

1.1 moves to amend H.F. No. 4366 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 APPROPRIATIONS

1.5 Section 1. Laws 2021, First Special Session chapter 3, article 1, section 2, is amended to
1.6 read:

1.7 Sec. 2. DEPARTMENT OF AGRICULTURE

1.8			59,303,000	59,410,000
1.9	Subdivision 1. Total Appropriation	\$	<u>63,803,000</u>	\$ <u>107,910,000</u>

1.10	Appropriations by Fund			
1.11		2022	2023	
1.12		58,904,000	59,011,000	
1.13	General	<u>63,404,000</u>	<u>107,511,000</u>	
1.14	Remediation	399,000	399,000	

1.15 The amounts that may be spent for each
1.16 purpose are specified in the following
1.17 subdivisions.

1.18 Subd. 2. **Protection Services**

1.19	Appropriations by Fund			
1.20		2022	2023	
1.21			19,610,000	
1.22	General	19,384,000	<u>43,231,000</u>	
1.23	Remediation	399,000	399,000	

1.24 (a) \$399,000 the first year and \$399,000 the
1.25 second year are from the remediation fund for

2.1 administrative funding for the voluntary
2.2 cleanup program.

2.3 (b) \$175,000 the first year and \$175,000 the
2.4 second year are for compensation for
2.5 destroyed or crippled livestock under
2.6 Minnesota Statutes, section 3.737. The first
2.7 year appropriation may be spent to compensate
2.8 for livestock that were destroyed or crippled
2.9 during fiscal year 2021. If the amount in the
2.10 first year is insufficient, the amount in the
2.11 second year is available in the first year. The
2.12 commissioner may use up to \$5,000 each year
2.13 to reimburse expenses incurred by university
2.14 extension educators to provide fair market
2.15 values of destroyed or crippled livestock. If
2.16 the commissioner receives federal dollars to
2.17 pay claims for destroyed or crippled livestock,
2.18 an equivalent amount of this appropriation
2.19 may be used to reimburse nonlethal prevention
2.20 methods performed by federal wildlife services
2.21 staff.

2.22 (c) \$155,000 the first year and \$155,000 the
2.23 second year are for compensation for crop
2.24 damage under Minnesota Statutes, section
2.25 3.7371. If the amount in the first year is
2.26 insufficient, the amount in the second year is
2.27 available in the first year. The commissioner
2.28 may use up to \$10,000 of the appropriation
2.29 each year to reimburse expenses incurred by
2.30 the commissioner or the commissioner's
2.31 approved agent to investigate and resolve
2.32 claims, as well as for costs associated with
2.33 training for approved agents. The
2.34 commissioner may use up to \$20,000 of the
2.35 appropriation each year to make grants to

3.1 producers for measures to protect stored crops
3.2 from elk damage.

3.3 If the commissioner determines that claims
3.4 made under Minnesota Statutes, section 3.737
3.5 or 3.7371, are unusually high, amounts
3.6 appropriated for either program may be
3.7 transferred to the appropriation for the other
3.8 program.

3.9 (d) \$225,000 the first year and \$225,000 the
3.10 second year are for additional funding for the
3.11 noxious weed and invasive plant program.

3.12 (e) \$2,000,000 the second year is for a transfer
3.13 to the noxious weed and invasive plant species
3.14 assistance account established under
3.15 Minnesota Statutes, section 18.89, for grants
3.16 to local units of government and Tribal
3.17 Nations for noxious weed detection, control,
3.18 and management. This is a onetime
3.19 appropriation.

3.20 ~~(e)~~ (f) \$50,000 the first year is for additional
3.21 funding for the industrial hemp program for
3.22 IT development. This is a onetime
3.23 appropriation and is available until June 30,
3.24 2023.

3.25 ~~(f)~~ (g) \$110,000 the first year and \$110,000
3.26 the second year are for additional meat and
3.27 poultry inspection services. The commissioner
3.28 is encouraged to seek inspection waivers,
3.29 matching federal dollars, and offer more online
3.30 inspections for the purposes under this
3.31 paragraph.

3.32 ~~(g)~~ (h) \$825,000 the first year and \$825,000
3.33 the second year are to replace capital

4.1 equipment in the Department of Agriculture's
4.2 analytical laboratory.

4.3 ~~(h)~~ (i) \$274,000 the first year and \$550,000
4.4 the second year are to maintain the current
4.5 level of service delivery.

4.6 (j) \$100,000 the second year is to support
4.7 laboratory testing for the Minnesota meat and
4.8 poultry inspection program. The base for this
4.9 appropriation is \$50,000 in fiscal year 2024
4.10 and thereafter.

4.11 (k) \$6,500,000 the second year is for grants
4.12 to the Board of Regents of the University of
4.13 Minnesota to fund the Forever Green Initiative
4.14 and protect the state's natural resources while
4.15 increasing the efficiency, profitability, and
4.16 productivity of Minnesota farmers by
4.17 incorporating perennial and winter-annual
4.18 crops into existing agricultural practices. Of
4.19 this amount, up to \$5,000,000 is for equipment
4.20 and physical infrastructure to support breeding
4.21 and agronomic activities necessary to develop
4.22 perennial and winter-annual crops. This
4.23 appropriation is available until June 30, 2028.
4.24 The base for this appropriation is \$1,500,000
4.25 in fiscal year 2024 and thereafter.

4.26 (l) \$9,000,000 the second year is for grants to
4.27 organizations in Minnesota to develop
4.28 enterprises, supply chains, and markets for
4.29 continuous living cover crops and cropping
4.30 systems in the early stage of commercial
4.31 development, Kernza perennial grain, winter
4.32 camelina, hybrid hazelnuts, and elderberry. A
4.33 grant award must not exceed \$750,000 per
4.34 entity. A multiyear project may receive grant
4.35 dollars for up to three years. In consultation

5.1 with interested stakeholders, the commissioner
5.2 must develop a process to award grants. At
5.3 the time of application, the commissioner must
5.4 notify applicants of any grant recipient
5.5 requirements. The commissioner must appoint
5.6 a technical review panel to review and rank
5.7 eligible applicants and give preference to
5.8 applicants that are well-positioned to expand
5.9 the profitable commercialization of the crops
5.10 identified in this paragraph. The technical
5.11 review panel must include at least one
5.12 representative from the University of
5.13 Minnesota's Forever Green Initiative and one
5.14 representative from the Agricultural
5.15 Utilization Research Institute. The
5.16 commissioner must consider the
5.17 recommendations of the technical review panel
5.18 when selecting grant recipients. Beginning
5.19 February 1, 2023, and annually thereafter until
5.20 February 1, 2029, the commissioner must
5.21 submit a report on grant utilization to the
5.22 legislative committees with jurisdiction over
5.23 agriculture finance and policy. This is a
5.24 onetime appropriation and is available until
5.25 June 30, 2028.

5.26 (m) \$6,725,000 the second year is for the soil
5.27 health financial assistance program. This is a
5.28 onetime appropriation and is available until
5.29 June 30, 2027.

5.30 (n) \$2,000,000 the second year is for transfer
5.31 to the pollinator research account established
5.32 under Minnesota Statutes, section 18B.051.
5.33 This is a onetime appropriation.

5.34 (o) \$371,000 the second year is to regulate
5.35 plastic-coated fertilizer and plastic-coated

6.1 pesticide. The base for this appropriation is
6.2 \$358,000 in fiscal year 2024 and thereafter.

6.3 (p) \$100,000 is to develop and promote
6.4 consumer guidance regarding seed treated with
6.5 neonicotinoid pesticide under Minnesota
6.6 Statutes, section 21.915. This is a onetime
6.7 appropriation.

6.8 (q) \$425,000 is to analyze, develop, and plan
6.9 a streamlined food safety regulatory program
6.10 in Minnesota. This is a onetime appropriation
6.11 and is available until June 30, 2025.

6.12 **Subd. 3. Agricultural Marketing and**
6.13 **Development**

4,200,000 4,205,000
5,465,000

6.14 (a) \$186,000 the first year and \$186,000 the
6.15 second year are for transfer to the Minnesota
6.16 grown account and may be used as grants for
6.17 Minnesota grown promotion under Minnesota
6.18 Statutes, section 17.102. Grants may be made
6.19 for one year. Notwithstanding Minnesota
6.20 Statutes, section 16A.28, the appropriations
6.21 encumbered under contract on or before June
6.22 30, 2023, for Minnesota grown grants in this
6.23 paragraph are available until June 30, 2025.

6.24 (b) \$50,000 the first year is to expand
6.25 international marketing opportunities for
6.26 farmers and value-added processors, including
6.27 in-market representation in Taiwan. This is a
6.28 onetime appropriation and is available until
6.29 June 30, 2023.

6.30 (c) \$634,000 the first year and \$634,000 the
6.31 second year are for continuation of the dairy
6.32 development and profitability enhancement
6.33 programs including dairy profitability teams

7.1 and dairy business planning grants under
7.2 Minnesota Statutes, section 32D.30.

7.3 (d) \$50,000 the first year and \$50,000 the
7.4 second year are for additional funding for
7.5 mental health outreach and support to farmers
7.6 and others in the agricultural community,
7.7 including a 24-hour hotline, stigma reduction,
7.8 and educational offerings. These are onetime
7.9 appropriations.

7.10 (e) The commissioner may use funds
7.11 appropriated in this subdivision for annual
7.12 cost-share payments to resident farmers or
7.13 entities that sell, process, or package
7.14 agricultural products in this state for the costs
7.15 of organic certification. The commissioner
7.16 may allocate these funds for assistance to
7.17 persons transitioning from conventional to
7.18 organic agriculture.

7.19 (f) \$100,000 the first year and \$100,000 the
7.20 second year are for the farm safety grant and
7.21 outreach programs under Minnesota Statutes,
7.22 section 17.1195. Notwithstanding Minnesota
7.23 Statutes, section 16A.28, any unencumbered
7.24 balance does not cancel at the end of the first
7.25 year and is available in the second year. These
7.26 are onetime appropriations.

7.27 (g) \$54,000 the first year and \$109,000 the
7.28 second year are to maintain the current level
7.29 of service delivery.

