

This Document can be made available  
in alternative formats upon request

State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 1704

02/27/2025

03/13/2025

Authored by Anderson, P. H.; Lawrence and Gander  
The bill was read for the first time and referred to the Committee on Agriculture Finance and Policy  
Adoption of Report: Amended and re-referred to the Committee on Ways and Means

1.1

1.2

1.3

1.4

1.5

1.6

1.7

1.8

1.9

1.10

1.11

1.12

1.13

1.14

1.15

1.16

1.17

1.18

1.19

1.20

1.21

1.22

1.23

1.24

1.25

1.26

A bill for an act

relating to state government; establishing a budget for the Department of  
Agriculture, the Board of Animal Health, the Agricultural Utilization Research  
Institute, and the Office of Broadband Development; making policy and technical  
changes to agricultural provisions; making policy and technical changes to  
broadband provisions; authorizing rulemaking; requiring reports; appropriating  
money; amending Minnesota Statutes 2024, sections 17.133, subdivision 2;  
18C.005, by adding a subdivision; 41A.16, subdivision 7; 326B.198, subdivisions  
2, 3; proposing coding for new law in Minnesota Statutes, chapter 18C.

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

ARTICLE 1

APPROPRIATIONS

Section 1. AGRICULTURE APPROPRIATIONS.

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

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

Sec. 2. DEPARTMENT OF AGRICULTURE

<u>Subdivision 1. Total Appropriation</u>	\$	<u>62,388,000</u>	\$	<u>59,032,000</u>
---	----	-------------------	----	-------------------

2.1	<u>Appropriations by Fund</u>		
2.2		<u>2026</u>	<u>2027</u>
2.3	<u>General</u>	<u>61,989,000</u>	<u>58,633,000</u>
2.4	<u>Remediation</u>	<u>399,000</u>	<u>399,000</u>

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

2.8 Subd. 2. **Protection Services**

2.9	<u>Appropriations by Fund</u>		
2.10		<u>2026</u>	<u>2027</u>
2.11	<u>General</u>	<u>22,333,000</u>	<u>22,836,000</u>
2.12	<u>Remediation</u>	<u>399,000</u>	<u>399,000</u>

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

2.17 (b) \$639,000 the first year and \$639,000 the  
 2.18 second year are for the soil health financial  
 2.19 assistance program under Minnesota Statutes,  
 2.20 section 17.134. The commissioner may award  
 2.21 no more than \$50,000 of the appropriation  
 2.22 each year to a single recipient. The  
 2.23 commissioner may use up to 6.5 percent of  
 2.24 this appropriation for costs incurred to  
 2.25 administer the program. Any unencumbered  
 2.26 balance does not cancel at the end of the first  
 2.27 year and is available in the second year.

2.28 Appropriations encumbered under contract on  
 2.29 or before June 30, 2027, for soil health  
 2.30 financial assistance grants are available until  
 2.31 June 30, 2029.

2.32 (c) \$350,000 the first year and \$350,000 the  
 2.33 second year are for compensation for  
 2.34 destroyed or crippled livestock under

3.1 Minnesota Statutes, section 3.737. The first  
3.2 year appropriation may be spent to compensate  
3.3 for livestock that were destroyed or crippled  
3.4 during fiscal year 2025. If the amount in the  
3.5 first year is insufficient, the amount in the  
3.6 second year is available in the first year. The  
3.7 commissioner may use up to \$5,000 each year  
3.8 to reimburse expenses incurred by university  
3.9 extension educators to provide fair market  
3.10 values of destroyed or crippled livestock. If  
3.11 the commissioner receives federal money to  
3.12 pay claims for destroyed or crippled livestock,  
3.13 an equivalent amount of this appropriation  
3.14 may be used to reimburse nonlethal prevention  
3.15 methods performed by federal wildlife services  
3.16 staff.

3.17 (d) \$310,000 the first year and \$310,000 the  
3.18 second year are for compensation for crop  
3.19 damage under Minnesota Statutes, section  
3.20 3.7371. If the amount in the first year is  
3.21 insufficient, the amount in the second year is  
3.22 available in the first year. The commissioner  
3.23 may use up to \$10,000 of the appropriation  
3.24 each year to reimburse expenses incurred by  
3.25 the commissioner or the commissioner's  
3.26 approved agent to investigate and resolve  
3.27 claims, as well as for costs associated with  
3.28 training for approved agents. The  
3.29 commissioner may use up to \$40,000 of the  
3.30 appropriation each year for grants to producers  
3.31 for measures to protect stored crops from elk  
3.32 damage. If the commissioner determines that  
3.33 claims made under Minnesota Statutes, section  
3.34 3.737 or 3.7371, are unusually high, amounts  
3.35 appropriated for either program may be

