obtaining the appropriate nursery stock certificate
46.9 from the commissioner. The commissioner may not issue a certificate to a person who does
46.10 not sell certified nursery stock. Certificates are issued solely for these purposes and may
46.11 not be used for other purposes.

46.12 (b) A certificate issued by the commissioner expires on December 31 of the year it is
46.13 issued.

- 46.14 (c) A person required to be certified by this section must apply for a certificate or for
46.15 renewal on a form furnished by the commissioner which must contain:
- 46.16 (1) the name and address of the applicant, the number of locations to be operated by the
46.17 applicant and their addresses, and the assumed business name of the applicant;
- 46.18 (2) if other than an individual, a statement whether a person is a partnership, corporation,
46.19 or other organization;
- 46.20 (3) the type of business to be operated and, if the applicant is an agent, the principals
46.21 the applicant represents; and
- 46.22 (4) source or sources of purchased nursery stock.
- 46.23 (d) No person may:
- 46.24 (1) falsely claim to be a certified live plant dealer, grower, broker, or agent;
- 46.25 (2) make willful false statements when applying for a certificate; or
- 46.26 (3) sell or distribute certified nursery stock to an uncertified ~~nursery stock~~ live plant
46.27 dealer who is required to be certified ~~or nursery stock grower~~.
- 46.28 (e) Each application for a certificate must be accompanied by the appropriate certificate
46.29 fee under section 18H.07.
- 47.1 (f) Certificates issued by the commissioner must be prominently displayed to the public
47.2 in the place of business where certified nursery stock is sold or distributed.
- 47.3 (g) The commissioner may refuse to issue a certificate for cause.
- 47.4 (h) Each ~~grower or~~ live plant dealer is entitled to one sales location under the certificate
47.5 ~~of the grower or dealer~~. Each additional sales location maintained by the person requires
47.6 the payment of the full certificate fee for each additional sales outlet.
- 47.7 ~~(i) A grower who is also a dealer is certified only as a grower for that specific site.~~
- 47.8 ~~(i)~~ (i) A certificate is personal to the applicant and may not be transferred. A new
47.9 certificate is necessary if the business entity is changed or if the membership of a partnership
47.10 is changed, whether or not the business name is changed.
- 47.11 ~~(k)~~ (j) The certificate issued to a live plant dealer ~~or grower~~ applies to the particular
47.12 premises named in the certificate. However, if prior approval is obtained from the
47.13 commissioner, the place of business may be moved to the other premises or location without
47.14 an additional certificate fee.
- 47.15 ~~(k)~~ (k) A collector of nursery stock from the wild is required to obtain a ~~dealer's~~ live
47.16 plant dealer certificate from the commissioner and is subject to all the requirements that
47.17 apply to the inspection of nursery stock. All collected nursery stock must be labeled as
47.18 "collected from the wild."

47.19 Sec. 26. Minnesota Statutes 2022, section 18H.07, is amended by adding a subdivision to
47.20 read:

47.21 Subd. 3a. **New live plant dealer certificate.** An entity that was not distributing certified
47.22 nursery stock for the past two full calendar years is considered a new applicant for the basis
47.23 of fee determination. A new live plant dealer must pay the following fees:

47.24 (1) \$50 fee for a live plant dealer certificate that allows for one retail sales location. A
47.25 \$50 certificate is required for each additional retail sales location; and

47.26 (2) a live plant dealer growing nursery stock requires an inspection for certification of
47.27 that nursery stock prior to sale of the nursery stock and must be assessed an additional
47.28 charge of \$100 plus \$10 per acre up to 200 acres. Acreage to be certified should be rounded
47.29 to the nearest one acre. For the basis of fee determination, "growing nursery stock" means
47.30 the purchase of seeds, seedlings, or small plants and the cultivation of the plants in fields
47.31 or containers in Minnesota for eventual sale, including cutting, splitting, and propagating
47.32 plants.

48.1 Sec. 27. Minnesota Statutes 2022, section 18H.07, is amended by adding a subdivision to
48.2 read:

48.3 Subd. 3b. **Live plant dealer renewal certificate.** (a) A renewal certificate is for a live
48.4 plant dealer that has had a certificate in at least one of the past two full calendar years. A
48.5 live plant dealer must pay an annual fee based on the following criteria:

48.6 (1) a \$50 fee for a live plant dealer certificate that allows for one retail sales location.
48.7 A \$50 certificate is required for each additional retail sales location;

48.8 (2) a fee of gross annual purchases of certified nursery stock as noted in the table below
48.9 with the intent to resell in the same year. These are plants that are watered and maintained
48.10 only for the purposes of keeping the plants alive. Gross annual purchases are calculated for
48.11 nursery stock purchases from January 1 through December 31 of the most recent certificate
48.12 year according to the following table;

48.13		<u>Purchases</u>	<u>Fee</u>
48.14	<u>\$0</u>	<u>to \$3,000</u>	<u>\$0</u>
48.15	<u>\$3,001</u>	<u>to \$10,000</u>	<u>\$50</u>
48.16	<u>\$10,001</u>	<u>to \$20,000</u>	<u>\$100</u>
48.17	<u>\$20,001</u>	<u>to \$50,000</u>	<u>\$225</u>
48.18	<u>\$50,001</u>	<u>to \$100,000</u>	<u>\$425</u>

48.19	<u>\$100,001</u>	<u>to \$150,000</u>	<u>\$600</u>
48.20	<u>\$150,001</u>	<u>to \$200,000</u>	<u>\$750</u>
48.21	<u>\$200,001</u>	<u>to \$300,000</u>	<u>\$975</u>
48.22	<u>\$300,001</u>	<u>to \$400,000</u>	<u>\$1,200</u>
48.23	<u>\$400,001</u>	<u>to \$500,000</u>	<u>\$1,250</u>
48.24	<u>\$500,001</u>	<u>to \$600,000</u>	<u>\$1,350</u>
48.25	<u>\$600,001</u>	<u>to \$700,000</u>	<u>\$1,400</u>
48.26	<u>\$700,001</u>	<u>to \$800,000</u>	<u>\$1,500</u>
48.27	<u>\$800,001</u>	<u>to \$900,000</u>	<u>\$1,600</u>
48.28	<u>\$900,001</u>	<u>to \$1,000,000</u>	<u>\$1,700</u>
48.29	<u>\$1,000,001</u>	<u>to \$2,000,000</u>	<u>\$1,800</u>
48.30	<u>\$2,000,001</u>	<u>to \$3,000,000</u>	<u>\$1,900</u>
48.31	<u>\$3,000,001 or more</u>		<u>.0005 x annual purchases; and</u>
48.32	<u>(3) a live plant dealer growing nursery stock requires an inspection for certification of</u>		
48.33	<u>that nursery stock prior to sale and must be assessed an additional charge of \$100 plus \$10</u>		
48.34	<u>per acre up to 200 acres. Acreage to be certified should be rounded to the nearest one acre.</u>		
48.35	<u>For the basis of fee determination, "growing nursery stock" is the purchase of seeds,</u>		
49.1	<u>seedlings, or small plants and the cultivation of plants in fields or containers in Minnesota</u>		
49.2	<u>for eventual sale, including cutting, splitting, and propagating plants.</u>		
49.3	<u>(b) In addition to the fees in paragraph (a), a penalty of 25 percent of the fee due may</u>		
49.4	<u>be charged or a portion thereof, if the fee is delinquent or any application for renewal is not</u>		
49.5	<u>postmarked or electronically date stamped by December 31 of the current year.</u>		
49.6	<u>(c) A live plant dealer operating without a valid certificate must not offer nursery stock</u>		
49.7	<u>for sale or sell nursery stock until a certificate is issued to the live plant dealer by the</u>		
49.8	<u>commissioner and the live plant dealer has paid any applicable fees and penalties in full.</u>		
49.9	<u>Sec. 28. Minnesota Statutes 2022, section 18H.08, subdivision 2, is amended to read:</u>		
49.10	<u>Subd. 2. Virus disease-free certification. The commissioner may provide special</u>		
49.11	<u>services such as virus disease-free certification and other similar programs. Participation</u>		
49.12	<u>by nursery stock growers live plant dealers is voluntary. Plants offered for sale as certified</u>		
49.13	<u>virus-free must be grown according to certain procedures in a manner defined by the</u>		

49.14 commissioner for the purpose of eliminating viruses and other injurious disease or insect
49.15 pests. The commissioner shall collect reasonable fees from participating ~~nursery stock~~
49.16 ~~growers~~ live plant dealers for services and materials that are necessary to conduct this type
49.17 of work.

49.18 Sec. 29. Minnesota Statutes 2022, section 18H.09, is amended to read:

49.19 **18H.09 NURSERY STOCK CERTIFICATION REQUIREMENTS.**

49.20 (a) All nursery stock growing at sites identified by ~~nursery stock dealers or nursery stock~~
49.21 ~~growers~~ live plant dealers and submitted for inspection must be inspected by the
49.22 commissioner within the previous 12 months prior to sale and found apparently free from
49.23 quarantine and regulated nonquarantine pests as well as significantly dangerous or potentially
49.24 damaging plant pests. The commissioner may waive a site inspection under the following
49.25 conditions:

49.26 (1) the nursery stock is not going to be sold within 12 months;

49.27 (2) the nursery stock will not be moved out of Minnesota; and

49.28 (3) the nursery site or stock is not subject to certification requirements associated with
49.29 a state or federally regulated or quarantined plant pest.

49.30 All nursery stock originating from out of state and offered for sale in Minnesota must
49.31 have been inspected by the appropriate state or federal agency during the previous 12 months
50.1 and found free from quarantine and regulated nonquarantine pests as well as significantly
50.2 dangerous or potentially damaging plant pests. A nursery stock certificate is valid from
50.3 January 1 to December 31.

50.4 (b) Nursery stock must be accessible to the commissioner for inspection during regular
50.5 business hours. Weeds or other growth that hinder a proper inspection are grounds to suspend
50.6 or withhold a certificate or require a reinspection.

50.7 (c) Inspection reports issued to ~~growers~~ live plant dealers must contain a list of the plant
50.8 pests found at the time of inspection. Withdrawal-from-distribution orders are considered
50.9 part of the inspection reports. A withdrawal-from-distribution order must contain a list of
50.10 plants withdrawn from distribution and the location of the plants.

50.11 (d) The commissioner may post signs to delineate sections withdrawn from distribution.
50.12 These signs must remain in place until the commissioner removes them or grants written
50.13 permission to the grower to remove the signs.

50.14 (e) Inspection reports issued to live plant dealers must outline the violations involved
50.15 and corrective actions to be taken including withdrawal-from-distribution orders which
50.16 would specify nursery stock that could not be distributed from a certain area.