7.30 (h) \$1,250,000 the second year is to create and
7.31 implement a program to support farmers
7.32 markets and direct marketing producers. Of
7.33 this amount, \$1,000,000 is for a grant to the
7.34 Minnesota Farmers' Market Association for

8.1 awards to farmers' markets not exceeding
 8.2 \$5,000 per market location for equipment and
 8.3 infrastructure. The Minnesota Farmers' Market
 8.4 Association may use up to 6.5 percent of the
 8.5 grant awarded under this paragraph for
 8.6 administrative expenses. This is a onetime
 8.7 appropriation and is available until June 30,
 8.8 2024.

8.9 (i) \$10,000 the second year is to provide an
 8.10 interim report on the Statewide Cooperative
 8.11 Partnership for Local and Regional Markets,
 8.12 including recommendations for strengthening
 8.13 local and regional food systems. No later than
 8.14 February 1, 2023, the commissioner must
 8.15 submit the report to the legislative committees
 8.16 with jurisdiction over agriculture policy and
 8.17 finance. This is a onetime appropriation.

8.18	Subd. 4. Agriculture, Bioenergy, and Bioproduct		<u>25,357,000</u>
8.19	Advancement	25,343,000	<u>33,513,000</u>

8.20 (a) \$9,300,000 the first year and \$9,300,000
 8.21 the second year are for transfer to the
 8.22 agriculture research, education, extension, and
 8.23 technology transfer account under Minnesota
 8.24 Statutes, section 41A.14, subdivision 3. Of
 8.25 these amounts: at least \$600,000 the first year
 8.26 and \$600,000 the second year are for the
 8.27 Minnesota Agricultural Experiment Station's
 8.28 agriculture rapid response fund under
 8.29 Minnesota Statutes, section 41A.14,
 8.30 subdivision 1, clause (2); \$2,000,000 the first
 8.31 year and \$2,000,000 the second year are for
 8.32 grants to the Minnesota Agriculture Education
 8.33 Leadership Council to enhance agricultural
 8.34 education with priority given to Farm Business
 8.35 Management challenge grants; \$350,000 the

9.1 first year and \$350,000 the second year are
9.2 for potato breeding; and \$450,000 the first
9.3 year and \$450,000 the second year are for the
9.4 cultivated wild rice breeding project at the
9.5 North Central Research and Outreach Center
9.6 to include a tenure track/research associate
9.7 plant breeder. The commissioner shall transfer
9.8 the remaining funds in this appropriation each
9.9 year to the Board of Regents of the University
9.10 of Minnesota for purposes of Minnesota
9.11 Statutes, section 41A.14. Of the amount
9.12 transferred to the Board of Regents, up to
9.13 \$1,000,000 each year is for research on avian
9.14 influenza, salmonella, and other turkey-related
9.15 diseases. By January 15, 2023, entities
9.16 receiving grants for potato breeding and wild
9.17 rice breeding are requested to report to the
9.18 chairs and ranking minority members of the
9.19 legislative committees with jurisdiction over
9.20 agriculture and higher education regarding the
9.21 use of the grant money and to provide an
9.22 update on the status of research and related
9.23 accomplishments.

9.24 To the extent practicable, money expended
9.25 under Minnesota Statutes, section 41A.14,
9.26 subdivision 1, clauses (1) and (2), must
9.27 supplement and not supplant existing sources
9.28 and levels of funding. The commissioner may
9.29 use up to one percent of this appropriation for
9.30 costs incurred to administer the program.

9.31 (b) \$16,028,000 the first year and ~~\$16,028,000~~
9.32 \$24,184,000 the second year are for the
9.33 agricultural growth, research, and innovation
9.34 program under Minnesota Statutes, section
9.35 41A.12. Except as provided below, the

10.1 commissioner may allocate the appropriation
10.2 each year among the following areas:
10.3 facilitating the start-up, modernization,
10.4 improvement, or expansion of livestock
10.5 operations including beginning and
10.6 transitioning livestock operations with
10.7 preference given to robotic dairy-milking
10.8 equipment; providing funding not to exceed
10.9 \$800,000 ~~each~~ the first year to develop and
10.10 enhance farm-to-school markets for Minnesota
10.11 farmers by providing more fruits, vegetables,
10.12 meat, grain, and dairy for Minnesota children
10.13 in school and child care settings including, at
10.14 the commissioner's discretion, reimbursing
10.15 schools for purchases from local farmers;
10.16 assisting value-added agricultural businesses
10.17 to begin or expand, to access new markets, or
10.18 to diversify, including plant-based foods and
10.19 aquaponics systems; providing funding not to
10.20 exceed \$600,000 ~~each~~ the first year for urban
10.21 youth agricultural education or urban
10.22 agriculture community development of which
10.23 \$10,000 ~~each year~~ is for transfer to the
10.24 emerging farmer account under Minnesota
10.25 Statutes, section 17.055, subdivision 1a;
10.26 providing funding not to exceed \$450,000
10.27 ~~each~~ the first year for the good food access
10.28 program under Minnesota Statutes, section
10.29 17.1017; facilitating the start-up,
10.30 modernization, or expansion of other
10.31 beginning and transitioning farms including
10.32 by providing loans under Minnesota Statutes,
10.33 section 41B.056; sustainable agriculture
10.34 on-farm research and demonstration;
10.35 development or expansion of food hubs and
10.36 other alternative community-based food

11.1 distribution systems; enhancing renewable
11.2 energy infrastructure and use; crop research;
11.3 Farm Business Management tuition assistance;
11.4 and good agricultural practices and good
11.5 handling practices certification assistance. The
11.6 commissioner may use up to 6.5 percent of
11.7 this appropriation for costs incurred to
11.8 administer the program.

11.9 Of the amount appropriated for the agricultural
11.10 growth, research, and innovation program
11.11 under Minnesota Statutes, section 41A.12:

11.12 (1) \$1,000,000 the first year and \$1,000,000
11.13 the second year are for distribution in equal
11.14 amounts to each of the state's county fairs to
11.15 preserve and promote Minnesota agriculture;

11.16 (2) ~~\$4,500,000~~ the first year and ~~\$4,500,000~~
11.17 \$7,500,000 the second year are for incentive
11.18 payments and paying claims not otherwise
11.19 paid under Minnesota Statutes, sections
11.20 41A.16, 41A.17, 41A.18, and 41A.20.

11.21 Notwithstanding Minnesota Statutes, section
11.22 16A.28, the first year appropriation is
11.23 available until June 30, 2023, and the second
11.24 year appropriation is available until June 30,
11.25 2024. If this appropriation exceeds the total
11.26 amount for which all producers are eligible in
11.27 a fiscal year, the balance of the appropriation
11.28 is available for other purposes under this
11.29 paragraph. The base appropriation under this
11.30 clause is \$6,500,000 in fiscal year 2024 and
11.31 thereafter;

11.32 (3) \$3,000,000 the first year and \$3,000,000
11.33 the second year are for grants that enable retail
11.34 petroleum dispensers, fuel storage tanks, and
11.35 other equipment to dispense biofuels to the

12.1 public in accordance with the biofuel
12.2 replacement goals established under
12.3 Minnesota Statutes, section 239.7911. A retail
12.4 petroleum dispenser selling petroleum for use
12.5 in spark ignition engines for vehicle model
12.6 years after 2000 is eligible for grant money
12.7 under this clause if the retail petroleum
12.8 dispenser has no more than 10 retail petroleum
12.9 dispensing sites and each site is located in
12.10 Minnesota. The grant money must be used to
12.11 replace or upgrade equipment that does not
12.12 have the ability to be certified for E25. A grant
12.13 award must not exceed 65 percent of the cost
12.14 of the appropriate technology. A grant award
12.15 must not exceed \$200,000 per station. The
12.16 commissioner must cooperate with biofuel
12.17 stakeholders in the implementation of the grant
12.18 program. The commissioner, in cooperation
12.19 with any economic or community development
12.20 financial institution and any other entity with
12.21 which it contracts, must submit a report on the
12.22 biofuels infrastructure financial assistance
12.23 program by January 15 of each year to the
12.24 chairs and ranking minority members of the
12.25 legislative committees and divisions with
12.26 jurisdiction over agriculture policy and
12.27 finance. The annual report must include but
12.28 not be limited to a summary of the following
12.29 metrics: (i) the number and types of projects
12.30 financed; (ii) the amount of dollars leveraged
12.31 or matched per project; (iii) the geographic
12.32 distribution of financed projects; (iv) any
12.33 market expansion associated with upgraded
12.34 infrastructure; (v) the demographics of the
12.35 areas served; (vi) the costs of the program;

13.1 and (vii) the number of grants to
13.2 minority-owned or female-owned businesses;
13.3 (4) ~~\$750,000~~ the first year and ~~\$750,000~~
13.4 \$3,750,000 the second year are for grants to
13.5 facilitate the start-up, modernization, or
13.6 expansion of meat, poultry, egg, and milk
13.7 processing facilities. A grant award under this
13.8 clause must not exceed \$200,000. Any
13.9 unencumbered balance at the end of the second
13.10 year does not cancel until June 30, 2024, and
13.11 may be used for other purposes under this
13.12 paragraph. The appropriations under this
13.13 clause are onetime; ~~and~~
13.14 (5) \$1,400,000 the first year and \$1,400,000
13.15 the second year are for livestock investment
13.16 grants under Minnesota Statutes, section
13.17 17.118. Any unencumbered balance at the end
13.18 of the second year does not cancel until June
13.19 30, 2024, and may be used for other purposes
13.20 under this paragraph. The appropriations under
13.21 this clause are onetime; ~~;~~
13.22 (6) \$300,000 the second year is for farm
13.23 business management tuition assistance with
13.24 priority to specialty crop farmers, urban
13.25 farmers, and farmers facing mediation, and
13.26 support for new urban and specialty crop
13.27 instructor positions, including translation and
13.28 outreach. Any unencumbered balance at the
13.29 end of the second year does not cancel and is
13.30 available until June 30, 2024. The
13.31 appropriation under this clause is onetime;
13.32 (7) \$1,600,000 the second year is to develop
13.33 and enhance farm-to-school markets for
13.34 Minnesota farmers by providing more fruits,
13.35 vegetables, meat, grain, and dairy for