- 4.1 transferred to the appropriation for the other  
4.2 program.
- 4.3 (e) \$825,000 the first year and \$825,000 the  
4.4 second year are to replace capital equipment  
4.5 in the Department of Agriculture's analytical  
4.6 laboratory.
- 4.7 (f) \$75,000 the first year and \$75,000 the  
4.8 second year are to support a meat processing  
4.9 liaison position to assist new or existing meat  
4.10 and poultry processing operations in getting  
4.11 started, expanding, growing, or transitioning  
4.12 into new business models.
- 4.13 (g) \$420,000 the first year and \$923,000 the  
4.14 second year are for additional funding to  
4.15 maintain the current level of service delivery  
4.16 for programs under this subdivision.
- 4.17 (h) \$1,000,000 the first year and \$1,000,000  
4.18 the second year are for grants to counties to  
4.19 support county agricultural inspectors under  
4.20 section 13. These are onetime appropriations.  
4.21 The commissioner of agriculture may use up  
4.22 to three percent of the appropriation each year  
4.23 for administration.
- 4.24 (i) \$850,000 the first year and \$850,000 the  
4.25 second year are for additional meat and poultry  
4.26 inspection services. The commissioner is  
4.27 encouraged to seek inspection waivers,  
4.28 matching federal money, and offer more online  
4.29 inspections for the purposes of this paragraph.
- 4.30 (j) \$1,250,000 the first year and \$1,250,000  
4.31 the second year are appropriated to establish  
4.32 and administer the biofertilizer innovation and  
4.33 efficiency program. The commissioner may  
4.34 use up to 6.5 percent of this appropriation for

5.1 costs incurred to administer the program.

5.2 Notwithstanding Minnesota Statutes, section  
5.3 16A.28, any unencumbered balance at the end  
5.4 of fiscal year 2026 does not cancel and is  
5.5 available until June 30, 2027.

5.6 **Subd. 3. Agricultural Marketing and**  
5.7 **Development**

24,676,000

24,676,000

5.8 (a) \$150,000 the first year and \$150,000 the  
5.9 second year are to expand international trade  
5.10 opportunities and markets for Minnesota  
5.11 agricultural products.

5.12 (b) \$634,000 the first year and \$634,000 the  
5.13 second year are for the continuation of the  
5.14 dairy development and profitability  
5.15 enhancement programs, including dairy  
5.16 profitability teams and dairy business planning  
5.17 grants under Minnesota Statutes, section  
5.18 32D.30.

5.19 (c) The commissioner may use money  
5.20 appropriated in this subdivision for annual  
5.21 cost-share payments to resident farmers or  
5.22 entities that sell, process, or package  
5.23 agricultural products in Minnesota for the  
5.24 costs of organic certification. The  
5.25 commissioner may allocate these funds for  
5.26 assistance to persons transitioning from  
5.27 conventional to organic agriculture.

5.28 (d) \$100,000 the first year and \$100,000 the  
5.29 second year are for mental health outreach and  
5.30 support to farmers, ranchers, farm workers  
5.31 and employees, and others in the agricultural  
5.32 profession and for farm and farm worker  
5.33 safety grant and outreach programs under  
5.34 Minnesota Statutes, section 17.1195. Mental  
5.35 health outreach and support may include a

6.1 24-hour hotline, stigma reduction, and  
6.2 education. Notwithstanding Minnesota  
6.3 Statutes, section 16A.28, any unencumbered  
6.4 balance does not cancel at the end of the first  
6.5 year and is available in the second year. These  
6.6 are onetime appropriations.

6.7 (e) \$20,082,000 the first year and \$20,082,000  
6.8 the second year are for the agricultural growth,  
6.9 research, and innovation program under  
6.10 Minnesota Statutes, section 41A.12. Except  
6.11 as provided in paragraph (f), the commissioner  
6.12 may allocate this appropriation each year  
6.13 among the following areas: (1) facilitating the  
6.14 start-up, modernization, improvement, or  
6.15 expansion of livestock operations, including  
6.16 beginning and transitioning livestock  
6.17 operations with preference given to robotic  
6.18 dairy-milking equipment; (2) assisting  
6.19 value-added agricultural businesses to begin  
6.20 or expand, to access new markets, or to  
6.21 diversify, including aquaponics systems, with  
6.22 preference given to hemp fiber processing  
6.23 equipment; (3) facilitating the start-up,  
6.24 modernization, or expansion of other  
6.25 beginning and transitioning farms, including  
6.26 by providing loans under Minnesota Statutes,  
6.27 section 41B.056; (4) sustainable agriculture  
6.28 on-farm research and demonstration; (5) the  
6.29 development or expansion of food hubs and  
6.30 other alternative community-based food  
6.31 distribution systems; (6) enhancing renewable  
6.32 energy infrastructure and use; (7) crop  
6.33 research, including basic and applied turf seed  
6.34 research; (8) Farm Business Management  
6.35 tuition assistance; (9) supporting the  
6.36 commercialization of an innovative material

7.1 additive utilizing agricultural coproducts or  
7.2 waste streams to produce fiber-based barrier  
7.3 packaging to reduce perfluoroalkyl and  
7.4 polyfluoroalkyl substances (PFAS) and plastics  
7.5 in packaging products; and (10) Good  
7.6 Agricultural Practices and Good Handling  
7.7 Practices certification assistance. The  
7.8 commissioner may use up to 6.5 percent of  
7.9 this appropriation for costs incurred to  
7.10 administer the program.