- 50.17 (f) Optional inspections of plants may be conducted by the commissioner upon request
50.18 by any persons desiring an inspection. A fee as provided in section 18H.07 must be charged
50.19 for such an inspection.
- 50.20 Sec. 30. Minnesota Statutes 2022, section 18H.13, subdivision 3, is amended to read:
- 50.21 Subd. 3. **Reciprocal agreements.** The commissioner may cooperate with and enter into
50.22 reciprocal agreements with other states regarding licensing and movement of nursery stock.
50.23 Reciprocal agreements with other states do not prevent the commissioner from prohibiting
50.24 the distribution in Minnesota of any nursery stock that fails to meet minimum criteria for
50.25 nursery stock of Minnesota certified growers, dealers, or both live plant dealers. An official
50.26 directory of certified nurseries and related nursery industry businesses from other states is
50.27 acceptable in lieu of individual nursery certificates.
- 50.28 Sec. 31. Minnesota Statutes 2022, section 18H.15, is amended to read:
- 50.29 **18H.15 VIOLATIONS.**
- 50.30 (a) A person who offers to distribute nursery stock that is uncertified, uninspected, or
50.31 falsely labeled or advertised possesses an illegal regulated commodity that is considered
50.32 infested or infected with harmful plant pests and subject to regulatory action and control.
51.1 If the commissioner determines that the provisions of this section have been violated, the
51.2 commissioner may order the destruction of all of the plants unless the person:
- 51.3 (1) provides proper phytosanitary preclearance, phytosanitary certification, or nursery
51.4 stock certification;
- 51.5 (2) agrees to have the plants, plant materials, or nursery stock returned to the consignor;
51.6 and
- 51.7 (3) provides proper documentation, certification, or compliance to support advertising
51.8 claims.
- 51.9 (b) The plant owner is liable for all costs associated with a withdrawal-from-distribution
51.10 order or the quarantine, treatment, or destruction of plants. The commissioner is not liable
51.11 for actual or incidental costs incurred by a person due to the commissioner's actions. The
51.12 commissioner must be reimbursed by the owner of the plants for the actual expenses incurred
51.13 in carrying out a withdrawal-from-distribution order or the quarantine, treatment, or
51.14 destruction of any plants.
- 51.15 (c) It is unlawful for a person to:
- 51.16 (1) misrepresent, falsify, or knowingly distribute, sell, advertise, or display damaged,
51.17 mislabeled, misrepresented, infested, or infected nursery stock;
- 51.18 (2) fail to obtain a nursery certificate as required by the commissioner;
- 51.19 (3) fail to renew a nursery certificate, but continue business operations;

- 51.20 (4) fail to display a nursery certificate;
- 51.21 (5) misrepresent or falsify a nursery certificate;
- 51.22 (6) refuse to submit to a nursery inspection;
- 51.23 (7) fail to provide the cooperation necessary to conduct a successful nursery inspection;
- 51.24 (8) offer for sale uncertified plants, plant materials, or nursery stock;
- 51.25 (9) possess an illegal regulated commodity;
- 51.26 (10) violate or disobey a commissioner's order;
- 51.27 (11) violate a quarantine issued by the commissioner;
- 51.28 (12) fail to obtain phytosanitary certification for plant material or nursery stock brought
- 51.29 into Minnesota;
- 52.1 (13) deface, mutilate, or destroy a nursery stock certificate, phytosanitary certificate, or
- 52.2 phytosanitary preclearance certificate, or other commissioner mark, permit, or certificate;
- 52.3 (14) fail to notify the commissioner of an uncertified shipment of plants, plant materials,
- 52.4 or nursery stock;
- 52.5 (15) transport uncertified plants, plant materials, or nursery stock in Minnesota; or
- 52.6 (16) sell nursery stock to an uncertified ~~nursery stock~~ live plant dealer who is required
- 52.7 to be certified.
- 52.8 Sec. 32. Minnesota Statutes 2022, section 18K.04, subdivision 1, is amended to read:
- 52.9 Subdivision 1. **Requirement; issuance; presumption.** (a) A person must obtain a license
- 52.10 from the commissioner before (1) growing industrial hemp ~~for commercial or research~~
- 52.11 ~~purposes, and (2) before processing industrial hemp for commercial purposes, or (3)~~
- 52.12 ~~researching industrial hemp.~~
- 52.13 (b) To obtain a license under paragraph (a), a person must apply to the commissioner
- 52.14 in the form prescribed by the commissioner and must pay the annual registration and
- 52.15 inspection fee established by the commissioner in accordance with section 16A.1285,
- 52.16 subdivision 2.
- 52.17 (c) For a license to grow industrial hemp ~~for commercial or research purposes~~, the license
- 52.18 application must include the name and address of the applicant and the legal description of
- 52.19 the land area or areas where industrial hemp will be grown by the applicant and any other
- 52.20 information required under Code of Federal Regulations, title 7, part 990.
- 52.21 (d) For a license to process industrial hemp ~~for commercial purposes~~, the license
- 52.22 application must include the name and address of the applicant, the legal description of the
- 52.23 processing location, and any other information required by the commissioner.

52.24 (e) A licensee is responsible for compliance with the license requirements irrespective
52.25 of the acts or omissions of an authorized representative acting on behalf of the licensee.

52.26 (f) When an applicant has paid the fee and completed the application process to the
52.27 satisfaction of the commissioner, the commissioner must issue a license which is valid until
52.28 December 31 of the year of application.

52.29 (g) A person licensed under paragraph (a) to grow industrial hemp is presumed to be
52.30 growing industrial hemp for commercial or research purposes.

53.1 Sec. 33. Minnesota Statutes 2022, section 18K.04, subdivision 2, is amended to read:

53.2 Subd. 2. **Background check; data classification.** The commissioner must require each
53.3 first-time applicant for a license to submit to a background investigation conducted by the
53.4 Bureau of Criminal Apprehension as a condition of licensure. Any first-time authorized
53.5 representatives designated by the applicant must also submit to a background investigation.
53.6 As part of the background investigation, the Bureau of Criminal Apprehension must conduct
53.7 criminal history checks of Minnesota records and is authorized to exchange fingerprints
53.8 with the United States Department of Justice, Federal Bureau of Investigation for the purpose
53.9 of a criminal background check of the national files. The cost of the investigation must be
53.10 paid by the applicant. Criminal history records provided to the commissioner under this
53.11 section must be treated as private data on individuals, as defined in section 13.02, subdivision
53.12 12.

53.13 Sec. 34. Minnesota Statutes 2022, section 18K.06, is amended to read:

53.14 **18K.06 RULEMAKING.**

53.15 (a) The commissioner shall adopt rules governing the production, testing, processing,
53.16 and licensing of industrial hemp. ~~Notwithstanding section 14.125, the commissioner's~~
53.17 ~~authority to adopt these rules expires June 30, 2022.~~ Notwithstanding the two-year limitation
53.18 for exempt rules under section 14.388, subdivision 1, Minnesota Rules, chapter 1565,
53.19 published in the State Register on August 16, 2021, is effective until August 16, 2025, or
53.20 until permanent rules implementing chapter 18K are adopted, whichever occurs first.

53.21 (b) Rules adopted under paragraph (a) must include; but not be limited to; provisions
53.22 governing:

53.23 (1) the supervision and inspection of industrial hemp during its growth and harvest;

53.24 (2) the testing of industrial hemp to determine delta-9 tetrahydrocannabinol levels;

53.25 (3) the use of background check results required under section 18K.04 to approve or
53.26 deny a license application; and

53.27 (4) any other provision or procedure necessary to carry out the purposes of this chapter.

53.28 (c) Rules issued under this section must be consistent with federal law regarding the
53.29 production, distribution, and sale of industrial hemp.

54.1 Sec. 35. **[18K.10] HEMP FIBER PROCESSING EQUIPMENT GRANTS.**

54.2 The commissioner must award grants to licensed processors that increase the state's
54.3 capacity to process industrial hemp fiber. Grants are limited to no more than \$200,000 of
54.4 processing equipment and reasonable equipment installation costs per processing location.
54.5 A licensed processor must match the grant with other funding equal to at least 25 percent
54.6 of the grant amount.

54.7 Sec. 36. Minnesota Statutes 2022, section 25.39, subdivision 1, is amended to read:

54.8 Subdivision 1. **Amount of fee.** (a) An inspection fee at the rate of 16 cents per ton must
54.9 be paid to the commissioner on commercial feeds distributed in this state by the person who
54.10 first distributes the commercial feed, except that:

54.11 (1) no fee need be paid on any feed ingredient in a customer formula feed that has been
54.12 directly furnished by the customer; or

54.13 (2) no fee need be paid on a first distribution if made to a qualified buyer who, with
54.14 approval from the commissioner, is responsible for the fee. Such license-specific
54.15 tonnage-fee-exemption permits shall be issued on a calendar year basis to commercial feed
54.16 licensees who distribute feed or feed ingredients outside the state, and who submit a \$100
54.17 nonrefundable application fee and comply with rules adopted by the commissioner relative
54.18 to record keeping, tonnage of commercial feed distributed in Minnesota, total of all
54.19 commercial feed tonnage distributed, and all other information which the commissioner
54.20 may require so as to ensure that proper inspection fee payment has been made.

54.21 (b) In the case of pet food or specialty pet food distributed in the state only in packages
54.22 of ten pounds or less, a distributor must register each product and submit a current label for
54.23 each product annually on forms provided by the commissioner, accompanied by an annual
54.24 application fee of \$100 for each product in lieu of the inspection fee, and within five business
54.25 days, submit a current label for each product upon the request of the commissioner. This
54.26 annual fee must be received by the commissioner on or before June 30 or postmarked on
54.27 or before June 30. The inspection fee required by paragraph (a) applies to pet food or
54.28 specialty pet food distributed in packages exceeding ten pounds.

54.29 (c) The minimum inspection fee is \$75 per annual reporting period.

55.1 Sec. 37. Minnesota Statutes 2022, section 28A.08, is amended by adding a subdivision to
55.2 read:

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

37.20 Sec. 4. Minnesota Statutes 2022, section 28A.152, subdivision 2, is amended to read:

37.21 Subd. 2. **Direct sales to consumers.** (a) An individual qualifying for an exemption under

37.22 subdivision 1 may sell the exempt food:

37.23 (1) directly to the ultimate consumer, including but not limited to at a community event

37.24 or farmers' market;

55.8 Sec. 38. Minnesota Statutes 2022, section 28A.082, subdivision 1, is amended to read:

55.9 Subdivision 1. **Fees; application.** (a) The fees for review of food handler facility floor

55.10 plans under the Minnesota Food Code are based upon the square footage of the structure

55.11 being newly constructed, remodeled, or converted. The fees for the review shall be:

55.12	square footage	review fee
55.13	0 - 4,999 999.....	\$ 200.00
55.14	1,000 - 4,999.....	\$ 400.00
55.15		275.00
55.16	5,000 - 24,999.....	\$ 800.00
55.17		425.00
55.18	25,000 plus.....	\$ 1,000.00

55.19 (b) The applicant must submit the required fee, review application, plans, equipment

55.20 specifications, materials lists, and other required information on forms supplied by the

55.21 department at least 30 days prior to commencement of construction, remodeling, or

55.22 conversion. The commissioner may waive this fee after determining that the facility's

55.23 principal mode of business is not the sale of food and that the facility sells only prepackaged

55.24 foods.