- 14.1 Minnesota children in school and child care
14.2 settings including reimbursing schools and
14.3 child care providers for purchases from local
14.4 farmers;
- 14.5 (8) \$1,000,000 the second year is for urban
14.6 youth agricultural education or urban
14.7 agriculture community development. Of this
14.8 amount, \$10,000 is for transfer to the
14.9 emerging farmer account under Minnesota
14.10 Statutes, section 17.055, subdivision 1a; and
- 14.11 (9) \$1,000,000 the second year is for the good
14.12 food access program under Minnesota
14.13 Statutes, section 17.1017.
- 14.14 Notwithstanding Minnesota Statutes, section
14.15 16A.28, any unencumbered balance does not
14.16 cancel at the end of the first year and is
14.17 available for the second year, and
14.18 appropriations encumbered under contract on
14.19 or before June 30, 2023, for agricultural
14.20 growth, research, and innovation grants are
14.21 available until June 30, 2026.
- 14.22 The base amount for the agricultural growth,
14.23 research, and innovation program is
14.24 ~~\$16,053,000~~ \$18,995,000 in fiscal year 2024
14.25 and ~~\$16,053,000~~ \$18,995,000 in fiscal year
14.26 2025, and includes funding for incentive
14.27 payments under Minnesota Statutes, sections
14.28 41A.16, 41A.17, 41A.18, and 41A.20.
- 14.29 (c) \$15,000 the first year and \$29,000 the
14.30 second year are to maintain the current level
14.31 of service delivery.

15.1	Subd. 5. Administration and Financial	<u>9,977,000</u>	<u>9,839,000</u>
15.2	Assistance	<u>14,477,000</u>	<u>25,302,000</u>

15.3 (a) \$474,000 the first year and \$474,000 the
 15.4 second year are for payments to county and
 15.5 district agricultural societies and associations
 15.6 under Minnesota Statutes, section 38.02,
 15.7 subdivision 1. Aid payments to county and
 15.8 district agricultural societies and associations
 15.9 shall be disbursed no later than July 15 of each
 15.10 year. These payments are the amount of aid
 15.11 from the state for an annual fair held in the
 15.12 previous calendar year.

15.13 (b) \$387,000 the first year and \$337,000 the
 15.14 second year are for farm advocate services.
 15.15 Of these amounts, \$100,000 the first year and
 15.16 \$50,000 the second year are for a pilot
 15.17 program creating farmland access teams to
 15.18 provide technical assistance to potential
 15.19 beginning farmers. The farmland access teams
 15.20 must assist existing farmers and beginning
 15.21 farmers on transitioning farm ownership and
 15.22 operation. Services provided by teams may
 15.23 include but are not limited to providing
 15.24 mediation assistance, designing contracts,
 15.25 financial planning, tax preparation, estate
 15.26 planning, and housing assistance. Of this
 15.27 amount for farm transitions, up to \$50,000 the
 15.28 first year may be used to upgrade the
 15.29 Minnesota FarmLink web application that
 15.30 connects farmers looking for land with farmers
 15.31 looking to transition their land.

15.32 (c) \$47,000 the first year and \$47,000 the
 15.33 second year are for grants to the Northern
 15.34 Crops Institute that may be used to purchase
 15.35 equipment. These are onetime appropriations.

16.1 (d) \$238,000 the first year and ~~\$238,000~~
16.2 \$260,000 the second year are for ~~transfer to~~
16.3 ~~the Board of Trustees of the Minnesota State~~
16.4 ~~Colleges and Universities for statewide mental~~
16.5 ~~health counseling support to farm families and~~
16.6 ~~business operators through the Minnesota State~~
16.7 ~~Agricultural Centers of Excellence. South~~
16.8 ~~Central College and Central Lakes College~~
16.9 ~~shall serve as the fiscal agents. a pass-through~~
16.10 grant to Region Five Development
16.11 Commission to provide, in collaboration with
16.12 Farm Business Management, statewide mental
16.13 health counseling support to Minnesota farm
16.14 operators, families, and employees, and
16.15 individuals who work with Minnesota farmers
16.16 in a professional capacity. Region Five
16.17 Development Commission may use up to 6.5
16.18 percent of the grant awarded under this
16.19 paragraph for administration.

16.20 (e) \$1,700,000 the first year and \$1,700,000
16.21 the second year are for grants to Second
16.22 Harvest Heartland on behalf of Minnesota's
16.23 six Feeding America food banks for the
16.24 following:

16.25 (1) to purchase milk for distribution to
16.26 Minnesota's food shelves and other charitable
16.27 organizations that are eligible to receive food
16.28 from the food banks. Milk purchased under
16.29 the grants must be acquired from Minnesota
16.30 milk processors and based on low-cost bids.
16.31 The milk must be allocated to each Feeding
16.32 America food bank serving Minnesota
16.33 according to the formula used in the
16.34 distribution of United States Department of
16.35 Agriculture commodities under The

17.1 Emergency Food Assistance Program. Second
17.2 Harvest Heartland may enter into contracts or
17.3 agreements with food banks for shared funding
17.4 or reimbursement of the direct purchase of
17.5 milk. Each food bank that receives funding
17.6 under this clause may use up to two percent
17.7 for administrative expenses;

17.8 (2) to compensate agricultural producers and
17.9 processors for costs incurred to harvest and
17.10 package for transfer surplus fruits, vegetables,
17.11 and other agricultural commodities that would
17.12 otherwise go unharvested, be discarded, or
17.13 sold in a secondary market. Surplus
17.14 commodities must be distributed statewide to
17.15 food shelves and other charitable organizations
17.16 that are eligible to receive food from the food
17.17 banks. Surplus food acquired under this clause
17.18 must be from Minnesota producers and
17.19 processors. Second Harvest Heartland may
17.20 use up to 15 percent of each grant awarded
17.21 under this clause for administrative and
17.22 transportation expenses; and

17.23 (3) to purchase and distribute protein products,
17.24 including but not limited to pork, poultry, beef,
17.25 dry legumes, cheese, and eggs to Minnesota's
17.26 food shelves and other charitable organizations
17.27 that are eligible to receive food from the food
17.28 banks. Second Harvest Heartland may use up
17.29 to two percent of each grant awarded under
17.30 this clause for administrative expenses. Protein
17.31 products purchased under the grants must be
17.32 acquired from Minnesota processors and
17.33 producers.

17.34 Of the amount appropriated under this
17.35 paragraph, at least \$600,000 each year must

18.1 be allocated under clause (1). Notwithstanding
18.2 Minnesota Statutes, section 16A.28, any
18.3 unencumbered balance the first year does not
18.4 cancel and is available in the second year.
18.5 Second Harvest Heartland must submit
18.6 quarterly reports to the commissioner and the
18.7 chairs and ranking minority members of the
18.8 legislative committees with jurisdiction over
18.9 agriculture finance in the form prescribed by
18.10 the commissioner. The reports must include
18.11 but are not limited to information on the
18.12 expenditure of funds, the amount of milk or
18.13 other commodities purchased, and the
18.14 organizations to which this food was
18.15 distributed.

18.16 (f) \$250,000 the first year and \$250,000 the
18.17 second year are for grants to the Minnesota
18.18 Agricultural Education and Leadership
18.19 Council for programs of the council under
18.20 Minnesota Statutes, chapter 41D.

18.21 (g) \$1,437,000 the first year and \$1,437,000
18.22 the second year are for transfer to the
18.23 agricultural and environmental revolving loan
18.24 account established under Minnesota Statutes,
18.25 section 17.117, subdivision 5a, for low-interest
18.26 loans under Minnesota Statutes, section
18.27 17.117. The base for appropriations under this
18.28 paragraph in fiscal year 2024 and thereafter
18.29 is \$1,425,000. The commissioner must
18.30 examine how the department could use up to
18.31 one-third of the amount transferred to the
18.32 agricultural and environmental revolving loan
18.33 account under this paragraph to award grants
18.34 to rural landowners to replace septic systems
18.35 that inadequately protect groundwater. No

19.1 later than February 1, 2022, the commissioner
19.2 must report to the legislative committees with
19.3 jurisdiction over agriculture finance and
19.4 environment finance on the results of the
19.5 examination required under this paragraph.

19.6 The commissioner's report may include other
19.7 funding sources for septic system replacement
19.8 that are available to rural landowners.

19.9 (h) \$150,000 the first year and \$150,000 the
19.10 second year are for grants to the Center for
19.11 Rural Policy and Development. These are
19.12 onetime appropriations.

19.13 (i) \$150,000 the first year is to provide grants
19.14 to Central Lakes College for the purposes of
19.15 designing, building, and offering credentials
19.16 in the area of meat cutting and butchery that
19.17 align with industry needs as advised by local
19.18 industry advisory councils. Notwithstanding
19.19 Minnesota Statutes, section 16A.28, any
19.20 unencumbered balance does not cancel at the
19.21 end of the first year and is available for the
19.22 second year. The commissioner may only
19.23 award a grant under this paragraph if the grant
19.24 is matched by a like amount from another
19.25 funding source. The commissioner must seek
19.26 matching dollars from Minnesota State
19.27 Colleges and Universities or other entities.

19.28 The appropriation is onetime and is available
19.29 until June 30, 2024. Any money remaining on
19.30 June 30, 2024, must be transferred to the
19.31 agricultural growth, research, and innovation
19.32 program under Minnesota Statutes, section
19.33 41A.12, and is available until June 30, 2025.