7.11 (f) Of the amount appropriated for the  
7.12 agricultural growth, research, and innovation  
7.13 program in paragraph (e):

7.14 (1) \$1,000,000 the first year and \$1,000,000  
7.15 the second year are for distribution in equal  
7.16 amounts to each of the state's county fairs to  
7.17 preserve and promote Minnesota agriculture;

7.18 (2) \$3,000,000 the first year and \$3,000,000  
7.19 the second year are for incentive payments  
7.20 under Minnesota Statutes, sections 41A.16,  
7.21 41A.17, 41A.18, and 41A.20. Notwithstanding  
7.22 Minnesota Statutes, section 16A.28, the first  
7.23 year appropriation is available until June 30,  
7.24 2027, and the second year appropriation is  
7.25 available until June 30, 2028. If this  
7.26 appropriation exceeds the total amount for  
7.27 which all producers are eligible in a fiscal  
7.28 year, the balance of the appropriation is  
7.29 available for other purposes under this  
7.30 paragraph or paragraph (e);

7.31 (3) \$4,500,000 the first year and \$4,500,000  
7.32 the second year are for grants that enable retail  
7.33 petroleum dispensers, fuel storage tanks, and  
7.34 other equipment to dispense biofuels to the  
7.35 public in accordance with the biofuel

8.1 replacement goals established under  
8.2 Minnesota Statutes, section 239.7911. A retail  
8.3 petroleum dispenser selling petroleum for use  
8.4 in spark ignition engines for vehicle model  
8.5 years after 2000 is eligible for grant money  
8.6 under this clause if the retail petroleum  
8.7 dispenser has no more than 20 retail petroleum  
8.8 dispensing sites and each site is located in  
8.9 Minnesota. The grant money must be used to  
8.10 replace or upgrade equipment that does not  
8.11 have the ability to be certified for E25. A grant  
8.12 award must not exceed \$200,000 per station.  
8.13 The commissioner must cooperate with biofuel  
8.14 stakeholders in the implementation of the grant  
8.15 program. The commissioner, in cooperation  
8.16 with any economic or community development  
8.17 financial institution and any other entity with  
8.18 which the commissioner contracts, must  
8.19 submit a report on the biofuels infrastructure  
8.20 financial assistance program by January 15 of  
8.21 each year to the chairs and ranking minority  
8.22 members of the legislative committees and  
8.23 divisions with jurisdiction over agriculture  
8.24 policy and finance. The annual report must  
8.25 include but not be limited to a summary of the  
8.26 following metrics: (i) the number and types  
8.27 of projects financed; (ii) the amount of dollars  
8.28 leveraged or matched per project; (iii) the  
8.29 geographic distribution of financed projects;  
8.30 (iv) any market expansion associated with  
8.31 upgraded infrastructure; (v) the demographics  
8.32 of the areas served; (vi) the costs of the  
8.33 program; and (vii) the number of grants to  
8.34 minority- or female-owned businesses. The  
8.35 base under this clause is \$3,000,000 for fiscal  
8.36 year 2028 and each year thereafter;



9.1 (4) \$1,250,000 the first year and \$1,250,000  
9.2 the second year are for grants to facilitate the  
9.3 start-up, modernization, or expansion of meat,  
9.4 poultry, egg, and milk processing facilities. A  
9.5 grant award under this clause must not exceed  
9.6 \$200,000. Any unencumbered balance at the  
9.7 end of the second year does not cancel until  
9.8 June 30, 2028, and may be used for other  
9.9 purposes under this paragraph or paragraph  
9.10 (e). The base under this clause is \$250,000 in  
9.11 fiscal year 2028 and each year thereafter;

9.12 (5) up to \$1,294,000 the first year and up to  
9.13 \$1,294,000 the second year are for providing  
9.14 more fruits, vegetables, meat, poultry, grain,  
9.15 and dairy for children in school and early  
9.16 childhood education settings, including, at the  
9.17 commissioner's discretion, providing grants  
9.18 to reimburse schools and early childhood  
9.19 education and child care providers for  
9.20 purchasing equipment and agricultural  
9.21 products. Organizations must participate in  
9.22 the National School Lunch Program or the  
9.23 Child and Adult Care Food Program to be  
9.24 eligible. Of the amount appropriated, \$150,000  
9.25 each year is for a statewide coordinator of  
9.26 farm-to-institution strategy and programming.  
9.27 The coordinator must consult with relevant  
9.28 stakeholders and provide technical assistance  
9.29 and training for participating farmers and  
9.30 eligible grant recipients;

9.31 (6) up to \$2,000,000 the first year and up to  
9.32 \$2,000,000 the second year are for urban  
9.33 youth agricultural education or urban  
9.34 agriculture community development;

10.1 (7) up to \$1,000,000 the first year and up to  
10.2 \$1,000,000 the second year are for the good  
10.3 food access program under Minnesota  
10.4 Statutes, section 17.1017; and

10.5 (8) \$200,000 the first year and \$200,000 the  
10.6 second year are for cooperative development  
10.7 grants.