55.25 (c) The fee for a remodel of a licensed food establishment by the license holder is based

55.26 on the total square footage in paragraph (a) of the remodeled food preparation, service,

55.27 display, and storage areas only. This paragraph does not apply to a retail food handler who

55.28 is applying for a new license that includes the conversion of an existing building or structure

55.29 that was previously licensed as a food establishment.

55.30 Sec. 39. Minnesota Statutes 2022, section 28A.09, is amended by adding a subdivision to

55.31 read:

55.32 Subd. 3. **Vending machine inspection account; appropriation.** A vending machine

55.33 inspection account is established in the agricultural fund. Fees paid under subdivision 1

56.1 must be deposited in this account. Money in the account, including interest, is appropriated

56.2 to the commissioner for expenses relating to identifying and inspecting food vending

56.3 machines under chapters 28 to 34A or rules adopted under one of those chapters.

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

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

37.29 (b) If an exempt food product will be delivered to the ultimate consumer upon sale of
37.30 the food product, the individual who prepared the food product ~~must be the person who~~
37.31 ~~delivers the food product to the ultimate consumer~~ may deliver the food, and the food product
37.32 may be delivered by mail or commercial delivery.

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

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

56.4 Sec. 40. Minnesota Statutes 2022, section 35.02, subdivision 1, is amended to read:

56.5 Subdivision 1. **Members; officers.** The board has ~~six~~ 11 members appointed by the
56.6 governor with the advice and consent of the senate, four of whom are producers of livestock
56.7 in the state and at least one of the four livestock producers is also a member of a federally
56.8 recognized Tribe located in Minnesota, and two of whom are practicing veterinarians licensed
56.9 in Minnesota two at-large members, one member who is a member of a federally recognized
56.10 Tribe located in Minnesota, and eight regional members, with no two regional members
56.11 residing in the same congressional district. To the extent practicable, the governor's
56.12 appointments must achieve gender balance among the board membership. Members must
56.13 be knowledgeable in animal agriculture, animal health, or pets and companion animals,
56.14 with at least two members who represent the public and are not employed in agriculture,
56.15 veterinary medicine, the pet industry, or a related field. The commissioners of agriculture,
56.16 natural resources, and health, the dean of the College of Veterinary Medicine, and the
56.17 director of the Veterinary Diagnostic Laboratory of the University of Minnesota ~~may~~ shall
56.18 serve as consultants to the board without vote. Appointments to fill unexpired terms must
56.19 be made from the classes to which the retiring members belong. The board shall elect a
56.20 president and a vice-president from among its members ~~and~~. The governor shall appoint a
56.21 veterinarian licensed in Minnesota who is not a member to be ~~its~~ the board's executive
56.22 director for a term of one year and until a successor qualifies. The board shall set the duties
56.23 of the director.

56.24 **EFFECTIVE DATE.** This section is effective July 1, 2023, and applies to appointments
56.25 that occur on or after that date.

38.7 Sec. 5. Minnesota Statutes 2022, section 41A.14, subdivision 2, is amended to read:

38.8 Subd. 2. **Advisory panel.** (a) In awarding grants under this section, the commissioner

38.9 and a representative of the College of Food, Agricultural and Natural Resource Sciences at

38.10 the University of Minnesota must consult with an advisory panel consisting of the following

38.11 stakeholders:

38.12 (1) a representative of the Minnesota State Colleges and Universities system;

38.13 (2) a representative of the Minnesota Farm Bureau;

56.26 Sec. 41. Minnesota Statutes 2022, section 35.05, is amended to read:

56.27 **35.05 AUTHORITY OF STATE BOARD.**

56.28 (a) The state board may quarantine or kill any domestic animal infected with, or which

56.29 has been exposed to, a contagious or infectious dangerous disease if it is necessary to protect

56.30 the health of the domestic animals of the state.

56.31 (b) The board may regulate or prohibit the arrival in and departure from the state of

56.32 infected or exposed animals and, in case of violation of any rule or prohibition, may detain

57.1 any animal at its owner's expense. The board may regulate or prohibit the importation of

57.2 domestic animals which, in its opinion, may injure the health of Minnesota livestock.

57.3 (c) When the governor declares an emergency under section 35.0661, the board, through

57.4 its executive director, may assume control of such resources within the University of

57.5 Minnesota's Veterinary Diagnostic Laboratory as necessary to effectively address the disease

57.6 outbreak. The director of the laboratory and other laboratory personnel must cooperate fully

57.7 in performing necessary functions related to the outbreak or threatened outbreak.

57.8 (d) The board may test or require tests of any bovine or cervidae in the state when the

57.9 board deems it necessary to achieve or maintain bovine tuberculosis accredited free state

57.10 or zone status under the regulations and laws administered by the United States Department

57.11 of Agriculture.

57.12 (e) Notwithstanding section 3.3005, subdivision 2, the board may apply for, receive,

57.13 and disburse federal money made available to the state for animal disease response. All

57.14 federal money received by the board for this purpose must be deposited in the state treasury

57.15 and, ~~except as provided in section 35.156, subdivision 2,~~ is appropriated to the board for

57.16 the purposes for which it was received. By January 15 each year, the board must report to

57.17 the senate Committee on Finance, the house of representatives Committee on Ways and

57.18 Means, and the legislative committees with jurisdiction over the board's operating budget

57.19 regarding the amount of federal money received and spent in the previous fiscal year under

57.20 this paragraph and the board's use of these funds.

57.21 Sec. 42. Minnesota Statutes 2022, section 41A.12, subdivision 4, is amended to read:

57.22 Subd. 4. **Sunset.** This section expires on June 30, ~~2025~~ 2035.

38.14 (3) a representative of the Minnesota Farmers Union;
38.15 (4) a person representing agriculture industry statewide;
38.16 (5) a representative of each of the state commodity councils organized under section
38.17 17.54 and the Minnesota Pork Board;
38.18 (6) a person representing an association of primary manufacturers of forest products;
38.19 (7) a person representing organic or sustainable agriculture; ~~and~~
38.20 (8) a person representing statewide environment and natural resource conservation
38.21 organizations; and
38.22 (9) a person representing the interests of Minnesota Tribal governments as defined in
38.23 section 10.65, subdivision 2, paragraph (a), clause (4).
38.24 (b) Members under paragraph (a), clauses (1) to (3) and (5), shall be chosen by their
38.25 respective organizations. The member under paragraph (a), clause (9), may be appointed
38.26 by the Minnesota Indian Affairs Council at the council's discretion.

57.23 Sec. 43. Minnesota Statutes 2022, section 41A.16, subdivision 1, is amended to read:

57.24 Subdivision 1. ~~Eligibility for participants on or before April 1, 2023.~~ (a) A facility
57.25 eligible for payment under this section must source from Minnesota at least 80 percent of
57.26 the biomass used to produce an advanced biofuel, except that, if a facility is sited 50 miles
57.27 or less from the state border, biomass used to produce an advanced biofuel may be sourced
57.28 from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from
57.29 within a 100-mile radius of the facility or from within Minnesota. The facility must be
57.30 located in Minnesota, must begin production at a specific location on or before ~~April 1, June~~
57.31 ~~30, 2023~~, and must not begin operating above 23,750 MMBtu of quarterly advanced biofuel
57.32 production before July 1, 2015. Eligible facilities include existing companies and facilities
57.33 that are adding advanced biofuel production capacity, or retrofitting existing capacity, as
58.1 well as new companies and facilities. Production of conventional corn ethanol and
58.2 conventional biodiesel is not eligible. Eligible advanced biofuel facilities must produce at
58.3 least 1,500 MMBtu of advanced biofuel quarterly.

58.4 (b) No payments shall be made for advanced biofuel production that occurs after June
58.5 30, 2035, for those eligible biofuel producers under paragraph (a).

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

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

58.10 (e) Renewable chemical production for which payment has been received under section
58.11 41A.17, and biomass thermal production for which payment has been received under section
58.12 41A.18, are not eligible for payment under this section.

58.13 (f) Biobutanol is eligible under this section.

58.14 **EFFECTIVE DATE.** This section is effective retroactively from March 31, 2023.

58.15 Sec. 44. Minnesota Statutes 2022, section 41A.16, subdivision 2, is amended to read:

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

58.21 (b) Total payments under this section to an eligible biofuel producer in a fiscal year may
58.22 not exceed the amount necessary for 2,850,000 MMBtu of biofuel production. Total payments
58.23 under this section to all eligible biofuel producers in a fiscal year may not exceed the amount
58.24 necessary for 17,100,000 MMBtu of biofuel production. If the total amount for which all
58.25 producers are eligible in a quarter exceeds the amount available for payments, the
58.26 commissioner shall make the payments on a pro rata basis. An eligible producer may reapply
58.27 for payment of, and the commissioner must pay, the difference between a claim for payment
58.28 filed under subdivision 6 and the pro rata amount received:

58.29 (1) until the full amount of the original claim is paid; and

58.30 (2) subject to available money appropriated for the express purpose of paying claims
58.31 not otherwise paid.

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

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

59.5 Sec. 45. Minnesota Statutes 2022, section 41A.17, subdivision 1, is amended to read:

59.6 Subdivision 1. ~~Eligibility for participants on or before April 1, 2023.~~ (a) A facility
59.7 eligible for payment under this section must source from Minnesota at least 80 percent of
59.8 the biomass used to produce a renewable chemical, except that, if a facility is sited 50 miles
59.9 or less from the state border, biomass used to produce a renewable chemical may be sourced
59.10 from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from
59.11 within a 100-mile radius of the facility or from within Minnesota. The facility must be
59.12 located in Minnesota, must begin production at a specific location on or before ~~April 1~~ June
59.13 30, 2023, and must not begin production of 250,000 pounds of chemicals quarterly before
59.14 January 1, 2015. Eligible facilities include existing companies and facilities that are adding
59.15 production capacity, or retrofitting existing capacity, as well as new companies and facilities.