19.34 Grants may be used for costs including but
19.35 not limited to:

- 20.1 (1) facility renovation to accommodate meat
20.2 cutting;
- 20.3 (2) curriculum design and approval from the
20.4 Higher Learning Commission;
- 20.5 (3) program operational start-up costs;
- 20.6 (4) equipment required for a meat cutting
20.7 program; and
- 20.8 (5) meat handling start-up costs in regard to
20.9 meat access and market channel building.
- 20.10 No later than January 15, 2023, Central Lakes
20.11 College must submit a report outlining the use
20.12 of grant money to the chairs and ranking
20.13 minority members of the legislative
20.14 committees and divisions with jurisdiction
20.15 over agriculture and higher education.
- 20.16 (j) \$2,000 the first year is for grants to the
20.17 Minnesota State Poultry Association. This is
20.18 a onetime appropriation. Notwithstanding
20.19 Minnesota Statutes, section 16A.28, any
20.20 unencumbered balance does not cancel at the
20.21 end of the first year and is available for the
20.22 second year.
- 20.23 (k) \$17,000 the first year and \$17,000 the
20.24 second year are for grants to the Minnesota
20.25 State Horticultural Society. These are onetime
20.26 appropriations.
- 20.27 (l) \$18,000 the first year and \$18,000 the
20.28 second year are for grants to the Minnesota
20.29 Livestock Breeders Association. These are
20.30 onetime appropriations.
- 20.31 (m) The commissioner shall continue to
20.32 increase connections with ethnic minority and

21.1 immigrant farmers to farming opportunities
21.2 and farming programs throughout the state.

21.3 (n) \$25,000 the first year and \$25,000 the
21.4 second year are for grants to the Southern
21.5 Minnesota Initiative Foundation to promote
21.6 local foods through an annual event that raises
21.7 public awareness of local foods and connects
21.8 local food producers and processors with
21.9 potential buyers.

21.10 (o) \$75,000 the first year and \$75,000 the
21.11 second year are for grants to Greater Mankato
21.12 Growth, Inc., for assistance to
21.13 agriculture-related businesses to promote jobs,
21.14 innovation, and synergy development. These
21.15 are onetime appropriations.

21.16 (p) \$75,000 the first year and \$75,000 the
21.17 second year are for grants to the Minnesota
21.18 Turf Seed Council for basic and applied
21.19 research. The Minnesota Turf Seed Council
21.20 may subcontract with a qualified third party
21.21 for some or all of the basic or applied research.
21.22 No later than January 15, 2023, the Minnesota
21.23 Turf Seed Council must submit a report
21.24 outlining the use of the grant money and
21.25 related accomplishments to the chairs and
21.26 ranking minority members of the legislative
21.27 committees with jurisdiction over agriculture.
21.28 ~~These are onetime appropriations.~~ Any
21.29 unencumbered balance does not cancel at the
21.30 end of the first year and is available for the
21.31 second year.

21.32 (q) \$150,000 the first year and \$150,000 the
21.33 second year are to establish an emerging
21.34 farmer office and hire a full-time emerging
21.35 farmer outreach coordinator. The emerging

22.1 farmer outreach coordinator must engage and
22.2 support emerging farmers regarding resources
22.3 and opportunities available throughout the
22.4 Department of Agriculture and the state. For
22.5 purposes of this paragraph, "emerging farmer"
22.6 has the meaning provided in Minnesota
22.7 Statutes, section 17.055, subdivision 1. Of the
22.8 amount appropriated each year, \$25,000 is for
22.9 translation services for farmers and cottage
22.10 food producers.

22.11 (r) \$222,000 the first year and \$286,000 the
22.12 second year are to maintain the current level
22.13 of service delivery.

22.14 (s) \$2,600,000 the second year is for grants to
22.15 organizations to provide technical and
22.16 culturally appropriate services to emerging
22.17 farmers and related businesses. The
22.18 commissioner may use up to 6.5 percent of
22.19 this appropriation for administrative costs.
22.20 This is a onetime appropriation and is
22.21 available until June 30, 2024.

22.22 (t) \$2,000,000 the second year is to support
22.23 the IT modernization efforts, including laying
22.24 the technology foundations needed for
22.25 improving customer interactions with the
22.26 department for licensing and payments. This
22.27 is a onetime appropriation and is available
22.28 until June 30, 2025.

22.29 (u) \$4,500,000 the first year is for transfer to
22.30 the agricultural emergency account established
22.31 under Minnesota Statutes, section 17.041, for
22.32 emergency preparedness and response
22.33 activities. Of this amount, up to \$1,500,000 is
22.34 for the University of Minnesota Veterinary

23.1 Diagnostic Laboratory. This is a onetime
23.2 appropriation.

23.3 (v) \$3,000,000 the second year is for grants
23.4 to Second Harvest Heartland for hunger relief.
23.5 Of this amount, \$500,000 is for The Good
23.6 Acre's Local Emergency Assistance Farmer
23.7 Fund (LEAFF) program. The base for this
23.8 appropriation is \$1,350,000 in fiscal year 2024
23.9 and \$1,300,000 in fiscal year 2025, of which
23.10 \$250,000 each year is for the LEAFF program.

23.11 (w) \$500,000 the second year is for transfer
23.12 to the Board of Trustees of the Minnesota
23.13 State Colleges and Universities to support
23.14 livestock processing technical education at
23.15 Central Lakes College and Ridgewater
23.16 College. Money may be used for the purposes
23.17 included in paragraph (i) and for student
23.18 financial assistance and outreach to
23.19 prospective students and employers. The
23.20 commissioner may only transfer money under
23.21 this paragraph if the transferred amount is
23.22 matched by a like amount from another
23.23 funding source. This is a onetime
23.24 appropriation and is available until June 30,
23.25 2024.

23.26 (x) \$141,000 the second year is additional
23.27 funding to administer the beginning farmer
23.28 tax credit. The base for this appropriation is
23.29 \$56,000 in fiscal year 2024 and \$0 in fiscal
23.30 year 2025.

23.31 (y) \$1,500,000 the second year is for a grant
23.32 to the Ag Innovation Campus to continue
23.33 construction of a soybean processing and
23.34 research facility. This is a onetime
23.35 appropriation.

24.1 (z) \$100,000 the second year is to provide
24.2 technical assistance and leadership in the
24.3 development of a comprehensive and
24.4 well-documented state aquaculture plan. The
24.5 commissioner must provide the state
24.6 aquaculture plan to the legislative committees
24.7 with jurisdiction over agriculture finance and
24.8 policy by February 15, 2024. This is a onetime
24.9 appropriation and is available until June 30,
24.10 2024.

24.11 (aa) \$3,000,000 the second year is to award
24.12 and administer down payment assistance
24.13 grants under Minnesota Statutes, section
24.14 17.133. The base for this appropriation is
24.15 \$1,000,000 in fiscal year 2024 and thereafter.

24.16 (bb) \$2,000,000 the second year is for transfer
24.17 to the Board of Regents of the University of
24.18 Minnesota to evaluate, propagate, and
24.19 maintain the genetic diversity of oilseeds,
24.20 grains, grasses, legumes, and other plants
24.21 including flax, timothy, barley, rye, triticale,
24.22 alfalfa, orchard grass, clover, and other species
24.23 and varieties that were in commercial
24.24 distribution and use in Minnesota prior to
24.25 1970, excluding wild rice. This appropriation
24.26 includes funding for associated extension and
24.27 outreach to small and BIPOC farmers. This is
24.28 a onetime appropriation.

24.29 (cc) \$100,000 the second year is for grants
24.30 and other forms of financial assistance to meat
24.31 and poultry processors with no more than 50
24.32 full-time equivalent employees to reimburse
24.33 costs incurred to attend courses or trainings
24.34 or receive technical assistance during fiscal
24.35 year 2023 that support the processor's

25.1 development of sanitation standard operating
 25.2 procedures, hazard analysis critical control
 25.3 point plans, or business plans. This is a
 25.4 onetime appropriation.

25.5 (dd) \$500,000 the second year is for grants to
 25.6 secondary career and technical education
 25.7 programs for the purpose of offering
 25.8 instruction in meat cutting and butchery. This
 25.9 is a onetime appropriation and is available
 25.10 until June 30, 2025. Grant-eligible costs
 25.11 include but are not limited to:

25.12 (1) equipment required for a meat cutting
 25.13 program;

25.14 (2) facility renovation to accommodate meat
 25.15 cutting; and

25.16 (3) training faculty to teach the fundamentals
 25.17 of meat processing.

25.18 The commissioner may issue grants of up to
 25.19 \$100,000 under this paragraph, of which up
 25.20 to ten percent may be used for faculty training.

25.21 The commissioner may prioritize applicants
 25.22 that coordinate with meat cutting and butchery
 25.23 programs at the Minnesota State Colleges and
 25.24 Universities system and local industry
 25.25 partners.

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

25.27 Sec. 2. Laws 2021, First Special Session chapter 3, article 1, section 4, is amended to read:

25.28	Sec. 4. AGRICULTURAL UTILIZATION		<u>4,543,000</u>		<u>4,043,000</u>
25.29	RESEARCH INSTITUTE	\$	<u>4,743,000</u>	\$	<u>7,243,000</u>

25.30 (a) \$150,000 the first year and \$150,000 the
 25.31 second year are for a meat scientist.

25.32 (b) \$500,000 the first year is for grants to
 25.33 organizations to acquire, host, and operate a

26.1 mobile slaughter unit. The mobile unit must
26.2 coordinate with Minnesota state two-year
26.3 colleges that have meat cutting programs to
26.4 accommodate training as it relates to animal
26.5 slaughter. The mobile unit may coordinate
26.6 with livestock producers who desire to provide
26.7 value-added meat products by utilizing the
26.8 mobile slaughter unit. The mobile unit may
26.9 be used for research, training outside of the
26.10 two-year colleges, and other activities that
26.11 align with industry needs. The Agricultural
26.12 Utilization Research Institute may only award
26.13 a grant under this paragraph if the grant
26.14 amount is matched by a like amount from
26.15 another funding source. The Agricultural
26.16 Utilization Research Institute must seek
26.17 matching dollars from Minnesota State
26.18 Colleges and Universities or other entities for
26.19 purposes of this paragraph. The appropriation
26.20 under this paragraph is onetime and is
26.21 available until June 30, 2024. Any money
26.22 remaining on June 30, 2024, must be
26.23 transferred to the commissioner of agriculture
26.24 for the agricultural growth, research, and
26.25 innovation program under Minnesota Statutes,
26.26 section 41A.12, and is available until June 30,
26.27 2025. By January 15, 2023, the institute must
26.28 report to the chairs and ranking minority
26.29 members of the legislative committees with
26.30 jurisdiction over agriculture regarding the
26.31 status of the project, including the status of
26.32 the use of any state or matching dollars to
26.33 complete the project.