10.8 Notwithstanding Minnesota Statutes, section  
10.9 16A.28, any unencumbered balance does not  
10.10 cancel at the end of the first year and is  
10.11 available for the second year, and  
10.12 appropriations encumbered under contract on  
10.13 or before June 30, 2027, for agricultural  
10.14 growth, research, and innovation grants are  
10.15 available until June 30, 2028.

10.16 (g) The base for the agricultural growth,  
10.17 research, and innovation program is  
10.18 \$17,582,000 in fiscal year 2028 and each year  
10.19 thereafter.

10.20 Subd. 4. **Administration and Financial**  
10.21 **Assistance**

10.22 (a) \$474,000 the first year and \$474,000 the  
10.23 second year are for payments to county and  
10.24 district agricultural societies and associations  
10.25 under Minnesota Statutes, section 38.02,  
10.26 subdivision 1. Aid payments to county and  
10.27 district agricultural societies and associations  
10.28 must be disbursed no later than July 15 of each  
10.29 year. These payments are the amount of aid  
10.30 from the state for an annual fair held in the  
10.31 previous calendar year.

10.32 (b) \$500,000 the first year and \$500,000 the  
10.33 second year are for grants to the Minnesota  
10.34 Agricultural Education and Leadership

14,980,00011,121,000

- 11.1 Council for programs of the council under  
11.2 Minnesota Statutes, chapter 41D.
- 11.3 (c) \$2,000 the first year is for a grant to the  
11.4 Minnesota State Poultry Association. This is  
11.5 a onetime appropriation.
- 11.6 (d) \$36,000 the first year is for a grant to the  
11.7 Minnesota Livestock Breeders Association.
- 11.8 (e) \$120,000 the first year is for a grant to the  
11.9 Northern Crops Institute and may be used to  
11.10 purchase equipment.
- 11.11 (f) \$68,000 the first year is for a grant to the  
11.12 Minnesota State Horticultural Society.
- 11.13 (g) \$50,000 the first year is for a grant to the  
11.14 Center for Rural Policy and Development.
- 11.15 (h) \$150,000 the first year is for grants to the  
11.16 Minnesota Turf Seed Council for basic and  
11.17 applied research on: (1) the improved  
11.18 production of forage and turf seed related to  
11.19 new and improved varieties; and (2) native  
11.20 plants, including plant breeding, nutrient  
11.21 management, pest management, disease  
11.22 management, yield, and viability. The  
11.23 Minnesota Turf Seed Council may subcontract  
11.24 with a qualified third party for some or all of  
11.25 the basic or applied research. The Minnesota  
11.26 Turf Seed Council must prepare a report  
11.27 outlining the use of the grant money and  
11.28 related accomplishments. No later than  
11.29 January 15, 2027, the council must submit the  
11.30 report to the chairs and ranking minority  
11.31 members of the legislative committees and  
11.32 divisions with jurisdiction over agriculture  
11.33 finance and policy.

12.1 (i) \$400,000 the first year is for grants to  
12.2 GreenSeam for assistance to  
12.3 agriculture-related businesses to support  
12.4 business retention and development, business  
12.5 attraction and creation, talent development  
12.6 and attraction, and regional branding and  
12.7 promotion. No later than December 1, 2026,  
12.8 and December 1, 2027, GreenSeam must  
12.9 report to the chairs and ranking minority  
12.10 members of the legislative committees with  
12.11 jurisdiction over agriculture and rural  
12.12 development with information on new and  
12.13 existing businesses supported, number of new  
12.14 jobs created in the region, new educational  
12.15 partnerships and programs supported, and  
12.16 regional branding and promotional efforts.