- 59.16 Eligible renewable chemical facilities must produce at least 250,000 pounds of renewable
59.17 chemicals quarterly. Renewable chemicals produced through processes that are fully
59.18 commercial before January 1, 2000, are not eligible.
- 59.19 (b) No payments shall be made for renewable chemical production that occurs after June
59.20 30, 2035, for those eligible renewable chemical producers under paragraph (a).
- 59.21 (c) An eligible producer of renewable chemicals shall not transfer the producer's eligibility
59.22 for payments under this section to a renewable chemical facility at a different location.
- 59.23 (d) A producer that ceases production for any reason is ineligible to receive payments
59.24 under this section until the producer resumes production.
- 59.25 (e) Advanced biofuel production for which payment has been received under section
59.26 41A.16, and biomass thermal production for which payment has been received under section
59.27 41A.18, are not eligible for payment under this section.
- 59.28 **EFFECTIVE DATE.** This section is effective retroactively from March 31, 2023.
- 59.29 Sec. 46. Minnesota Statutes 2022, section 41A.17, subdivision 2, is amended to read:
- 59.30 Subd. 2. **Payment amounts; bonus; limits.** (a) The commissioner shall make payments
59.31 to eligible producers of renewable chemicals located in the state. The amount of the payment
59.32 for each producer's annual production is \$0.03 per pound of sugar-derived renewable
60.1 chemical, \$0.03 per pound of cellulosic sugar, starch, oil, or animal fat, and \$0.06 per pound
60.2 of cellulosic-derived renewable chemical produced at a specific location for ten years after
60.3 the start of production.
- 60.4 (b) An eligible facility producing renewable chemicals using agricultural cellulosic
60.5 biomass is eligible for a 20 percent bonus payment for each pound produced from agricultural
60.6 biomass that is derived from perennial crop or cover crop biomass.
- 60.7 (c) Total payments under this section to an eligible renewable chemical producer in a
60.8 fiscal year may not exceed the amount necessary for 99,999,999 pounds of renewable
60.9 chemical production. Total payments under this section to all eligible renewable chemical
60.10 producers in a fiscal year may not exceed the amount necessary for 599,999,999 pounds of
60.11 renewable chemical production. If the total amount for which all producers are eligible in
60.12 a quarter exceeds the amount available for payments, the commissioner shall make the
60.13 payments on a pro rata basis. An eligible producer may reapply for payment of, and the
60.14 commissioner must pay, the difference between a claim for payment filed under subdivision
60.15 5 and the pro rata amount received:
- 60.16 (1) until the full amount of the original claim is paid; and
- 60.17 (2) subject to available money appropriated for the express purpose of paying claims
60.18 not otherwise paid.

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

60.22 (e) For purposes of this section, an entity that holds a controlling interest in more than
60.23 one renewable chemical production facility is considered a single eligible producer.

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

60.26 Sec. 47. Minnesota Statutes 2022, section 41A.18, subdivision 1, is amended to read:

60.27 Subdivision 1. ~~Eligibility for participants on or before April 1, 2023.~~ (a) A facility
60.28 eligible for payment under this section must source from Minnesota at least 80 percent of
60.29 the biomass used for biomass thermal production, except that, if a facility is sited 50 miles
60.30 or less from the state border, biomass used for biomass thermal production may be sourced
60.31 from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from
60.32 within a 100-mile radius of the facility, or from within Minnesota. Biomass must be from
60.33 agricultural or forestry sources. The facility must be located in Minnesota, must have begun
61.1 production at a specific location on or before ~~April 1~~ June 30, 2023, and must not begin
61.2 before July 1, 2015. Eligible facilities include existing companies and facilities that are
61.3 adding production capacity, or retrofitting existing capacity, as well as new companies and
61.4 facilities. Eligible biomass thermal production facilities must produce at least 250 MMBtu
61.5 of biomass thermal quarterly.

61.6 (b) No payments shall be made for biomass thermal production that occurs after June
61.7 30, 2035, for those eligible biomass thermal producers under paragraph (a).

61.8 (c) An eligible producer of biomass thermal production shall not transfer the producer's
61.9 eligibility for payments under this section to a biomass thermal production facility at a
61.10 different location.

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

61.13 (e) Biofuel production for which payment has been received under section 41A.16, and
61.14 renewable chemical production for which payment has been received under section 41A.17,
61.15 are not eligible for payment under this section.

61.16 **EFFECTIVE DATE.** This section is effective retroactively from March 31, 2023.

61.17 Sec. 48. Minnesota Statutes 2022, section 41A.18, subdivision 2, is amended to read:

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

38.27 Sec. 6. Minnesota Statutes 2022, section 41A.19, is amended to read:

38.28 **41A.19 REPORT; INCENTIVE PROGRAMS.**

38.29 By January 15 each year, the commissioner shall report on the incentive programs under
38.30 sections 41A.16, 41A.17, 41A.18, and 41A.20, and 41A.21 to the legislative committees
39.1 with jurisdiction over environment and agriculture policy and finance. The report shall
39.2 include information on production and incentive expenditures under the programs.

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

61.25 (c) Total payments under this section to an eligible thermal producer in a fiscal year
61.26 may not exceed the amount necessary for 30,000 MMBtu of thermal production. Total
61.27 payments under this section to all eligible thermal producers in a fiscal year may not exceed
61.28 the amount necessary for 150,000 MMBtu of total thermal production. If the total amount
61.29 for which all producers are eligible in a quarter exceeds the amount available for payments,
61.30 the commissioner shall make the payments on a pro rata basis. An eligible producer may
61.31 reapply for payment of, and the commissioner must pay, the difference between a claim for
61.32 payment filed under subdivision 5 and the pro rata amount received:

62.1 (1) until the full amount of the original claim is paid; and

62.2 (2) subject to available money appropriated for the express purpose of paying claims
62.3 not otherwise paid.

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

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

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

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

62.16 Sec. 49. Minnesota Statutes 2022, section 41A.19, is amended to read:

62.17 **41A.19 REPORT; INCENTIVE PROGRAMS.**

62.18 By January 15 each year, the commissioner shall report on the incentive programs under
62.19 sections 41A.16, 41A.17, 41A.18, 41A.20, and 41A.21 to the legislative committees with
62.20 jurisdiction over environment policy and finance and agriculture policy and finance. The
62.21 report shall include information on production and incentive expenditures under the
62.22 programs, as well as the following information that the commissioner must require of each
62.23 producer who receives a payment during the reporting period:

62.24 (1) the producer's business structure;

39.3 Sec. 7. Minnesota Statutes 2022, section 223.16, is amended by adding a subdivision to
39.4 read:

39.5 Subd. 3c. **Failure.** "Failure" means a determination by the commissioner that a grain
39.6 buyer or grain warehouse has failed to pay for delivered grain, breached a contract, breached
39.7 more than one contract, or failed to redeliver stored grain to a producer.

39.8 Sec. 8. Minnesota Statutes 2022, section 223.17, subdivision 6, is amended to read:

39.9 Subd. 6. **Financial statements.** (a) Except as allowed in paragraph (c), a grain buyer
39.10 licensed under this chapter must annually submit to the commissioner a financial statement
39.11 prepared in accordance with ~~generally accepted accounting principles~~ national or international
39.12 accounting standards. The annual financial statement required under this subdivision must
39.13 also:

39.14 (1) include, but not be limited to the following:

39.15 (i) a balance sheet;

39.16 (ii) a statement of income (profit and loss);

39.17 (iii) a statement of retained earnings;

39.18 (iv) a statement of changes in financial position; and

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

62.26 (3) a cumulative list of all financial assistance received from all public grantors for the
62.27 project;

62.28 (4) goals for the number of jobs created and progress in achieving these goals, which
62.29 may include separate goals for the number of part-time or full-time jobs, or, in cases where
62.30 job loss is specific and demonstrable, goals for the number of jobs retained;

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

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

63.3 (7) board member and executive compensation;

63.4 (8) evidence of compliance with environmental permits;

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

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

63.10 Sec. 50. Minnesota Statutes 2022, section 223.16, is amended by adding a subdivision to
63.11 read:

63.12 Subd. 3c. **Failure.** "Failure" means a determination by the commissioner that a grain
63.13 buyer or public grain warehouse operator has failed to pay for delivered grain, breached a
63.14 contract, breached more than one contract, or failed to redeliver stored grain to a producer.

39.19 (v) a statement of the dollar amount of grain purchased in the previous fiscal year of the
39.20 grain buyer;

39.21 (2) be accompanied by a ~~compilation~~ report of the financial statement that is prepared
39.22 by a grain commission firm or a management firm approved by the commissioner or by an
39.23 independent public accountant, in accordance with standards established by the American
39.24 Institute of Certified Public Accountants; and

39.25 (3) be accompanied by a certification by the chief executive officer or the chief executive
39.26 officer's designee of the licensee, and where applicable, all members of the governing board
39.27 of directors under penalty of perjury, that the financial statement accurately reflects the
39.28 financial condition of the licensee for the period specified in the statement;

39.29 (4) for grain buyers purchasing under \$7,500,000 of grain annually, be reviewed by a
39.30 certified public accountant in accordance with standards established by the American Institute
40.1 of Certified Public Accountants, and must show that the financial statements are free from
40.2 material misstatements; and

40.3 (5) for grain buyers purchasing \$7,500,000 or more of grain annually, be audited by a
40.4 certified public accountant in accordance with standards established by the American Institute
40.5 of Certified Public Accountants and must include an opinion statement from the certified
40.6 public accountant.

40.7 (b) Only one financial statement must be filed for a chain of warehouses owned or
40.8 operated as a single business entity, unless otherwise required by the commissioner. All
40.9 financial statements filed with the commissioner are private or nonpublic data as provided
40.10 in section 13.02.

40.11 (c) A grain buyer who purchases grain immediately upon delivery solely with cash; a
40.12 certified check; a cashier's check; or a postal, bank, or express money order is exempt from
40.13 this subdivision if the grain buyer's gross annual purchases are \$1,000,000 or less.

40.14 (d) The commissioner shall annually provide information on a person's fiduciary duties
40.15 to each licensee. To the extent practicable, the commissioner must direct each licensee to
40.16 provide this information to all persons required to certify the licensee's financial statement
40.17 under paragraph (a), clause (3).

40.18 Sec. 9. Minnesota Statutes 2022, section 223.17, subdivision 7, is amended to read:

40.19 Subd. 7. ~~Action on a bond~~ **Breach of contract.** A producer claiming to be damaged
40.20 by a breach of a contract for the purchase of grain by a ~~licensed~~ grain buyer may file a
40.21 written claim with the commissioner. The claim must state the facts constituting the claim.
40.22 ~~The claim must be filed with the commissioner within 180 days of the breach of the contract.~~
40.23 If a claim is valid, the commissioner may immediately suspend the license, in which case
40.24 the licensee shall surrender the license to the commissioner. Within 15 days the licensee
40.25 may request an administrative hearing subject to chapter 14 to determine whether the license

63.15 Sec. 51. Minnesota Statutes 2022, section 223.17, subdivision 7, is amended to read:

63.16 Subd. 7. ~~Action on a bond~~ **Breach of contract.** A producer claiming to be damaged
63.17 by a breach of a contract for the purchase of grain by a ~~licensed~~ grain buyer may file a
63.18 written claim with the commissioner. The claim must state the facts constituting the claim.
63.19 ~~The claim must be filed with the commissioner within 180 days of the breach of the contract.~~
63.20 If a claim is valid, the commissioner may immediately suspend the license, in which case
63.21 the licensee shall surrender the license to the commissioner. Within 15 days the licensee
63.22 may request an administrative hearing subject to chapter 14 to determine whether the license

40.26 should be revoked. If no request is made within 15 days, the commissioner shall revoke the
40.27 license.

40.28 Sec. 10. Minnesota Statutes 2022, section 223.17, subdivision 7a, is amended to read:

40.29 Subd. 7a. **Bond requirements; claims.** For entities licensed under this chapter and
40.30 chapter 232, the bond requirements and ~~claims~~ actions against the bond are governed under
40.31 section ~~232.22, subdivision 6a~~ 223.28.