26.34 (c) \$2,000,000 the second year is to acquire
26.35 property, construct, and equip offices and
26.36 research laboratories and related infrastructure

- 27.1 at the Agricultural Utilization Research
 27.2 Institute's Crookston and Waseca facilities.
 27.3 This is a onetime appropriation.
 27.4 (d) \$1,000,000 the second year is for
 27.5 equipment upgrades, equipment replacement,
 27.6 installation expenses, and laboratory
 27.7 infrastructure at the Agricultural Utilization
 27.8 Research Institute's laboratories in Crookston,
 27.9 Marshall, and Waseca. This is a onetime
 27.10 appropriation and is available until June 30,
 27.11 2026.
 27.12 (e) \$200,000 each year is to maintain the
 27.13 current level of service delivery.
 27.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

27.15 **ARTICLE 2**

27.16 **STATUTORY CHANGES**

- 27.17 Section 1. Minnesota Statutes 2020, section 13.643, is amended by adding a subdivision
 27.18 to read:

- 27.19 Subd. 8. **Mental or behavioral health data.** (a) The following data collected and
 27.20 maintained by the Department of Agriculture, Minnesota State Colleges and Universities,
 27.21 and any other pass-through recipients about any individual who seeks assistance with a
 27.22 mental or behavioral health issue or who contacts the Minnesota Farm and Rural Helpline
 27.23 are private or nonpublic:

- 27.24 (1) data that identify the individual; and
 27.25 (2) data provided by the individual identifying another person.

- 27.26 (b) The Department of Agriculture, Minnesota State Colleges and Universities, and any
 27.27 other pass-through recipients may release data collected under this subdivision to appropriate
 27.28 parties in connection with an emergency if knowledge of the data is necessary to protect
 27.29 the health or safety of any person.

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

28.1 Sec. 2. Minnesota Statutes 2020, section 17.041, subdivision 1, is amended to read:

28.2 Subdivision 1. **Establishment; appropriation.** An agricultural emergency account is
28.3 established in the agricultural fund. Money in the account, including interest, is appropriated
28.4 to the commissioner for emergency preparedness and response activities for agricultural
28.5 emergencies affecting producers of livestock, poultry, crops, or other agricultural products.
28.6 Eligible uses include agency costs directly attributed to preparing for and responding to
28.7 agricultural emergencies and purchasing necessary equipment and reimbursing costs incurred
28.8 by local units of government that are not eligible for reimbursement from other sources.

28.9 Sec. 3. [17.1016] COOPERATIVE GRANTS.

28.10 Subdivision 1. Definitions. For purposes of this section:

28.11 (1) "agricultural commodity" and "agricultural product processing facility" have the
28.12 meanings given in section 17.101, subdivision 5; and

28.13 (2) "agricultural service" means an action made under the direction of a farmer that
28.14 provides value to another entity. Agricultural service includes grazing to manage vegetation.

28.15 Subd. 2. Grant program. (a) The commissioner may establish and implement a grant
28.16 program to help farmers finance new cooperatives that organize for purposes of operating
28.17 an agricultural product processing facility or marketing an agricultural product or agricultural
28.18 service.

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

28.20 (1) be a cooperative organized under chapter 308A;

28.21 (2) certify that all control and equity in the cooperative is from farmers, family farm
28.22 partnerships, family farm limited liability companies, or family farm corporations as defined
28.23 in section 500.24, subdivision 2, who are actively engaged in agricultural commodity
28.24 production;

28.25 (3) be operated primarily to process agricultural commodities or market agricultural
28.26 products or services produced in Minnesota; and

28.27 (4) receive agricultural commodities produced primarily by shareholders or members
28.28 of the cooperative.

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

29.1 specifications, preliminary blueprints and schematics, and completion of purchase agreements
29.2 and other necessary legal documents.

29.3 Sec. 4. Minnesota Statutes 2020, section 17.117, subdivision 9, is amended to read:

29.4 Subd. 9. **Allocation rescission.** (a) Continued availability of allocations granted to a
29.5 local government unit is contingent upon the commissioner's approval of the local
29.6 government unit's annual report. The commissioner shall review this annual report to ensure
29.7 that the past and future uses of the funds are consistent with the comprehensive water
29.8 management plan, other local planning documents, the requirements of the funding source,
29.9 and compliance to program requirements. If the commissioner concludes the past or intended
29.10 uses of the money are not consistent with these requirements, the commissioner shall rescind
29.11 all or part of the allocation awarded to a local government unit.

29.12 (b) The commissioner may rescind funds allocated to the local government unit that are
29.13 not designated to committed projects or disbursed within one year from the date of the
29.14 allocation agreement.

29.15 (c) ~~An additional year to use the undisbursed portion of an allocation may be granted~~
29.16 ~~by the commissioner under extenuating circumstances~~ The commissioner may rescind
29.17 uncommitted allocations.

29.18 Sec. 5. Minnesota Statutes 2020, section 17.117, subdivision 9a, is amended to read:

29.19 Subd. 9a. **Authority and responsibilities of local government units.** (a) A local
29.20 government unit that enters into an allocation agreement with the commissioner:

29.21 (1) is responsible for the local administration and implementation of the program in
29.22 accordance with this section;

29.23 (2) may submit applications for allocations to the commissioner;

29.24 (3) shall identify, develop, determine eligibility, define and approve projects, designate
29.25 maximum loan amounts for projects, and certify completion of projects implemented under
29.26 this program. In areas where no local government unit has applied for funds under this
29.27 program, the commissioner may appoint a local government unit to review and certify
29.28 projects or the commissioner may assume the authority and responsibility of the local
29.29 government unit;

29.30 (4) shall certify as eligible only projects that are within its geographic jurisdiction or
29.31 within the geographic area identified in its local comprehensive water management plans
29.32 or other local planning documents;

30.1 (5) may require withholding by the local lender of all or a portion of the loan to the
30.2 borrower until satisfactory completion of all required components of a certified project;

30.3 ~~(6) must identify which account is used to finance an approved project if the local~~
30.4 ~~government unit has allocations from multiple accounts in the agricultural and environmental~~
30.5 ~~revolving accounts;~~

30.6 ~~(7)~~ (6) shall report to the commissioner annually the past and intended uses of allocations
30.7 awarded; and

30.8 ~~(8)~~ (7) may request additional funds in excess of their allocation when funds are available
30.9 in the agricultural and environmental revolving accounts, as long as all other allocation
30.10 awards to the local government unit have been used or committed.

30.11 (b) If a local government unit withdraws from participation in this program, the local
30.12 government unit, or the commissioner in accordance with the priorities established under
30.13 subdivision 6a, may designate another local government unit that is eligible under subdivision
30.14 6 as the new local government unit responsible for local administration of this program.
30.15 This designated local government unit may accept responsibility and administration of
30.16 allocations awarded to the former responsible local government unit.

30.17 Sec. 6. Minnesota Statutes 2020, section 17.117, subdivision 10, is amended to read:

30.18 Subd. 10. **Authority and responsibilities of local lenders.** (a) Local lenders may enter
30.19 into lender agreements with the commissioner.

30.20 (b) Local lenders may enter into loan agreements with borrowers to finance eligible
30.21 projects under this section.

30.22 ~~(e) The local lender shall notify the local government unit of the loan amount issued to~~
30.23 ~~the borrower after the closing of each loan.~~

30.24 ~~(d)~~ (c) Local lenders with local revolving loan accounts created before July 1, 2001,
30.25 may continue to retain and use those accounts in accordance with their lending agreements
30.26 for the full term of those agreements.

30.27 ~~(e)~~ (d) Local lenders, including local government units designating themselves as the
30.28 local lender, may enter into participation agreements with other lenders.

30.29 ~~(f)~~ (e) Local lenders may enter into contracts with other lenders for the limited purposes
30.30 of loan review, processing and servicing, or to enter into loan agreements with borrowers
30.31 to finance projects under this section. Other lenders entering into contracts with local lenders
30.32 under this section must meet the definition of local lender in subdivision 4, must comply

31.1 with all provisions of the lender agreement and this section, and must guarantee repayment
31.2 of the loan funds to the local lender.

31.3 ~~(g)~~ (f) When required by the local government unit, a local lender must withhold all or
31.4 a portion of the loan disbursement for a project until notified by the local government unit
31.5 that the project has been satisfactorily completed.

31.6 ~~(h)~~ (g) The local lender is responsible for repaying all funds provided by the commissioner
31.7 to the local lender.

31.8 ~~(i)~~ (h) The local lender is responsible for collecting repayments from borrowers. If a
31.9 borrower defaults on a loan issued by the local lender, it is the responsibility of the local
31.10 lender to obtain repayment from the borrower. Default on the part of borrowers shall have
31.11 no effect on the local lender's responsibility to repay its obligations to the commissioner
31.12 whether or not the local lender fully recovers defaulted amounts from borrowers.

31.13 ~~(j)~~ (i) The local lender shall provide sufficient collateral or protection to the commissioner
31.14 for the funds provided to the local lender. The commissioner must approve the collateral
31.15 or protection provided.

31.16 Sec. 7. Minnesota Statutes 2020, section 17.117, subdivision 11, is amended to read:

31.17 Subd. 11. **Loans issued to borrower.** (a) Local lenders may issue loans only for projects
31.18 that are approved and certified by the local government unit as meeting priority needs
31.19 identified in a comprehensive water management plan or other local planning documents,
31.20 are in compliance with accepted practices, standards, specifications, or criteria, and are
31.21 eligible for financing under Environmental Protection Agency or other applicable guidelines.

31.22 (b) The local lender may use any additional criteria considered necessary to determine
31.23 the eligibility of borrowers for loans.

31.24 (c) Local lenders shall set the terms and conditions of loans to borrowers, except that:

31.25 ~~(1) no loan to a borrower may exceed \$200,000; and~~

31.26 ~~(2) no borrower shall, at any time, have multiple loans from this program with a total~~
31.27 outstanding loan balance of more than \$200,000.

31.28 (d) The maximum term length for projects in this paragraph is ten years.