12.17 (j) \$1,250,000 the first year and \$1,250,000  
12.18 the second year are for grants to Second  
12.19 Harvest Heartland on behalf of Minnesota's  
12.20 six Feeding America food banks for the  
12.21 following purposes:

12.22 (1) at least \$850,000 each year must be  
12.23 allocated to purchase milk for distribution to  
12.24 Minnesota's food shelves and other charitable  
12.25 organizations that are eligible to receive food  
12.26 from the food banks. Milk purchased with  
12.27 grant proceeds must be acquired from  
12.28 Minnesota milk processors and based on  
12.29 low-cost bids. The milk must be allocated to  
12.30 each Feeding America food bank serving  
12.31 Minnesota according to the formula used in  
12.32 the distribution of United States Department  
12.33 of Agriculture commodities under the  
12.34 Emergency Food Assistance Program. Second  
12.35 Harvest Heartland may enter into contracts or

13.1 agreements with food banks for shared funding  
13.2 or reimbursement of the direct purchase of  
13.3 milk. Each food bank that receives funding  
13.4 under this clause may use up to two percent  
13.5 for administrative expenses. Notwithstanding  
13.6 Minnesota Statutes, section 16A.28, any  
13.7 unencumbered balance the first year does not  
13.8 cancel and is available the second year;  
  
13.9 (2) to compensate agricultural producers and  
13.10 processors for costs incurred to harvest and  
13.11 package for transfer surplus fruits, vegetables,  
13.12 and other agricultural commodities that would  
13.13 otherwise go unharvested, be discarded, or be  
13.14 sold in a secondary market. Surplus  
13.15 commodities must be distributed statewide to  
13.16 food shelves and other charitable organizations  
13.17 that are eligible to receive food from the food  
13.18 banks. Surplus food acquired under this clause  
13.19 must be from Minnesota producers and  
13.20 processors. Second Harvest Heartland may  
13.21 use up to 15 percent of each grant awarded  
13.22 under this clause for administrative and  
13.23 transportation expenses; and  
  
13.24 (3) to purchase and distribute protein products,  
13.25 including but not limited to pork, poultry, beef,  
13.26 dry legumes, cheese, and eggs to Minnesota's  
13.27 food shelves and other charitable organizations  
13.28 that are eligible to receive food from the food  
13.29 banks. Second Harvest Heartland may use up  
13.30 to two percent of each grant awarded under  
13.31 this clause for administrative expenses. Protein  
13.32 products purchased using grant proceeds must  
13.33 be acquired from Minnesota processors and  
13.34 producers.

- 14.1 Second Harvest Heartland must submit  
14.2 quarterly reports to the commissioner and the  
14.3 chairs and ranking minority members of the  
14.4 legislative committees with jurisdiction over  
14.5 agriculture finance in the form prescribed by  
14.6 the commissioner. The reports must include  
14.7 but are not limited to information on the  
14.8 expenditure of money, the amount of milk or  
14.9 other commodities purchased, and the  
14.10 organizations to which this food was  
14.11 distributed.
- 14.12 (k) \$25,000 the first year and \$25,000 the  
14.13 second year are for grants to the Southern  
14.14 Minnesota Initiative Foundation to promote  
14.15 local foods through an annual event that raises  
14.16 public awareness of local foods and connects  
14.17 local food producers and processors with  
14.18 potential buyers.
- 14.19 (l) \$750,000 the first year and \$750,000 the  
14.20 second year are for the Emerging Farmers  
14.21 Office to provide services to beginning and  
14.22 emerging farmers to increase connections  
14.23 between farmers and market opportunities  
14.24 throughout Minnesota. This appropriation may  
14.25 be used for grants, translation services,  
14.26 training programs, or other purposes in line  
14.27 with the recommendations of the emerging  
14.28 farmer working group established under  
14.29 Minnesota Statutes, section 17.055,  
14.30 subdivision 1.
- 14.31 (m) \$337,000 the first year and \$337,000 the  
14.32 second year are for farm advocate services.  
14.33 Of these amounts, \$50,000 the first year and  
14.34 \$50,000 the second year are for the  
14.35 continuation of the farmland transition

- 15.1 programs and may be used for grants to  
15.2 farmland access teams to provide technical  
15.3 assistance to potential beginning farmers.  
15.4 Farmland access teams must assist existing  
15.5 farmers and beginning farmers with  
15.6 transitioning farm ownership and farm  
15.7 operation. Services provided by teams may  
15.8 include but are not limited to mediation  
15.9 assistance, designing contracts, financial  
15.10 planning, tax preparation, estate planning, and  
15.11 housing assistance.
- 15.12 (n) \$260,000 the first year and \$260,000 the  
15.13 second year are for a pass-through grant to  
15.14 Region Five Development Commission to  
15.15 provide, in collaboration with Farm Business  
15.16 Management, statewide mental health  
15.17 counseling support to Minnesota farm  
15.18 operators, families, and employees, and  
15.19 individuals who work with Minnesota farmers  
15.20 in a professional capacity. Region Five  
15.21 Development Commission may use up to 6.5  
15.22 percent of the grant awarded under this  
15.23 paragraph for administration.
- 15.24 (o) \$150,000 the first year and \$150,000 the  
15.25 second year are for administrative support for  
15.26 the Rural Finance Authority.
- 15.27 (p) \$137,000 the first year and \$204,000 the  
15.28 second year are to maintain the current level  
15.29 of service delivery.
- 15.30 (q) \$1,000,000 the first year and \$1,000,000  
15.31 the second year are to award and administer  
15.32 down payment assistance grants under  
15.33 Minnesota Statutes, section 17.133, with  
15.34 priority given to eligible applicants with no  
15.35 more than \$100,000 in annual gross farm