41.1 Sec. 11. Minnesota Statutes 2022, section 223.175, is amended to read:

41.2 **223.175 WRITTEN VOLUNTARY EXTENSION OF CREDIT CONTRACTS;**
41.3 **FORM.**

41.4 A written confirmation required under section 223.177, subdivision 2, and a written
41.5 voluntary extension of credit contract must include those items prescribed by the
41.6 commissioner by rule. A contract shall include a statement of the legal and financial
41.7 responsibilities of grain buyers and sellers established in this chapter. A contract shall also
41.8 include the following statement in not less than ten point, all capital type, framed in a box
41.9 with space provided for the seller's signature: "THIS CONTRACT CONSTITUTES A
41.10 VOLUNTARY EXTENSION OF CREDIT. ~~THIS CONTRACT IS NOT COVERED BY~~
41.11 ~~ANY GRAIN BUYER'S BOND MAY NOT BE COVERED COMPLETELY BY THE~~
41.12 GRAIN INDEMNITY ACCOUNT." If a written contract is provided at the time the grain
41.13 is delivered to the grain buyer, the seller shall sign the contract in the space provided beneath
41.14 the statement. A transaction that does not meet the provisions of a voluntary extension of
41.15 credit, including the issuance and signing of a voluntary extension of credit contract, is a
41.16 cash sale.

41.17 Sec. 12. Minnesota Statutes 2022, section 223.19, is amended to read:

41.18 **223.19 RULES.**

41.19 The commissioner may make rules pursuant to chapter 14 to carry out the provisions of
41.20 sections 223.15 to ~~223.23~~ 223.28.

41.21 Sec. 13. **[223.24] GRAIN INDEMNITY ACCOUNT.**

41.22 Subdivision 1. **Establishment.** The grain indemnity account is established ~~in~~ under the
41.23 agricultural fund. The grain indemnity account shall consist of grain indemnity premiums,
41.24 money from any other source, and interest.

41.25 Subd. 2. **Account; appropriation.** (a) Money in the grain indemnity account, including
41.26 interest, is appropriated to the commissioner to pay valid claims and to administer this
41.27 section.

41.28 (b) The commissioner shall direct payments from the grain indemnity account only for
41.29 the following purposes:

63.23 should be revoked. If no request is made within 15 days, the commissioner shall revoke the
63.24 license.

63.25 Sec. 52. Minnesota Statutes 2022, section 223.17, subdivision 7a, is amended to read:

63.26 Subd. 7a. **Bond requirements; claims.** For entities licensed under this chapter and
63.27 chapter 232, the bond requirements and ~~claims~~ actions against the bond are governed under
63.28 section ~~232.22, subdivision 6a~~ 223.24, subdivision 13.

64.1 Sec. 53. Minnesota Statutes 2022, section 223.175, is amended to read:

64.2 **223.175 WRITTEN VOLUNTARY EXTENSION OF CREDIT CONTRACTS;**
64.3 **FORM.**

64.4 A written confirmation required under section 223.177, subdivision 2, and a written
64.5 voluntary extension of credit contract must include those items prescribed by the
64.6 commissioner by rule. A contract shall include a statement of the legal and financial
64.7 responsibilities of grain buyers and sellers established in this chapter. A contract shall also
64.8 include the following statement in not less than ten point, all capital type, framed in a box
64.9 with space provided for the seller's signature: "THIS CONTRACT CONSTITUTES A
64.10 VOLUNTARY EXTENSION OF CREDIT. ~~THIS CONTRACT IS NOT COVERED BY~~
64.11 ~~ANY GRAIN BUYER'S BOND MAY NOT BE COVERED COMPLETELY BY THE~~
64.12 GRAIN INDEMNITY ACCOUNT." If a written contract is provided at the time the grain
64.13 is delivered to the grain buyer, the seller shall sign the contract in the space provided beneath
64.14 the statement. A transaction that does not meet the provisions of a voluntary extension of
64.15 credit, including the issuance and signing of a voluntary extension of credit contract, is a
64.16 cash sale.

64.17 Sec. 54. Minnesota Statutes 2022, section 223.19, is amended to read:

64.18 **223.19 RULES.**

64.19 The commissioner may make rules pursuant to chapter 14 to carry out the provisions of
64.20 sections 223.15 to ~~223.23~~ 223.24.

64.21 Sec. 55. **[223.24] GRAIN INDEMNITY ACCOUNT.**

64.22 Subdivision 1. **Establishment.** The grain indemnity account is established ~~under~~ in the
64.23 direction and control of the commissioner of agriculture. The grain indemnity account shall
64.24 consist of grain indemnity premiums, money from any other source, and interest.

64.25 Subd. 2. **Account; appropriation.** (a) A grain indemnity account is established in the
64.26 agricultural fund. Money in the grain indemnity account, including interest, is appropriated
64.27 to the commissioner to pay valid claims and to administer this section.

64.28 (b) The commissioner shall direct payments from the grain indemnity account only for
64.29 the following purposes:

41.30 (1) the payment of valid claims;
41.31 (2) the payment of grain indemnity premium refunds;
42.1 (3) the payment of administrative expenses under paragraph (c);
42.2 (4) the payment of legal fees and legal expenses under subdivision 7; or
42.3 (5) the payment of a trustee appointed under subdivision 6.
42.4 (c) The commissioner shall allocate money from the grain indemnity account to a separate
42.5 administrative expenses account to pay or reimburse the agency for grain indemnity account
42.6 expenses. Administrative expenses under this paragraph include the actual cost of processing
42.7 payments and refunds, enforcement, record keeping, ordinary management and investment
42.8 fees connected with the operation of the grain indemnity account, and legal expenses.
42.9 Subd. 3. **Eligibility.** A producer is eligible to receive a grain indemnity payment from
42.10 the commissioner if the producer sold grain to a grain buyer as defined in this chapter or
42.11 stored grain with a public grain warehouse operator under chapter 232 and the producer is
42.12 damaged by the grain buyer's or public grain warehouse operator's failure to pay for or
42.13 redeliver grain.
42.14 Subd. 4. **Application.** (a) A producer asserting eligibility under subdivision 3 must file
42.15 a completed claim with the commissioner. The producer must state the facts constituting
42.16 the claim and all other information required by the commissioner.
42.17 (b) Upon receiving a claim, the commissioner must promptly determine the validity of
42.18 the claim and notify the claimant of the commissioner's determination.
42.19 (c) An aggrieved party may appeal the commissioner's determination by requesting,
42.20 within 15 days, that the commissioner initiate a contested case proceeding under chapter
42.21 14.
42.22 Subd. 5. **Payment limitation.** (a) For each failure as defined by section 223.16,
42.23 subdivision 3c, the commissioner must pay the eligible producer:
42.24 (1) the amount equal to the value of the grain sold on cash sale, grain assigned to
42.25 warehouse receipt, or grain assigned to open storage less than 180 days from the deposit;
42.26 (2) the amount equal to the value of grain sold up to \$200,000, or the lesser of \$750,000
42.27 or 75 percent of the amount owed to the seller for a contract in excess of \$200,000 for a
42.28 deferred or delayed payment contract for which a price has been established when the
42.29 contract originated within 120 days of the breach of contract;
42.30 (3) the lesser of \$750,000 or 75 percent of the amount owed to the seller for a voluntary
42.31 extension of credit contract for which no price has been established when the contract
42.32 originated within 180 days of the breach of contract;

64.30 (1) the payment of valid claims;
64.31 (2) the payment of grain indemnity premium refunds;
65.1 (3) the payment of administrative expenses under paragraph (c);
65.2 (4) the payment of legal fees and legal expenses under subdivision 7; or
65.3 (5) the payment of a trustee appointed under subdivision 6.
65.4 (c) The commissioner shall allocate money from the grain indemnity account to a separate
65.5 administrative expenses account to pay or reimburse the agency for grain indemnity account
65.6 expenses. Administrative expenses under this paragraph include the actual cost of processing
65.7 payments and refunds, enforcement, record keeping, ordinary management and investment
65.8 fees connected with the operation of the grain indemnity account, and legal expenses.
65.9 Subd. 3. **Eligibility.** A producer is eligible to receive a grain indemnity payment from
65.10 the commissioner if the producer sold grain to a grain buyer as defined in this chapter or
65.11 stored grain with a public grain warehouse operator under chapter 232 and the producer is
65.12 damaged by the grain buyer's or public grain warehouse operator's failure to pay for or
65.13 redeliver grain.
65.14 Subd. 4. **Application.** (a) A producer asserting eligibility under subdivision 3 must file
65.15 a completed claim with the commissioner. The producer must state the facts constituting
65.16 the claim and all other information required by the commissioner.
65.17 (b) Upon receiving a claim, the commissioner must promptly determine the validity of
65.18 the claim and notify the claimant of the commissioner's determination.
65.19 (c) An aggrieved party may appeal the commissioner's determination by requesting,
65.20 within 15 days, that the commissioner initiate a contested case proceeding under chapter
65.21 14.
65.22 Subd. 5. **Payment limitation.** (a) For each failure as defined by section 223.16,
65.23 subdivision 3c, the commissioner must pay the eligible producer:
65.24 (1) the amount equal to the value of the grain sold on cash sale, grain assigned to
65.25 warehouse receipt, or grain assigned to open storage less than 180 days from the deposit;
65.26 (2) the amount equal to the value of grain sold up to \$300,000, or the lesser of \$750,000
65.27 or 75 percent of the amount owed to the seller for a contract in excess of \$300,000 for a
65.28 deferred or delayed payment contract for which a price has been established when the
65.29 contract originated within 120 days of the breach of contract;
65.30 (3) the lesser of \$750,000 or 75 percent of the amount owed to the seller for a voluntary
65.31 extension of credit contract for which no price has been established when the contract
65.32 originated within 180 days of the breach of contract;

43.1 (4) the lesser of \$500,000 or 50 percent for an open storage assignment or a voluntary
43.2 extension of credit contract when the open storage assignment or contract originated between
43.3 181 days and 18 months from the failure; or

43.4 (5) the lesser of \$250,000 or 25 percent for an open storage assignment or a voluntary
43.5 extension of credit contract when the open storage assignment or contract originated between
43.6 19 months and 36 months from the failure.

43.7 (b) Claims filed more than 36 months from the failure are not eligible for payment.

43.8 (c) For the purposes of this subdivision, multiple breaches of contract with a single entity
43.9 constitute one failure.

43.10 (d) If a grain buyer holds both a Minnesota grain buyer license, as defined in chapter
43.11 223, and a license with the United States Department of Agriculture (USDA) under the
43.12 United States Warehouse Act, a seller may only file a claim with the grain indemnity account
43.13 if the seller sold grain as a cash sale or under a voluntary extension of credit contract. The
43.14 commissioner must deny any claims for stored grain from a seller that holds both a Minnesota
43.15 grain buyer license and a license with the USDA under the United States Warehouse Act.

43.16 (e) If valid claims exceed the amount of money available in the grain indemnity account,
43.17 the commissioner must pay claims to producers in the order that the claims were received.
43.18 When additional money becomes available, the commissioner must resume issuing grain
43.19 indemnity payments to each eligible producer until each producer receives the maximum
43.20 amount payable under paragraph (a).