31.29 (e) Fees charged at the time of closing must:

31.30 (1) be in compliance with normal and customary practices of the local lender;

31.31 (2) be in accordance with published fee schedules issued by the local lender;

32.1 (3) not be based on participation program; and

32.2 (4) be consistent with fees charged other similar types of loans offered by the local
32.3 lender.

32.4 (f) The interest rate assessed to an outstanding loan balance by the local lender must not
32.5 exceed three percent per year.

32.6 Sec. 8. Minnesota Statutes 2020, section 17.117, subdivision 11a, is amended to read:

32.7 Subd. 11a. **Eligible projects.** (a) All projects that remediate or mitigate adverse
32.8 environmental impacts are eligible if the project is eligible under an allocation agreement.

32.9 (b) A manure management project is eligible if the project remediates or mitigates
32.10 impacts from facilities with less than 1,000 animal units as defined in Minnesota Rules,
32.11 chapter 7020, and otherwise meets the requirements of this section.

32.12 (c) A drinking water project is eligible if the project:

32.13 (1) remediates ~~the~~ or mitigates the inadequate flow, adverse environmental impacts or
32.14 presence of contaminants in ~~private well~~ privately owned water supplies that are used for
32.15 drinking water by people or livestock, privately owned water service lines, or privately
32.16 owned plumbing and fixtures;

32.17 (2) implements best management practices that are intended to achieve drinking water
32.18 standards or adequate flow; and

32.19 (3) otherwise meets the requirements of this section.

32.20 Sec. 9. Minnesota Statutes 2020, section 17.118, subdivision 1, is amended to read:

32.21 Subdivision 1. **Establishment.** The commissioner may award a livestock investment
32.22 grant to a person who raises livestock in this state equal to ten percent of the first ~~\$500,000~~
32.23 \$250,000 of qualifying expenditures, provided the person makes qualifying expenditures
32.24 of at least \$4,000. The commissioner may award multiple livestock investment grants to a
32.25 person over the life of the program ~~as long as the cumulative amount does not exceed~~
32.26 \$50,000.

32.27 Sec. 10. Minnesota Statutes 2020, section 17.118, subdivision 3, is amended to read:

32.28 Subd. 3. **Eligibility.** ~~(a)~~ To be eligible for a livestock investment grant, a person must:

33.1 (1) be a resident of Minnesota or an entity specifically defined in section 500.24,
 33.2 subdivision 2, that is eligible to own farmland and operate a farm in this state under section
 33.3 500.24;

33.4 (2) be the principal operator of the farm;

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

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

33.9 ~~(b) The \$50,000 maximum grant applies at the entity level for partnerships, S~~
 33.10 ~~corporations, C corporations, trusts, and estates as well as at the individual level. In the case~~
 33.11 ~~of married individuals, the grant is limited to \$50,000 for a married couple.~~

33.12 Sec. 11. Minnesota Statutes 2020, section 17.118, subdivision 4, is amended to read:

33.13 Subd. 4. **Process.** The commissioner, in consultation with the chairs and ranking minority
 33.14 members of the house of representatives and senate committees with jurisdiction over
 33.15 agriculture finance, shall develop competitive eligibility criteria and may allocate grants on
 33.16 a needs basis. ~~The commissioner shall place any eligible unfunded applications on a waiting~~
 33.17 ~~list and, notwithstanding subdivision 2, paragraph (d), give them consideration during the~~
 33.18 ~~next fiscal year in which program funding is available.~~ The commissioner shall notify in
 33.19 writing any applicant who applies for a grant and is ineligible under the provisions of this
 33.20 section as well as any applicant whose application is received or reviewed after the fiscal
 33.21 year funding limit has been reached.

33.22 Sec. 12. **[17.133] FARM DOWN PAYMENT ASSISTANCE GRANTS.**

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

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

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

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

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

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

34.3 Subd. 2. **Grants.** The commissioner must award farm down payment assistance grants
34.4 of up to \$15,000 per eligible farmer. An eligible farmer must match the grant with at least
34.5 an equivalent amount of other funding. An eligible farmer must commit to own and farm
34.6 the land purchased with assistance provided under this section for at least five years. For
34.7 each year that a grant recipient does not own and farm the land during the five-year period,
34.8 the grant recipient must pay a penalty to the commissioner equal to 20 percent of the grant
34.9 amount.

34.10 **Sec. 13. [17.994] SOIL HEALTH FINANCIAL ASSISTANCE PROGRAM.**

34.11 Subdivision 1. **Establishment.** The soil health financial assistance program is established
34.12 to promote soil health practices that mitigate climate change impacts, improve water quality,
34.13 and provide related public benefits.

34.14 Subd. 2. **Financial assistance.** (a) The commissioner may provide financial assistance
34.15 to local governments, private sector providers, or farmers to cover the costs of specialized
34.16 equipment and technology necessary to implement and sustain soil health practices, including
34.17 equipment technology purchases or subscriptions, services to landowners, and other
34.18 equipment purchases or financial assistance that the commissioner considers appropriate
34.19 to promote healthy soil.

34.20 (b) The commissioner must establish costs eligible for financial assistance under this
34.21 section.

34.22 (c) The commissioner must prioritize or weigh program implementation elements based
34.23 on considerations including:

34.24 (1) support for soil health principles;

34.25 (2) supporting participants or participation in the Minnesota agricultural water quality
34.26 certification program established under Minnesota Statutes, sections 17.9891 to 17.993;

34.27 (3) reducing or avoiding greenhouse gas emissions; and

34.28 (4) other beneficial public or private programs or initiatives to achieve program results.

35.1 Sec. 14. Minnesota Statutes 2020, section 18B.01, is amended by adding a subdivision to
35.2 read:

35.3 Subd. 20b. **Plastic.** "Plastic" means an organic or petroleum derivative synthetic or a
35.4 semisynthetic organic solid that is moldable, and to which additives or other substances
35.5 may have been added. Plastic does not mean natural polymers that have not been chemically
35.6 modified.

35.7 Sec. 15. Minnesota Statutes 2020, section 18B.01, is amended by adding a subdivision to
35.8 read:

35.9 Subd. 20c. **Plastic-coated pesticide.** "Plastic-coated pesticide" means a pesticide coated
35.10 with or microencapsulated by plastic.

35.11 Sec. 16. Minnesota Statutes 2020, section 18B.051, is amended to read:

35.12 **18B.051 POLLINATOR ~~HABITAT AND~~ RESEARCH ACCOUNT.**

35.13 Subdivision 1. **Account established.** A pollinator ~~habitat and~~ research account is
35.14 established in the agricultural fund. Money in the account, including interest, is appropriated
35.15 to the Board of Regents of the University of Minnesota for pollinator research and outreach
35.16 including, but not limited to:

35.17 (1) pesticide, parasite, and climate disruption impacts;

35.18 (2) science-based best practices; and

35.19 (3) the identification and establishment of habitat beneficial to pollinators.

35.20 Subd. 2. **Expiration.** This section expires July 1, ~~2022~~ 2025.

35.21 Sec. 17. Minnesota Statutes 2020, section 18B.07, is amended by adding a subdivision to
35.22 read:

35.23 Subd. 9. **Plastic-coated pesticide prohibited.** A person may not sell, offer for sale, use,
35.24 or apply a plastic-coated pesticide.

35.25 **EFFECTIVE DATE.** This section is effective January 1, 2024, for nonagricultural
35.26 pesticide, and January 1, 2025, for agricultural pesticide.

35.27 Sec. 18. Minnesota Statutes 2020, section 18C.005, is amended by adding a subdivision
35.28 to read:

35.29 Subd. 26a. **Plastic.** "Plastic" has the meaning given in section 18B.01, subdivision 20b.

36.1 Sec. 19. Minnesota Statutes 2020, section 18C.005, is amended by adding a subdivision
36.2 to read:

36.3 Subd. 26b. **Plastic-coated fertilizer.** "Plastic-coated fertilizer" means a fertilizer coated
36.4 with or microencapsulated by plastic.

36.5 Sec. 20. Minnesota Statutes 2020, section 18C.201, is amended by adding a subdivision
36.6 to read:

36.7 Subd. 8. **Plastic-coated fertilizer prohibited.** A person may not sell, offer for sale, use,
36.8 or apply a plastic-coated fertilizer.

36.9 **EFFECTIVE DATE.** This section is effective January 1, 2024, for nonagricultural
36.10 fertilizer, and January 1, 2025, for agricultural fertilizer.

36.11 Sec. 21. Minnesota Statutes 2020, section 21.81, is amended by adding a subdivision to
36.12 read:

36.13 Subd. 5a. **Coated agricultural seed.** "Coated agricultural seed" means any seed unit
36.14 covered with a coating material.

36.15 Sec. 22. Minnesota Statutes 2020, section 21.86, subdivision 2, is amended to read:

36.16 Subd. 2. **Miscellaneous violations.** No person may:

36.17 (a) detach, alter, deface, or destroy any label required in sections 21.82 and 21.83, alter
36.18 or substitute seed in a manner that may defeat the purposes of sections 21.82 and 21.83, or
36.19 alter or falsify any seed tests, laboratory reports, records, or other documents to create a
36.20 misleading impression as to kind, variety, history, quality, or origin of the seed;

36.21 (b) hinder or obstruct in any way any authorized person in the performance of duties
36.22 under sections 21.80 to 21.92;

36.23 (c) fail to comply with a "stop sale" order or to move or otherwise handle or dispose of
36.24 any lot of seed held under a stop sale order or attached tags, except with express permission
36.25 of the enforcing officer for the purpose specified;

36.26 (d) use the word "type" in any labeling in connection with the name of any agricultural
36.27 seed variety;

36.28 (e) use the word "trace" as a substitute for any statement which is required;

36.29 (f) plant any agricultural seed which the person knows contains weed seeds or noxious
36.30 weed seeds in excess of the limits for that seed; ~~or~~

37.1 (g) advertise or sell seed containing patented, protected, or proprietary varieties used
37.2 without permission of the patent or certificate holder of the intellectual property associated
37.3 with the variety of seed; or

37.4 (h) use or sell as food, feed, oil, or ethanol feedstock any seed treated with neonicotinoid
37.5 pesticide.