16.1 product sales and eligible applicants who are  
16.2 producers of industrial hemp, cannabis, or one  
16.3 or more of the following specialty crops as  
16.4 defined by the United States Department of  
16.5 Agriculture for purposes of the specialty crop  
16.6 block grant program: fruits and vegetables,  
16.7 tree nuts, dried fruits, medicinal plants,  
16.8 culinary herbs and spices, horticulture crops,  
16.9 floriculture crops, and nursery crops.

16.10 Notwithstanding Minnesota Statutes, section  
16.11 16A.28, any unencumbered balance at the end  
16.12 of the first year does not cancel and is  
16.13 available in the second year and appropriations  
16.14 encumbered under contract by June 30, 2027,  
16.15 are available until June 30, 2029.

16.16 (r) \$3,100,000 the first year is for a grant to  
16.17 First District Association for a wastewater  
16.18 pretreatment project.

16.19 (s) The commissioner shall continue to  
16.20 increase connections between ethnic minority  
16.21 and immigrant farmers to farming  
16.22 opportunities and farming programs  
16.23 throughout Minnesota.

16.24 Sec. 3. **BOARD OF ANIMAL HEALTH**                   \$           6,767,000 \$           6,767,000

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

16.28 (b) \$357,000 the first year and \$357,000 the  
16.29 second year are to maintain the current level  
16.30 of service delivery.

16.31 Sec. 4. **AGRICULTURAL UTILIZATION**  
16.32 **RESEARCH INSTITUTE**                                   \$           4,388,000 \$           4,434,000



17.1 \$45,000 the first year and \$91,000 the second  
17.2 year are to maintain the current level of service  
17.3 delivery.

17.4 Sec. 5. **TRANSFERS.**

17.5 (a) \$100,000 in fiscal year 2026 and \$100,000 in fiscal year 2027 are transferred from  
17.6 the general fund to the pollinator research account established under Minnesota Statutes,  
17.7 section 18B.051. This transfer is \$100,000 in fiscal year 2028 and each year thereafter.

17.8 (b) \$186,000 in fiscal year 2026 and \$186,000 in fiscal year 2027 are transferred from  
17.9 the general fund to the Minnesota grown account and may be used as grants for Minnesota  
17.10 Grown promotion under Minnesota Statutes, section 17.102. Notwithstanding Minnesota  
17.11 Statutes, section 16A.28, the appropriations encumbered under contract on or before June  
17.12 30, 2027, for Minnesota Grown grants in this paragraph are available until June 30, 2029.  
17.13 This transfer is \$186,000 in fiscal year 2028 and each year thereafter.

17.14 (c) \$10,852,000 in fiscal year 2026 and \$10,852,000 in fiscal year 2027 are transferred  
17.15 from the general fund to the agriculture research, education, extension, and technology  
17.16 transfer account under Minnesota Statutes, section 41A.14, subdivision 3, and the  
17.17 commissioner shall transfer funds each year to the Board of Regents of the University of  
17.18 Minnesota for purposes of Minnesota Statutes, section 41A.14, subdivision 1, clauses (1)  
17.19 and (2), and must supplement and not supplant existing sources and levels of funding. The  
17.20 commissioner may use up to one percent of this transfer for costs incurred to administer  
17.21 this program.

17.22 (d) Of the amount transferred for the agriculture research, education, extension, and  
17.23 technology transfer grant program under Minnesota Statutes, section 41A.14:

17.24 (1) \$600,000 in fiscal year 2026 and \$600,000 in fiscal year 2027 are for the Minnesota  
17.25 Agricultural Experiment Station's agriculture rapid response fund under Minnesota Statutes,  
17.26 section 41A.14, subdivision 1, clause (2);

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

17.30 (3) \$2,750,000 in fiscal year 2026 and \$2,750,000 in fiscal year 2027 are for grants to  
17.31 the Minnesota Agricultural Educational Leadership Council to enhance agricultural education  
17.32 with priority given to Farm Business Management challenge grants;

17.33 (4) \$350,000 in fiscal year 2026 and \$350,000 in fiscal year 2027 are for potato research;

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

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

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

The transfer for the agricultural research, education, extension, and technology transfer program is \$10,852,000 in fiscal year 2028 and each year thereafter.

(e) \$1,425,000 in fiscal year 2026 and \$1,425,000 in fiscal year 2027 are transferred from the general fund to the agricultural and environmental revolving loan account established under Minnesota Statutes, section 17.117, subdivision 5, for low-interest loans under Minnesota Statutes, section 17.117. This transfer is \$1,425,000 in fiscal year 2028 and each year thereafter.