43.21 (f) If the grain indemnity account balance is insufficient to pay refunds under section
43.22 223.26 and valid claims exist, once money is deposited into the grain indemnity account,
43.23 the commissioner must issue pending refunds for grain indemnity premium payments before
43.24 issuing payments to claimants.

43.25 Subd. 6. **Court order.** (a) The commissioner may apply to a district court for an order
43.26 appointing a trustee or receiver to manage and supervise the operations of a grain buyer or
43.27 public grain warehouse operator in default. The commissioner may participate in any
43.28 resulting court proceeding as an interested party.

43.29 (b) The commissioner may recover the cost of the appointed trustee using money
43.30 appropriated under subdivision 2.

43.31 Subd. 7. **Debt obligation; subrogated claim.** (a) Money paid by the commissioner to
43.32 satisfy a valid claim constitutes a debt obligation of the grain buyer or public grain warehouse
43.33 operator in default. The commissioner may take action against the grain buyer or public
44.1 grain warehouse operator to recover the amount of any claim payment plus reasonable costs,
44.2 attorney fees, and interest computed at the rate provided in section 270C.40. The
44.3 commissioner must deposit any amount recovered under this subdivision in the grain
44.4 indemnity account.

66.1 (4) the lesser of \$500,000 or 50 percent for an open storage assignment or a voluntary
66.2 extension of credit contract when the open storage assignment or contract originated between
66.3 181 days and 18 months from the failure; or

66.4 (5) the lesser of \$250,000 or 25 percent for an open storage assignment or a voluntary
66.5 extension of credit contract when the open storage assignment or contract originated between
66.6 19 months and 36 months from the failure.

66.7 (b) Claims filed more than 36 months from the failure are not eligible for payment.

66.8 (c) For the purposes of this subdivision, multiple breaches of contract with a single entity
66.9 constitute one failure.

66.10 (d) If a grain buyer holds both a Minnesota grain buyer license, as defined in chapter
66.11 223, and a license with the United States Department of Agriculture (USDA) under the
66.12 United States Warehouse Act, a seller may only file a claim with the grain indemnity account
66.13 if the seller sold grain as a cash sale or under a voluntary extension of credit contract. The
66.14 commissioner must deny any claims for stored grain from a seller that holds both a Minnesota
66.15 grain buyer license and a license with the USDA under the United States Warehouse Act.

66.16 (e) If valid claims exceed the amount of money available in the grain indemnity account,
66.17 the commissioner must pay claims to producers in the order that the claims were received.
66.18 When additional money becomes available, the commissioner must resume issuing grain
66.19 indemnity payments to each eligible producer until each producer receives the maximum
66.20 amount payable under paragraph (a).

66.21 (f) If the grain indemnity account balance is insufficient to pay refunds under subdivision
66.22 11 and valid claims exist, once money is deposited into the grain indemnity account, the
66.23 commissioner must issue pending refunds for grain indemnity premium payments before
66.24 issuing payments to claimants.

66.25 Subd. 6. **Court order.** (a) The commissioner may apply to a district court for an order
66.26 appointing a trustee or receiver to manage and supervise the operations of a grain buyer or
66.27 public grain warehouse operator in default. The commissioner may participate in any
66.28 resulting court proceeding as an interested party.

66.29 (b) The commissioner may recover the cost of the appointed trustee using money
66.30 appropriated under subdivision 2.

66.31 Subd. 7. **Debt obligation; subrogated claim.** (a) Money paid by the commissioner to
66.32 satisfy a valid claim constitutes a debt obligation of the grain buyer or public grain warehouse
66.33 operator in default. The commissioner may take action against the grain buyer or public
67.1 grain warehouse operator to recover the amount of any claim payment plus reasonable costs,
67.2 attorney fees, and interest computed at the rate provided in section 270C.40. The
67.3 commissioner must deposit any amount recovered under this subdivision in the grain
67.4 indemnity account.

44.5 (b) As a condition of payment from the commissioner, a producer must subrogate the
44.6 producer's interest in a voluntary extension of credit contract to the commissioner in an
44.7 amount equal to any claim payment or payments that the producer received under this
44.8 section.

44.9 (c) The commissioner may recover any debt to the grain indemnity account from a
44.10 member of the board or management who acted negligently or fraudulently.

44.11 Sec. 14. **[223.25] GRAIN INDEMNITY PREMIUMS.**

44.12 Subdivision 1. **Charges.** (a) Except as provided in subdivision 3, producers of grain
44.13 must be charged a grain indemnity premium as determined and published by the
44.14 commissioner not to exceed 0.2 percent of the price on all marketed grain that is sold to a
44.15 grain buyer as defined in chapter 223.

44.16 (b) The grain indemnity premiums required under this section are in addition to any
44.17 other fees or assessments required by law.

44.18 Subd. 2. **Collection and submission of grain indemnity premiums.** (a) Each producer
44.19 must pay to the commissioner a grain indemnity premium of not more than 0.2 percent of
44.20 the net proceeds from all grain sold by the producer to a grain buyer purchasing grain in
44.21 Minnesota. When a producer sells grain to a grain buyer, the grain buyer must deduct the
44.22 grain indemnity premium from the proceeds of the sale and pay the grain indemnity premium
44.23 to the commissioner on behalf of the producer.

44.24 (b) When purchasing grain from a producer, a grain buyer must deduct the grain
44.25 indemnity premium described in paragraph (a) from the proceeds of the sale and notify the
44.26 producer of the amount of the deduction in writing. The grain buyer must forward the grain
44.27 indemnity premium to the commissioner for deposit into the grain indemnity account on
44.28 behalf of the producer as described in this subdivision.

44.29 (c) A grain buyer must clearly indicate the grain indemnity premiums collected under
44.30 paragraph (b) in the grain buyer's books and records. A grain buyer must retain books and
44.31 records containing the grain indemnity premiums for at least three years. A grain buyer
44.32 must make the grain buyer's books and records available for inspection by the commissioner
44.33 during regular business hours. The department must take steps reasonably necessary to
45.1 verify the accuracy of the grain indemnity premiums as recorded in the grain buyer's books
45.2 and records. Any record or portion thereof seized or copied by the commissioner is private
45.3 or nonpublic data as provided in section 13.02, except that the commissioner may disclose
45.4 data to aid in the law enforcement process.

45.5 (d) A grain buyer must submit grain indemnity premiums collected under paragraph (a)
45.6 to the commissioner for the purpose of financing or contributing to the financing of the
45.7 grain indemnity account by:

67.5 (b) As a condition of payment from the commissioner, a producer must subrogate the
67.6 producer's interest in a voluntary extension of credit contract to the commissioner in an
67.7 amount equal to any claim payment or payments that the producer received under this
67.8 section.

67.9 (c) The commissioner may recover any debt to the grain indemnity account from a
67.10 member of the board or management who acted negligently or fraudulently.

67.11 Subd. 8. **Grain indemnity premiums.** (a) Except as provided in subdivision 10,
67.12 producers of grain must be charged a grain indemnity premium as determined and published
67.13 by the commissioner not to exceed 0.2 percent of the price on all marketed grain that is sold
67.14 to a grain buyer as defined in chapter 223.

67.15 (b) The grain indemnity premiums required under this section are in addition to any
67.16 other fees or assessments required by law.

67.17 Subd. 9. **Collection and submission of grain indemnity premiums.** (a) Each producer
67.18 must pay to the commissioner a grain indemnity premium of not more than 0.2 percent of
67.19 the net proceeds from all grain sold by the producer to a grain buyer purchasing grain in
67.20 Minnesota. When grain is sold to a grain buyer, the grain buyer must deduct the grain
67.21 indemnity premium from the proceeds of the sale and pay the grain indemnity premium to
67.22 the commissioner on behalf of the producer.

67.23 (b) When purchasing grain from a producer, a grain buyer must deduct the grain
67.24 indemnity premium described in paragraph (a) from the proceeds of the sale and notify the
67.25 producer of the amount of the deduction in writing. The grain buyer must forward the grain
67.26 indemnity premium to the commissioner for a deposit into the grain indemnity account on
67.27 behalf of the producer as described in this subdivision.

67.28 (c) A grain buyer must clearly indicate the grain indemnity premiums collected under
67.29 paragraph (b) in the grain buyer's books and records. A grain buyer must retain books and
67.30 records containing the grain indemnity premiums for at least three years. A grain buyer
67.31 must make the grain buyer's books and records available for inspection by the commissioner
67.32 during regular business hours. The department must take steps reasonably necessary to
67.33 verify the accuracy of the grain indemnity premiums as recorded in the grain buyer's books
67.34 and records. Any record or portion thereof seized or copied by the commissioner is private
68.1 or nonpublic data as provided in section 13.02, except that the commissioner may disclose
68.2 this data to aid in the law enforcement process.

68.3 (d) A grain buyer must submit grain indemnity premiums collected under paragraph (a)
68.4 to the commissioner for the purpose of financing or contributing to the financing of the
68.5 grain indemnity account by:

45.8 (1) January 31 for grain indemnity premiums collected during the months of July, August,
45.9 September, October, November, and December; and

45.10 (2) July 31 for grain indemnity premiums collected during the months of January,
45.11 February, March, April, May, and June.

45.12 Subd. 3. **Amount in grain indemnity account; basis for suspension and reinstatement**
45.13 **of grain indemnity premium collection.** (a) Except as provided in paragraph (b), the grain
45.14 indemnity premiums required under this section must be collected until the grain indemnity
45.15 account contains more than \$15,000,000 as of June 30 of any given year.

45.16 (b) The commissioner may not require the collection of additional grain indemnity
45.17 premiums until the amount in the grain indemnity account drops below \$9,000,000. In a
45.18 year when the commissioner determines that the grain indemnity account is at or below
45.19 \$9,000,000, the commissioner may reinstate the collection described in this section.

45.20 (c) The commissioner shall announce the intention to collect the premiums described
45.21 in this section by May 1 with collection to begin July 1 until the grain indemnity account
45.22 contains at least \$15,000,000. The commissioner must notify the public of the commissioner's
45.23 intent to reinstate collection of additional grain indemnity premiums through publication
45.24 in the State Register and by notifying each licensee of the licensee's obligation to collect
45.25 premiums.

45.26 Sec. 15. **[223.26] GRAIN INDEMNITY OPT OUT.**

45.27 (a) A producer that has paid a grain indemnity premium under section 223.25 may receive
45.28 a refund of that premium from the grain indemnity account by submitting a written demand
45.29 for a refund to the commissioner, delivered personally or by first-class mail within 12 months
45.30 after the producer paid the grain indemnity premium.

45.31 (b) The commissioner must prepare a poster and a distributable flyer explaining how a
45.32 producer can opt out of the grain indemnity program and must post these documents on the
45.33 Department of Agriculture website. The commissioner must provide printed copies of the
46.1 poster and flyer at no cost to all licensed grain buyers and warehouses. Upon receiving
46.2 printed copies of posters and flyers, the licensed businesses must post the poster in a
46.3 conspicuous location and must make the flyers available for anyone visiting the licensed
46.4 business.