37.6 Sec. 23. **[21.915] PESTICIDE TREATED SEED USE AND DISPOSAL; CONSUMER**
37.7 **GUIDANCE REQUIRED.**

37.8 (a) The commissioner, in consultation with the commissioner of the Pollution Control
37.9 Agency, must develop and maintain consumer guidance regarding the proper use and disposal
37.10 of seed treated with neonicotinoid pesticide.

37.11 (b) A person selling seed treated with neonicotinoid pesticide at retail must post in a
37.12 conspicuous location the guidance developed by the commissioner under paragraph (a).

37.13 Sec. 24. Minnesota Statutes 2020, section 28A.08, is amended by adding a subdivision to
37.14 read:

37.15 Subd. 4. **Food handler license account; appropriation.** A food handler license account
37.16 is established in the agricultural fund. The commissioner must deposit fees and penalties
37.17 paid under subdivision 3 in this account. Money in the account, including interest, is
37.18 appropriated to the commissioner for expenses relating to licensing and inspecting food
37.19 handlers under chapters 28 to 34A or rules adopted under one of those chapters.

37.20 Sec. 25. Minnesota Statutes 2020, section 28A.09, is amended by adding a subdivision to
37.21 read:

37.22 Subd. 3. **Vending machine inspection account; appropriation.** A vending machine
37.23 inspection account is established in the agricultural fund. The commissioner must deposit
37.24 fees paid under subdivision 1 in this account. Money in the account, including interest, is
37.25 appropriated to the commissioner for expenses relating to identifying and inspecting food
37.26 vending machines under chapters 28 to 34A or rules adopted under one of those chapters.

37.27 Sec. 26. Minnesota Statutes 2020, section 28A.10, is amended to read:

37.28 **28A.10 POSTING OF LICENSE; RULES.**

37.29 All such licenses shall be issued for a period of one year and shall be posted or displayed
37.30 in a conspicuous place at the place of business so licensed. Except as provided in sections

38.1 28A.08, subdivision 4; 28A.09, subdivision 3; 29.22, subdivision 4; and 31.39, all such
38.2 license fees and penalties collected by the commissioner shall be deposited into the state
38.3 treasury and credited to the general fund. The commissioner may adopt such rules in
38.4 conformity with law as the commissioner deems necessary to effectively and efficiently
38.5 carry out the provisions of sections 28A.01 to 28A.16.

38.6 Sec. 27. Minnesota Statutes 2020, section 28A.21, subdivision 2, is amended to read:

38.7 Subd. 2. **Membership.** (a) The Food Safety and Defense Task Force consists of:

38.8 (1) the commissioner of agriculture or the commissioner's designee;

38.9 (2) the commissioner of health or the commissioner's designee;

38.10 (3) a representative of the United States Food and Drug Administration;

38.11 (4) a representative of the United States Department of Agriculture;

38.12 (5) a representative of the Agricultural Utilization Research Institute;

38.13 (6) one member of the Minnesota Grocers Association;

38.14 (7) one member from the University of Minnesota knowledgeable in food and food
38.15 safety issues; and

38.16 (8) ~~nine~~ ten members appointed by the governor who are interested in food and food
38.17 safety, of whom:

38.18 (i) two persons are health or food professionals;

38.19 (ii) one person represents a statewide general farm organization;

38.20 (iii) one person represents a local food inspection agency;

38.21 (iv) one person represents a food-oriented consumer group; ~~and~~

38.22 (v) one person represents a Minnesota-based manufacturer of microbial detection
38.23 equipment and remediation products; and

38.24 (vi) one person is knowledgeable in cybersecurity.

38.25 (b) Members shall serve without compensation. Members appointed by the governor
38.26 shall serve four-year terms.

38.27 Sec. 28. Minnesota Statutes 2020, section 35.155, subdivision 10, is amended to read:

38.28 Subd. 10. **Mandatory registration.** (a) A person may not possess live Cervidae in
38.29 Minnesota unless the person is registered with the Board of Animal Health and meets all

39.1 the requirements for farmed Cervidae under this section. Cervidae possessed in violation
39.2 of this subdivision may be seized and destroyed by the commissioner of natural resources.

39.3 (b) A person whose registration is revoked by the board is ineligible for future registration
39.4 under this section unless the board determines that the person has undertaken measures that
39.5 make future escapes extremely unlikely.

39.6 (c) The board must not approve a new registration under this subdivision for farmed
39.7 white-tailed deer.

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

39.9 Sec. 29. Minnesota Statutes 2020, section 41A.16, subdivision 1, is amended to read:

39.10 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
39.11 source from Minnesota at least 80 percent of the biomass used to produce an advanced
39.12 biofuel, except that, if a facility is sited 50 miles or less from the state border, biomass used
39.13 to produce an advanced biofuel may be sourced from outside of Minnesota, but only if at
39.14 least 80 percent of the biomass is sourced from within a 100-mile radius of the facility or
39.15 from within Minnesota. The facility must be located in Minnesota, must begin production
39.16 at a specific location by ~~June 30, 2025~~ December 31, 2022, and must not begin operating
39.17 above 23,750 MMbtu of quarterly advanced biofuel production before July 1, 2015. Eligible
39.18 facilities include existing companies and facilities that are adding advanced biofuel
39.19 production capacity, or retrofitting existing capacity, as well as new companies and facilities.
39.20 Production of conventional corn ethanol and conventional biodiesel is not eligible. Eligible
39.21 advanced biofuel facilities must produce at least 1,500 MMbtu of advanced biofuel quarterly.

39.22 (b) No payments shall be made for advanced biofuel production that occurs after June
39.23 30, 2035, for those eligible biofuel producers under paragraph (a), provided an eligible
39.24 producer may continue to receive payments equal to the difference between the claims for
39.25 payment filed under subdivision 6 and the pro rata amount received as of June 30, 2035,
39.26 until the full amounts of the original claims are paid.

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

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

39.31 (e) Renewable chemical production for which payment has been received under section
39.32 41A.17, and biomass thermal production for which payment has been received under section
39.33 41A.18, are not eligible for payment under this section.

40.1 (f) Biobutanol is eligible under this section.

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

40.4 Sec. 30. Minnesota Statutes 2020, section 41A.16, subdivision 2, is amended to read:

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

40.10 (b) Total payments under this section to an eligible biofuel producer in a fiscal year may
40.11 not exceed the amount necessary for 2,850,000 MMbtu of biofuel production. Total payments
40.12 under this section to all eligible biofuel producers in a fiscal year may not exceed the amount
40.13 necessary for 17,100,000 MMbtu of biofuel production. If the total amount for which all
40.14 producers are eligible in a quarter exceeds the amount available for payments, the
40.15 commissioner shall make the payments on a pro rata basis. An eligible producer may reapply
40.16 for payment of the difference between the claim for payment filed under subdivision 6 and
40.17 the pro rata amount received:

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

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

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

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

40.25 Sec. 31. Minnesota Statutes 2020, section 41A.17, subdivision 1, is amended to read:

40.26 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
40.27 source from Minnesota at least 80 percent of the biomass used to produce a renewable
40.28 chemical, except that, if a facility is sited 50 miles or less from the state border, biomass
40.29 used to produce a renewable chemical may be sourced from outside of Minnesota, but only
40.30 if at least 80 percent of the biomass is sourced from within a 100-mile radius of the facility
40.31 or from within Minnesota. The facility must be located in Minnesota, must begin production
40.32 at a specific location by ~~June 30, 2025~~ December 31, 2022, and must not begin production

41.1 of 250,000 pounds of chemicals quarterly before January 1, 2015. Eligible facilities include
41.2 existing companies and facilities that are adding production capacity, or retrofitting existing
41.3 capacity, as well as new companies and facilities. Eligible renewable chemical facilities
41.4 must produce at least 250,000 pounds of renewable chemicals quarterly. Renewable
41.5 chemicals produced through processes that are fully commercial before January 1, 2000,
41.6 are not eligible.

41.7 (b) No payments shall be made for renewable chemical production that occurs after June
41.8 30, 2035, for those eligible renewable chemical producers under paragraph (a), provided
41.9 an eligible producer may continue to receive payments equal to the difference between the
41.10 claims for payment filed under subdivision 5 and the pro rata amount received as of June
41.11 30, 2035, until the full amounts of the original claims are paid.

41.12 (c) An eligible producer of renewable chemicals shall not transfer the producer's eligibility
41.13 for payments under this section to a renewable chemical facility at a different location.

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

41.16 (e) Advanced biofuel production for which payment has been received under section
41.17 41A.16, and biomass thermal production for which payment has been received under section
41.18 41A.18, are not eligible for payment under this section.

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

41.21 Sec. 32. Minnesota Statutes 2020, section 41A.17, subdivision 2, is amended to read:

41.22 Subd. 2. **Payment amounts; bonus; limits.** (a) The commissioner shall make payments
41.23 to eligible producers of renewable chemicals located in the state. The amount of the payment
41.24 for each producer's annual production is \$0.03 per pound of sugar-derived renewable
41.25 chemical, \$0.03 per pound of cellulosic sugar, starch, oil, or animal fat, and \$0.06 per pound
41.26 of cellulosic-derived renewable chemical produced at a specific location for ten years after
41.27 the start of production.

41.28 (b) An eligible facility producing renewable chemicals using agricultural cellulosic
41.29 biomass is eligible for a 20 percent bonus payment for each pound produced from agricultural
41.30 biomass that is derived from perennial crop or cover crop biomass.