Sec. 6. **CANCELLATION.**

\$3,000,000 of the fiscal year 2024 general fund appropriation for grants to cooperatives to invest in green fertilizer production facilities under Laws 2023, chapter 60, article 10, section 4, is canceled.

Sec. 7. **FISCAL YEAR 2025 APPROPRIATIONS.**

(a) \$125,000 in fiscal year 2025 is appropriated to the commissioner of agriculture for compensation for destroyed or crippled livestock under Minnesota Statutes, section 3.737. The commissioner of agriculture may use up to \$5,000 to reimburse expenses incurred by university extension educators to provide fair market values of destroyed or crippled livestock. If the commissioner of agriculture receives federal funding to pay claims for destroyed or crippled livestock, an equivalent amount of this appropriation may be used to

reimburse nonlethal prevention methods performed by federal wildlife services staff. This is a onetime appropriation and is available until June 30, 2026.

(b) \$125,000 in fiscal year 2025 is appropriated to the commissioner of agriculture for compensation for crop damage under Minnesota Statutes, section 3.7371. The commissioner of agriculture may use up to \$10,000 of the appropriation to reimburse expenses incurred by the commissioner of agriculture or the commissioner of agriculture's approved agent to investigate and resolve claims, as well as for costs associated with training for approved agents. The commissioner of agriculture may use up to \$40,000 of the appropriation to make grants to producers for measures to protect stored crops from elk damage. If the commissioner of agriculture determines that claims made under Minnesota Statutes, section 3.737 or 3.7371 are unusually high, amounts appropriated for either program may be transferred to the appropriation for the other program. This is a onetime appropriation and is available until June 30, 2026.

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

Sec. 8. **FISCAL YEAR 2025 TRANSFER.**

\$1,500,000 in fiscal year 2025 is transferred from the general fund to the agricultural emergency account established under Minnesota Statutes, section 17.041.

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

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

Subd. 2. **Grants.** The commissioner may award farm down payment assistance grants of up to \$15,000 per eligible farmer purchasing less than 80 acres of farmland, and up to \$30,000 per eligible farmer purchasing 80 acres or more of farmland. Each award must be matched with at least \$8,000 of other funding. Grants under this subdivision may be awarded by a randomized selection process after applications are collected over a period of no less than 30 calendar days. An eligible farmer must commit to own and farm the land purchased with assistance provided under this section for at least five years. For each year that a grant recipient does not own and farm the land during the five-year period, the grant recipient must pay a penalty to the commissioner equal to 20 percent of the grant amount.

Sec. 10. Minnesota Statutes 2024, section 18C.005, is amended by adding a subdivision to read:

Subd. 4a. **Commercial nitrogen fertilizer.** "Commercial nitrogen fertilizer" means a fertilizer with a nitrogen content that is not less than 25 percent.

Sec. 11. **[18C.113] BIOFERTILIZER INNOVATION AND EFFICIENCY PROGRAM.**

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

**Subd. 2. Payments to qualified farmers.** (a) In consultation with farmers and the fertilizer industry, the commissioner must establish a per-acre payment rate, not less than \$5 per acre, for payments provided to a qualifying farmer. The program must provide an annual per-acre incentive payment to a qualifying farmer who verifies through documentation that the farmer has reduced commercial nitrogen fertilizer rates by using a qualifying product in the farmer's crop nutrient management plans by the lesser of:

(1) 15 percent; or

(2) 30 pounds per acre.

(b) The commissioner must annually review and may adjust the per-acre payment rate based on inflation and emerging fertilizer technology.

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

(1) be a Minnesota resident operating farmland located in Minnesota;

(2) submit documentation to the commissioner, including a crop nutrient management plan that will reduce the use of commercial nitrogen fertilizers at the reduction rate required under subdivision 2 by using a qualifying product determined by the commissioner under subdivision 1; and

(3) enroll a minimum of 40 eligible acres.

**Subd. 4. Review required.** Every two years, the commissioner must review:

(1) the program's required minimum commercial nitrogen fertilizer reduction rate under subdivision 2 and determine whether an increase in the minimum reduction rate is necessary; and

21.1 (2) additional qualifying products that may be used by farmers in the program. When  
21.2 making this determination, the commissioner must consider newly available technologies  
21.3 and products capable of reducing commercial nitrogen fertilizer applications.

21.4 Subd. 5. **Rulemaking required.** The commissioner must adopt rules using rulemaking  
21.5 authority under section 18C.121, subdivision 1, to implement this section.

21.6 Sec. 12. Minnesota Statutes 2024, section 41A.16, subdivision 7, is amended to read:

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

21.18 (b) No payments shall be made for advanced biofuel production that occurs after June  
21.19 30, 2035, for those eligible biofuel producers under paragraph (a).