46.5 (c) A producer must submit a demand for a refund of a grain indemnity premium under
46.6 paragraph (a) on a demand for refund form developed by the commissioner. The
46.7 commissioner must make the form available to a licensee, producer, or member of the public
46.8 upon request.

46.9 (d) If a producer is entitled to a refund of a grain indemnity premium under this section,
46.10 the commissioner must pay the refund within 90 days of receiving the demand for a refund.

68.6 (1) January 31 for grain indemnity premiums collected during the months of July, August,
68.7 September, October, November, and December; and

68.8 (2) July 31 for grain indemnity premiums collected during the months of January,
68.9 February, March, April, May, and June.

68.10 Subd. 10. **Amount in grain indemnity account; basis for suspension and**
68.11 **reinstatement of grain indemnity premium collection.** (a) The grain indemnity premiums
68.12 required under subdivision 8 must be collected until the grain indemnity account contains
68.13 more than \$15,000,000, as of June 30 of any given year.

68.14 (b) Except as provided in paragraph (c), after the grain indemnity account reaches
68.15 \$15,000,000, the commissioner must not require the collection of additional grain indemnity
68.16 premiums until the amount in the grain indemnity account drops below \$9,000,000. In a
68.17 year when the commissioner determines that the grain indemnity account is at or below
68.18 \$9,000,000, the commissioner may reinstate the collection described in this section.

68.19 (c) The commissioner shall announce the intention to collect the premiums described
68.20 in this section by May 1 with collection to begin July 1 until the grain indemnity account
68.21 contains at least \$15,000,000. The commissioner must notify the public of the commissioner's
68.22 intent to reinstate collection of additional grain indemnity premiums through publication
68.23 in the State Register and by notifying each licensee of the licensee's obligation to collect
68.24 premiums.

68.25 Subd. 11. **Grain indemnity refund; opt out.** (a) Subject to subdivision 9, a producer
68.26 that has paid a grain indemnity premium may receive a refund of that premium from the
68.27 grain indemnity account by submitting a written demand for a refund to the commissioner,
68.28 delivered personally or by first-class mail within 12 months after the producer paid the grain
68.29 indemnity premium.

68.30 (b) A producer must submit a demand for a refund of a grain indemnity premium under
68.31 paragraph (a) on a demand for refund form developed by the commissioner. The
68.32 commissioner must make the form available to a licensee, producer, or member of the public
68.33 upon request.

69.1 (c) If a producer is entitled to a refund of a grain indemnity premium under this section,
69.2 the commissioner must pay the refund within 90 days of receiving the demand for a refund.

46.11 If the grain indemnity account balance is insufficient to pay refunds under this subdivision
46.12 and valid claims exist, the commissioner must issue refunds for grain indemnity premium
46.13 payments before issuing payments to claimants once money is deposited into the grain
46.14 indemnity account.

46.15 (e) If the commissioner announces grain indemnity premiums as required under section
46.16 223.25, subdivision 3, by June 30, the commissioner must send a notice to each producer
46.17 who requested a refund of a grain indemnity premium during the previous three fiscal years.
46.18 The notice must inform the producer of the deadline for and method of submitting a demand
46.19 for a refund to the commissioner under paragraphs (a) and (e) and the method for reentering
46.20 the grain indemnity program under paragraph (f).

46.21 (f) A producer that receives a refund of a grain indemnity premium under paragraph (a)
46.22 is not entitled to participate in the grain indemnity program or to receive any payment under
46.23 this section unless the producer reenters the grain indemnity program by meeting all of the
46.24 following conditions:

46.25 (1) the producer must submit a request for reentry into the grain indemnity program to
46.26 the commissioner. The producer must submit the request on the form required by the
46.27 commissioner and must deliver the request to the commissioner;

46.28 (2) the producer's request must be approved by the commissioner; and

46.29 (3) the producer must pay into the grain indemnity account all grain indemnity premiums
46.30 that were refunded to the producer and interest on the refunds as determined by the
46.31 commissioner.

46.32 (g) A producer that reenters the grain indemnity program under paragraph (f) is eligible
46.33 to be reimbursed for claims under the grain indemnity program for any breach of contract
47.1 that occurs at least 90 days after (1) an application for reentry, and (2) all required payments
47.2 have been made.

47.3 (h) A producer is not eligible for a refund of a grain indemnity premium under this
47.4 section if the producer has received payment from the grain indemnity account for a valid
47.5 claim within the preceding 36 months.

47.6 Sec. 16. [223.27] PENALTIES; ENFORCEMENT ACTION; COSTS AND
47.7 EXPENSES.

47.8 (a) In addition to any other penalty or remedy provided by law, a person who knowingly
47.9 or intentionally commits any of the following is subject to civil penalties under section
47.10 18J.10:

47.11 (1) refusing or failing to collect any grain indemnity premiums as required under section
47.12 223.25;

69.3 If the grain indemnity account balance is insufficient to pay refunds under this subdivision
69.4 and valid claims exist, once money is deposited into the grain indemnity account, the
69.5 commissioner must issue pending refunds for grain indemnity premium payments before
69.6 issuing payments to claimants.

69.7 (d) If the commissioner announces grain indemnity premiums as required under
69.8 subdivision 10 by June 30, the commissioner must send a notice to each producer who
69.9 requested a refund of a grain indemnity premium during the previous three fiscal years. The
69.10 notice must inform the producer of the deadline for and method of submitting a demand for
69.11 a refund to the commissioner under paragraphs (a) and (b) and the method for reentering
69.12 the grain indemnity program under paragraph (e).

69.13 (e) A producer that receives a refund of a grain indemnity premium under paragraph (a)
69.14 is not entitled to participate in the grain indemnity program or to receive any payment under
69.15 this section unless the producer reenters the grain indemnity program by meeting all of the
69.16 following conditions:

69.17 (1) the producer must submit a request for reentry into the grain indemnity program to
69.18 the commissioner. The producer must submit the request on the form required by the
69.19 commissioner and must deliver the request to the commissioner;

69.20 (2) the producer's request is approved by the commissioner; and

69.21 (3) the producer must pay into the grain indemnity account all grain indemnity premiums
69.22 that were refunded to the producer and interest on the refunds as determined by the
69.23 commissioner.

69.24 (f) A producer that reenters the grain indemnity program under paragraph (e) is eligible
69.25 to be reimbursed for claims under the grain indemnity program for any breach of contract
69.26 that occurs at least 120 days after reentry.

69.27 (g) A producer is not eligible for a refund of a grain indemnity premium under this
69.28 section if the producer has received payment from the grain indemnity account for a valid
69.29 claim within the preceding 36 months.

69.30 Subd. 12. Penalties; enforcement action; costs and expenses. (a) In addition to any
69.31 other penalty or remedy provided by law, a person who knowingly or intentionally commits
69.32 any of the following is subject to civil penalties under section 18J.10:

70.1 (1) refusing or failing to collect any grain indemnity premiums as required under this
70.2 section;

47.13 (2) refusing or failing to pay to the commissioner any grain indemnity premiums collected
47.14 under section 223.25;

47.15 (3) making a false statement, representation, or certification, or knowingly failing to
47.16 make a required statement, representation, or certification in a record, report, or other
47.17 document required under this chapter or filed with the commissioner; or

47.18 (4) resisting, preventing, impeding, or interfering with the commissioner in the
47.19 performance of the commissioner's duties under this chapter.

47.20 (b) In addition to the civil penalty described in paragraph (a), the commissioner in an
47.21 enforcement action for a violation described in paragraph (a), clause (1) or (2), must order
47.22 the grain buyer to pay into the grain indemnity account any grain indemnity premiums
47.23 collected by the grain buyer that the grain buyer owes to the grain indemnity account and
47.24 may order the grain buyer to pay interest on the amount that the grain buyer owes to the
47.25 grain indemnity account.

47.26 Sec. 17. **[223.28] GRAIN BONDS; NEW LICENSE HOLDERS.**

47.27 (a) Except as provided in paragraph (b), before the commissioner issues a grain buyer
47.28 or public grain warehouse operator license, a person who has not been licensed to buy grain
47.29 or operate a public grain warehouse in the previous licensing period must file with the
47.30 commissioner a grain bond in a penal sum of \$100,000. A grain bond must remain in effect
47.31 for the first three years of the license.

48.1 (b) A grain buyer who purchases grain immediately upon delivery solely with cash; a
48.2 certified check; a cashier's check; or a postal, bank, or express money order is exempt from
48.3 this subdivision if the grain buyer's gross annual purchases are \$1,000,000 or less.

48.4 (c) The commissioner may require a supplemental bond in an amount prescribed by the
48.5 commissioner based on the financial statements required in section 223.17, subdivision 6.

48.6 (d) A grain bond must be on a form provided by the commissioner.

48.7 (e) A grain bond required under paragraphs (a) and (c) must provide for the payment of
48.8 any loss caused by the grain buyer's failure to pay upon the owner's demand, including loss
48.9 caused by the grain buyer's failure to pay within the time required. The grain bond must be
48.10 conditioned upon the grain buyer being duly licensed.

48.11 (f) A grain bond required under paragraphs (a) and (c) that is obtained by a public grain
48.12 warehouse operator must be conditioned that the public grain warehouse operator issuing
48.13 a grain warehouse receipt is liable to the depositor for the delivery of the kind, grade, and
48.14 net quantity of grain called for by the receipt. A grain bond must be conditioned upon the
48.15 operator being duly licensed.

70.3 (2) refusing or failing to pay to the commissioner any grain indemnity premiums collected
70.4 under this section;

70.5 (3) making a false statement, representation, or certification, or knowingly failing to
70.6 make a required statement, representation, or certification in a record, report, or other
70.7 document required under this section or filed with the commissioner; or

70.8 (4) resisting, preventing, impeding, or interfering with the commissioner in the
70.9 performance of the commissioner's duties under this section.

70.10 (b) In addition to the civil penalty described in paragraph (a), the commissioner in an
70.11 enforcement action for a violation described in paragraph (a), clause (1) or (2), must order
70.12 the grain buyer to pay into the grain indemnity account any grain indemnity premiums
70.13 collected by the grain buyer that the grain buyer owes to the grain indemnity account and
70.14 may order the grain buyer to pay interest on the amount that the grain buyer owes to the
70.15 grain indemnity account.

70.16 Subd. 13. **Grain bonds; new license holders.** (a) Except as provided in paragraph (b),
70.17 before the commissioner issues a grain buyer or public grain warehouse operator license,
70.18 a person who has not been licensed to buy grain or operate a public grain warehouse in the
70.19 previous licensing period must file with the commissioner a grain bond in a penal sum of
70.20 \$100,000. A grain bond must remain in effect for the first three years of the license.

70.21 (b) A grain buyer who purchases grain immediately upon delivery solely with cash; a
70.22 certified check; a cashier's check; or a postal, bank, or express money order is exempt from
70.23 this subdivision if the grain buyer's gross annual purchases are \$1,000,000 or less.

70.24 (c) The commissioner may require a supplemental bond in an amount prescribed by the
70.25 commissioner based on the financial statements required in section 223.17, subdivision 6.

70.26 (d) A grain bond must be on a form provided by the commissioner.