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

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

21.24 (e) Renewable chemical production for which payment has been received under section  
21.25 41A.17, and biomass thermal production for which payment has been received under section  
21.26 41A.18, are not eligible for payment under this section.

21.27 (f) Biobutanol is eligible under this section.

21.28 Sec. 13. **COUNTY AGRICULTURAL INSPECTORS.**

21.29 (a) To be eligible for grants under this section, a county must employ a county agricultural  
21.30 inspector or a county-designated employee who:

- 22.1        (1) has attended training for new county agricultural inspectors offered by the
- 22.2        commissioner of agriculture;
- 22.3        (2) coordinates with the commissioner of agriculture to review applicable laws and
- 22.4        enforcement procedures;
- 22.5        (3) compiles and submits to the commissioner of agriculture local weed inspector annual
- 22.6        report data;
- 22.7        (4) conducts an annual meeting and training for local weed inspectors; and
- 22.8        (5) assists the commissioner of agriculture with control programs and other agricultural
- 22.9        programs when requested under Minnesota Statutes, section 18.81, subdivision 1b, as
- 22.10       directed by the county board.
- 22.11       (b) County agricultural inspectors and county-designated employees must annually
- 22.12       submit an application, on a form approved by the commissioner of agriculture, to be eligible
- 22.13       for funding during a given year. The commissioner of agriculture must equally divide
- 22.14       available grant money among eligible counties.

**ARTICLE 2**

**BROADBAND**

22.17 Section 1. **BROADBAND DEVELOPMENT APPROPRIATIONS.**

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

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

23.1 Sec. 3. Minnesota Statutes 2024, section 326B.198, subdivision 2, is amended to read:

23.2 Subd. 2. **Installation requirements.** (a) The installation of underground  
23.3 telecommunications infrastructure that is located within ten feet of existing underground  
23.4 utilities or that crosses the existing underground utilities must be performed by  
23.5 safety-qualified underground telecommunications installers as follows:

23.6 (1) the location of existing utilities by hand- or hydro-excavation or other accepted  
23.7 methods must be performed by a safety-qualified underground telecommunications installer;  
23.8 and

23.9 (2) where telecommunications infrastructure is installed by means of directional drilling,  
23.10 the monitoring of the location and depth of the drill head must be performed by a  
23.11 safety-qualified underground telecommunications installer; and.

23.12 ~~(3) no fewer than two safety-qualified underground telecommunications installers must~~  
23.13 ~~be present at all times at any location where telecommunications infrastructure is being~~  
23.14 ~~installed by means of directional drilling.~~

23.15 ~~(b) Beginning July 1, 2025, all installations of underground telecommunications~~  
23.16 ~~infrastructure subject to this subdivision within the seven-county metropolitan area must~~  
23.17 ~~be performed by safety-qualified underground telecommunications installers that meet the~~  
23.18 ~~requirements of this subdivision.~~

23.19 ~~(e)~~ (b) Beginning January 1, 2026, all installations of underground telecommunications  
23.20 infrastructure subject to this subdivision within this state must be performed by  
23.21 safety-qualified underground telecommunications installers that meet the requirements of  
23.22 this subdivision.

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

23.24 Sec. 4. Minnesota Statutes 2024, section 326B.198, subdivision 3, is amended to read:

23.25 Subd. 3. **Certification Standards.** (a) The commissioner of labor and industry, in  
23.26 consultation with the Office of Broadband, shall approve standards for a safety-qualified  
23.27 underground telecommunications installer certification program that requires a person to:

23.28 (1) complete a ~~40-hour~~ ten-hour initial course that includes classroom and hands-on  
23.29 instruction covering proper work procedures for safe installation of underground utilities,  
23.30 including:

23.31 (i) regulations applicable to excavation near existing utilities;

- 24.1 (ii) identification, location, and verification of utility lines using hand- or  
24.2 hydro-excavation or other accepted methods;
- 24.3 (iii) response to line strike incidents;
- 24.4 (iv) traffic control procedures;
- 24.5 (v) use of a tracking device to safely guide directional drill equipment along a drill path;  
24.6 and
- 24.7 (vi) avoidance and mitigation of safety hazards posed by underground utility installation  
24.8 projects;
- 24.9 (2) demonstrate knowledge of the course material by successfully completing an  
24.10 examination approved by the commissioner; and
- 24.11 (3) complete a four-hour refresher course within three years of completing the original  
24.12 course and every three years thereafter in order to maintain certification.
- 24.13 (b) The commissioner must develop an approval process for training providers under  
24.14 this subdivision and may suspend or revoke the approval of any training provider that fails  
24.15 to demonstrate consistent delivery of approved curriculum or success in preparing participants  
24.16 to complete the examination.
- 24.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.



APPENDIX  
Article locations for H1704-1

ARTICLE 1   APPROPRIATIONS..... Page.Ln 1.11

ARTICLE 2   BROADBAND..... Page.Ln 22.15