70.27 (e) A grain bond required under paragraphs (a) and (c) must provide for the payment of
70.28 any loss caused by the grain buyer's failure to pay upon the owner's demand, including loss
70.29 caused by the grain buyer's failure to pay within the time required. The grain bond must be
70.30 conditioned upon the grain buyer being duly licensed. A grain bond required under paragraphs
70.31 (a) and (c) that is obtained by a public grain warehouse operator must be conditioned that
70.32 the public grain warehouse operator issuing a grain warehouse receipt is liable to the depositor
70.33 for the delivery of the kind, grade, and net quantity of grain called for by the receipt. A
71.1 grain bond must be conditioned upon the operator being duly licensed. For those entities
71.2 licensed under this chapter, the entire grain bond must be available to any claims against
71.3 the grain bond filed under this chapter.

48.16 (g) A grain bond must not be cumulative from one licensing period to the next. The
48.17 maximum liability of the grain bond must be the grain bond's face value for the licensing
48.18 period.

48.19 (h) A grain bond must be continuous until canceled. To cancel a grain bond, a surety
48.20 must provide 90 days' written notice of the grain bond's termination date to the licensee and
48.21 the commissioner.

48.22 (i) Upon the commissioner's determination that a claim is valid, the surety for any claims
48.23 against the grain bond must make payments to the grain indemnity account.

48.24 Sec. 18. Minnesota Statutes 2022, section 232.22, subdivision 5, is amended to read:

48.25 Subd. 5. **Statement of grain in storage; reports.** ~~(a) All public grain warehouse operators~~
48.26 ~~must by February 15 of each year file with the commissioner on a form approved by the~~
48.27 ~~commissioner a report showing the annual average liability of all grain outstanding on grain~~
48.28 ~~warehouse receipts, open storage, and grain stored for feed processing that occurred during~~
48.29 ~~the preceding calendar year. This report shall be used for the purpose of establishing the~~
48.30 ~~penal sum of the bond.~~

48.31 ~~(b) Warehouse operators that are at a maximum bond and want to continue at maximum~~
48.32 ~~bond do not need to file this report.~~

49.1 ~~(c) It is a violation of this chapter for any public grain warehouse operator to fail to file~~
49.2 ~~the report required in paragraph (a).~~

49.3 ~~(d)~~ (a) Every public grain warehouse operator shall keep in a place of safety complete
49.4 and accurate records and accounts relating to any grain warehouse operated. The records
49.5 shall reflect each commodity received and shipped daily, the balance remaining in the grain
49.6 warehouse at the close of each business day, a listing of all unissued grain warehouse receipts
49.7 in the operator's possession, a record of all grain warehouse receipts issued which remain
49.8 outstanding and a record of all grain warehouse receipts which have been returned for
49.9 cancellation. Copies of grain warehouse receipts or other documents evidencing ownership
49.10 of grain by a depositor, or other liability of the grain warehouse operator, shall be retained
49.11 as long as the liability exists but must be kept for a minimum of three years.

49.12 ~~(e)~~ (b) Every public grain warehouse operator must maintain in the grain warehouse at
49.13 all times grain of proper grade and sufficient quantity to meet delivery obligations on all
49.14 outstanding grain warehouse receipts.

49.15 Sec. 19. Laws 2022, chapter 95, article 2, section 29, subdivision 6, is amended to read:

49.16 Subd. 6. **Expiration.** This section expires ~~June 30~~ December 31, 2024.

71.4 (f) A grain bond must not be cumulative from one licensing period to the next. The
71.5 maximum liability of the grain bond must be the grain bond's face value for the licensing
71.6 period.

71.7 (g) A grain bond must be continuous until canceled. To cancel a grain bond, a surety
71.8 must provide 90 days' written notice of the grain bond's termination date to the licensee and
71.9 the commissioner.

71.10 (h) Upon the commissioner's determination that a claim is valid, the surety for any claims
71.11 against the grain bond must make payments to the grain indemnity account.

71.12 **EFFECTIVE DATE.** This section is effective July 1, 2023. The commissioner of
71.13 agriculture must not require the payment or collection of grain indemnity premiums under
71.14 this section before July 1, 2024.

71.15 Sec. 56. Minnesota Statutes 2022, section 232.22, subdivision 5, is amended to read:

71.16 Subd. 5. **Statement of grain in storage; reports.** ~~(a) All public grain warehouse operators~~
71.17 ~~must by February 15 of each year file with the commissioner on a form approved by the~~
71.18 ~~commissioner a report showing the annual average liability of all grain outstanding on grain~~
71.19 ~~warehouse receipts, open storage, and grain stored for feed processing that occurred during~~
71.20 ~~the preceding calendar year. This report shall be used for the purpose of establishing the~~
71.21 ~~penal sum of the bond.~~

71.22 ~~(b) Warehouse operators that are at a maximum bond and want to continue at maximum~~
71.23 ~~bond do not need to file this report.~~

71.24 ~~(c) It is a violation of this chapter for any public grain warehouse operator to fail to file~~
71.25 ~~the report required in paragraph (a).~~

71.26 ~~(d)~~ (a) Every public grain warehouse operator shall keep in a place of safety complete
71.27 and accurate records and accounts relating to any grain warehouse operated. The records
71.28 shall reflect each commodity received and shipped daily, the balance remaining in the grain
71.29 warehouse at the close of each business day, a listing of all unissued grain warehouse receipts
71.30 in the operator's possession, a record of all grain warehouse receipts issued which remain
71.31 outstanding and a record of all grain warehouse receipts which have been returned for
71.32 cancellation. Copies of grain warehouse receipts or other documents evidencing ownership
72.1 of grain by a depositor, or other liability of the grain warehouse operator, shall be retained
72.2 as long as the liability exists but must be kept for a minimum of three years.

72.3 ~~(e)~~ (b) Every public grain warehouse operator must maintain in the grain warehouse at
72.4 all times grain of proper grade and sufficient quantity to meet delivery obligations on all
72.5 outstanding grain warehouse receipts.

72.6 Sec. 57. Laws 2022, chapter 95, article 2, section 29, subdivision 6, is amended to read:

72.7 Subd. 6. **Expiration.** This section expires ~~June 30~~ December 31, 2024.

49.17 Sec. 20. **BIOINCENTIVE REPORT.**

49.18 The commissioner of agriculture, in consultation with the commissioners of commerce
49.19 and employment and economic development, must prepare a report on alternative methods
49.20 to pay past claims filed under the bioincentive program under Minnesota Statutes, sections
49.21 41A.16, 41A.17, and 41A.18, and provide for adequate and sustainable funding to pay
49.22 current and future claims under those sections. The report must be submitted to the chairs
49.23 and minority members of the legislative committees and divisions with jurisdiction over
49.24 any proposed funding source and administration of the bioincentive program by January
49.25 15, 2024.

49.26 Sec. 21. **WOLF-LIVESTOCK CONFLICT-PREVENTION PROGRAM.**

49.27 (a) The commissioner of agriculture may award grants to livestock producers to prevent
49.28 wolf-livestock conflicts. Livestock producers located in Minnesota are eligible to apply for
49.29 reimbursement for the cost of practices to prevent wolf-livestock conflicts. The commissioner
49.30 may establish a cap on the amount of grant money that a recipient is eligible to receive
49.31 annually.

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

50.4 (c) A grant applicant must document a cost-share of 20 percent for activities covered
50.5 by a grant under this program. A grant applicant's cost-share amount may be reduced up to
50.6 \$2,000 to cover the time and labor costs of wolf-livestock conflict prevention activities.

50.7 (d) Eligible wolf-livestock conflict-prevention activities include but are not limited to:

50.8 (1) the purchase of guard animals;

50.9 (2) payment of veterinary costs for guard animals;

50.10 (3) the installation of wolf barriers, which may include pens, fladry, and fencing necessary
50.11 to protect livestock;

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

50.13 (5) the installation of calving or lambing shelters.

50.14 (e) Eligible grant recipients must:

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

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

50.17 (3) retain proper documentation of expenses;

50.18 (4) report annually to the commissioner on the effectiveness of the nonlethal methods
50.19 employed; and
50.20 (5) allow follow-up evaluations and monitoring by the commissioner.
50.21 (f) Grant recipients shall continue to be eligible for depredation payments under
50.22 Minnesota Statutes, section 3.737.

50.23 Sec. 22. **REPEALER.**
50.24 Minnesota Statutes 2022, sections 17.055, subdivision 2; 41A.12, subdivision 4; 41A.21;
50.25 223.17, subdivisions 4 and 8; and 232.22, subdivisions 4, 6, 6a, and 7, are repealed.

72.8 Sec. 58. **REPORT REQUIRED; FERAL PIGS AND MINK.**
72.9 By February 15, 2024, the commissioner of natural resources, in cooperation with the
72.10 Board of Animal Health and the commissioners of agriculture and health, must submit a
72.11 report to the chairs and ranking minority members of the legislative committees with
72.12 jurisdiction over agriculture and environment and natural resources that:
72.13 (1) identifies the responsibilities of the Board of Animal Health and the commissioners
72.14 of natural resources, health, and agriculture in managing feral pigs and mink;
72.15 (2) recommends any clarifications or modifications to the responsibilities identified in
72.16 clause (1); and
72.17 (3) includes policy recommendations for managing feral pigs and mink to further prevent
72.18 negative impacts on the environment and human health.
72.19 Sec. 59. **REPORT REQUIRED; GRAIN ADVISORY GROUP.**
72.20 The commissioner of agriculture must convene members of the Grain Advisory Group
72.21 and develop recommendations regarding bonding requirements for licensed grain buyers
72.22 and public grain warehouse operators to better protect farmers who sell and store grain in
72.23 this state. No later than February 1, 2024, the commissioner must report recommendations
72.24 to the legislative committees with jurisdiction over agriculture. Participating stakeholders
72.25 must be given an opportunity to include written testimony in the commissioner's report.
72.26 Sec. 60. **REPEALER.**
72.27 Subdivision 1. **Grain buyers and warehouses.** Minnesota Statutes 2022, sections
72.28 223.17, subdivisions 4 and 8; and 232.22, subdivisions 4, 6, 6a, and 7, are repealed.
72.29 Subd. 2. **Bioincentive programs.** Minnesota Statutes 2022, sections 41A.16, subdivision
72.30 7; 41A.17, subdivision 6; 41A.18, subdivision 6; and 41A.21, subdivision 6, are repealed.
73.1 Subd. 3. **Plants, nurseries, and hemp.** Minnesota Statutes 2022, sections 18H.02,
73.2 subdivisions 21, 22, and 23; 18H.07, subdivisions 2 and 3; 18K.05; and 18K.09, are repealed.
73.3 Subd. 4. **Emerging farmers.** Minnesota Statutes 2022, section 17.055, subdivision 2,
73.4 is repealed.

73.5 Subd. 5. **Federal funds.** Minnesota Statutes 2022, section 35.156, subdivision 2, is
73.6 repealed.
73.7 **EFFECTIVE DATE.** This section is effective July 1, 2023, except subdivision 1 is
73.8 effective July 1, 2024.