41.31 (c) Total payments under this section to an eligible renewable chemical producer in a
41.32 fiscal year may not exceed the amount necessary for 99,999,999 pounds of renewable
41.33 chemical production. Total payments under this section to all eligible renewable chemical

42.1 producers in a fiscal year may not exceed the amount necessary for 599,999,999 pounds of
42.2 renewable chemical production. If the total amount for which all producers are eligible in
42.3 a quarter exceeds the amount available for payments, the commissioner shall make the
42.4 payments on a pro rata basis. An eligible producer may reapply for payment of the difference
42.5 between the claim for payment filed under subdivision 5 and the pro rata amount received:

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

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

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

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

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

42.16 Sec. 33. Minnesota Statutes 2020, section 41A.18, subdivision 1, is amended to read:

42.17 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
42.18 source from Minnesota at least 80 percent of the biomass used for biomass thermal
42.19 production, except that, if a facility is sited 50 miles or less from the state border, biomass
42.20 used for biomass thermal production may be sourced from outside of Minnesota, but only
42.21 if at least 80 percent of the biomass is sourced from within a 100-mile radius of the facility,
42.22 or from within Minnesota. Biomass must be from agricultural or forestry sources. The
42.23 facility must be located in Minnesota, must have begun production at a specific location by
42.24 ~~June 30, 2025~~ December 31, 2022, and must not begin before July 1, 2015. Eligible facilities
42.25 include existing companies and facilities that are adding production capacity, or retrofitting
42.26 existing capacity, as well as new companies and facilities. Eligible biomass thermal
42.27 production facilities must produce at least 250 MMbtu of biomass thermal quarterly.

42.28 (b) No payments shall be made for biomass thermal production that occurs after June
42.29 30, 2035, for those eligible biomass thermal producers under paragraph (a), provided an
42.30 eligible producer may continue to receive payments equal to the difference between the
42.31 claims for payment filed under subdivision 5 and the pro rata amount received as of June
42.32 30, 2035, until the full amounts of the original claims are paid.

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

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

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

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

43.11 Sec. 34. Minnesota Statutes 2020, section 41A.18, subdivision 2, is amended to read:

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

43.16 (b) An eligible facility producing biomass thermal using agricultural cellulosic biomass
43.17 is eligible for a 20 percent bonus payment for each MMbtu produced from agricultural
43.18 biomass that is derived from perennial crop or cover crop biomass.

43.19 (c) Total payments under this section to an eligible thermal producer in a fiscal year
43.20 may not exceed the amount necessary for 30,000 MMbtu of thermal production. Total
43.21 payments under this section to all eligible thermal producers in a fiscal year may not exceed
43.22 the amount necessary for 150,000 MMbtu of total thermal production. If the total amount
43.23 for which all producers are eligible in a quarter exceeds the amount available for payments,
43.24 the commissioner shall make the payments on a pro rata basis. An eligible producer may
43.25 reapply for payment of the difference between the claim for payment filed under subdivision
43.26 5 and the pro rata amount received:

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

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

43.30 (d) An eligible facility may blend a cellulosic feedstock with other fuels in the biomass
43.31 thermal production facility, but only the percentage attributable to biomass meeting the

44.1 cellulosic forestry biomass requirements or agricultural cellulosic biomass sourcing plan is
44.2 eligible to receive payment.

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

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

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

44.11 Sec. 35. Minnesota Statutes 2021 Supplement, section 41A.19, is amended to read:

44.12 **41A.19 REPORT; INCENTIVE PROGRAMS.**

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

44.19 (1) the producer's business structure;

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

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

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

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

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

44.28 (7) board member and executive compensation;

44.29 (8) evidence of compliance with environmental permits;

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

44.31 and

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

45.4 Sec. 36. Minnesota Statutes 2021 Supplement, section 41A.21, subdivision 2, is amended
45.5 to read:

45.6 Subd. 2. **Eligibility.** (a) A facility eligible for payment under this section must source
45.7 at least 80 percent of its forest resources raw materials from Minnesota. The facility must
45.8 be located in Minnesota; must begin construction activities by December 31, 2022, for a
45.9 specific location; must ~~begin production~~ have produced at least one OSB square foot on a
45.10 3/8-inch nominal basis at a specific location by June 30, 2025; and must not begin operating
45.11 before January 1, 2022. Eligible facilities must be new OSB construction sites with total
45.12 capital investment in excess of \$250,000,000. Eligible OSB production facilities must
45.13 produce at least ~~200,000,000~~ 50,000,000 OSB square feet on a 3/8-inch nominal basis of
45.14 OSB each ~~year~~ quarter. At least one product produced at the facility should be a wood-based
45.15 wall or roof structural sheathing panel that has an integrated, cellulose-based paper overlay
45.16 that serves as a water resistive barrier.

45.17 (b) No payments shall be made for OSB production that occurs after June 30, 2036, for
45.18 those eligible producers under paragraph (a).

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

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

45.23 Sec. 37. Minnesota Statutes 2021 Supplement, section 41A.21, subdivision 6, is amended
45.24 to read:

45.25 Subd. 6. **Appropriation.** (a) In fiscal year 2025, a sum sufficient to make the payments
45.26 required by this section, not to exceed \$1,500,000, is appropriated from the general fund to
45.27 the commissioner. This is a onetime appropriation.

45.28 (b) From fiscal year 2026 through fiscal year 2034, a sum sufficient to make the payments
45.29 required by this section, not to exceed \$3,000,000 in a fiscal year, is annually appropriated
45.30 from the general fund to the commissioner.

45.31 (c) The commissioner may use up to 6.5 percent of this appropriation for costs incurred
45.32 to administer the program.

46.1 Sec. 38. Minnesota Statutes 2020, section 41B.047, subdivision 3, is amended to read:

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

46.3 (1) meet the requirements of section 41B.03, subdivision 1;

46.4 (2) certify that the damage or loss was (i) sustained within a county that was the subject
46.5 of a state or federal disaster declaration; (ii) due to the confirmed presence of a highly
46.6 contagious animal disease in Minnesota; (iii) due to an infectious human disease for which
46.7 the governor has declared a peacetime emergency; or (iv) due to an emergency as determined
46.8 by the authority;

46.9 (3) demonstrate an ability to repay the loan; and

46.10 (4) have received at least ~~50~~ 20 percent of ~~average~~ annual gross income from farming
46.11 ~~for~~ in the past three years year.

46.12 Sec. 39. Minnesota Statutes 2020, section 223.17, subdivision 4, is amended to read:

46.13 Subd. 4. **Bond.** (a) Except as provided in paragraphs (c) to (e), before a grain buyer's
46.14 license is issued, the applicant for the license must file with the commissioner a bond in a
46.15 penal sum prescribed by the commissioner but not less than the following amounts:

46.16 (1) \$10,000 for grain buyers whose gross annual purchases are \$100,000 or less;

46.17 (2) \$20,000 for grain buyers whose gross annual purchases are more than \$100,000 but
46.18 not more than \$750,000;

46.19 (3) \$30,000 for grain buyers whose gross annual purchases are more than \$750,000 but
46.20 not more than \$1,500,000;

46.21 (4) \$40,000 for grain buyers whose gross annual purchases are more than \$1,500,000
46.22 but not more than \$3,000,000;

46.23 (5) \$50,000 for grain buyers whose gross annual purchases are more than \$3,000,000
46.24 but not more than \$6,000,000;

46.25 (6) \$70,000 for grain buyers whose gross annual purchases are more than \$6,000,000
46.26 but not more than \$12,000,000;

46.27 (7) \$125,000 for grain buyers whose gross annual purchases are more than \$12,000,000
46.28 but not more than \$24,000,000; and

46.29 (8) \$150,000 for grain buyers whose gross annual purchases exceed \$24,000,000.

47.1 (b) The amount of the bond shall be based on the most recent gross annual grain purchase
47.2 report of the grain buyer.

47.3 (c) A first-time applicant for a grain buyer's license shall file a \$50,000 bond with the
47.4 commissioner. This bond shall remain in effect for the first year of the license. Thereafter,
47.5 the licensee shall comply with the applicable bonding requirements contained in paragraph
47.6 (a), clauses (1) to (8).

47.7 (d) In lieu of the bond required by this subdivision the applicant may deposit with the
47.8 commissioner of management and budget an irrevocable bank letter of credit as defined in
47.9 section 336.5-102, in the same amount as would be required for a bond.

47.10 (e) A grain buyer who purchases grain immediately upon delivery solely with cash; a
47.11 certified check; a cashier's check; or a postal, bank, or express money order is exempt from
47.12 this subdivision if the grain buyer's gross annual purchases are ~~\$100,000~~ \$250,000 or less.

47.13 (f) Bonds must be continuous until canceled. To cancel a bond, a surety must provide
47.14 90 days' written notice of the bond's termination date to the licensee and the commissioner.

47.15 Sec. 40. Minnesota Statutes 2020, section 223.17, subdivision 6, is amended to read:

47.16 Subd. 6. **Financial statements.** (a) Except as allowed in paragraph (c), a grain buyer
47.17 licensed under this chapter must annually submit to the commissioner a financial statement
47.18 prepared in accordance with generally accepted accounting principles. The annual financial
47.19 statement required under this subdivision must also:

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

47.21 (i) a balance sheet;

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

47.23 (iii) a statement of retained earnings;

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

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

47.27 (2) be accompanied by a compilation report of the financial statement that is prepared
47.28 by a grain commission firm or a management firm approved by the commissioner or by an
47.29 independent public accountant, in accordance with standards established by the American
47.30 Institute of Certified Public Accountants;

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

48.5 (4) for grain buyers purchasing under ~~\$5,000,000~~ \$7,500,000 of grain annually, be
48.6 reviewed by a certified public accountant in accordance with standards established by the
48.7 American Institute of Certified Public Accountants, and must show that the financial
48.8 statements are free from material misstatements. The grain buyer must post the review
48.9 required under this clause on a website maintained by the buyer and available to the public;
48.10 and

48.11 (5) for grain buyers purchasing ~~\$5,000,000~~ \$7,500,000 or more of grain annually, be
48.12 audited by a certified public accountant in accordance with standards established by the
48.13 American Institute of Certified Public Accountants and must include an opinion statement
48.14 from the certified public accountant. The grain buyer must post the audit report and opinion
48.15 statement required under this clause on a website maintained by the buyer and available to
48.16 the public.

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

48.21 (c) A grain buyer who purchases grain immediately upon delivery solely with cash; a
48.22 certified check; a cashier's check; or a postal, bank, or express money order is exempt from
48.23 this subdivision if the grain buyer's gross annual purchases are ~~\$100,000~~ \$250,000 or less.

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

48.28 Sec. 41. REVISOR INSTRUCTION.

48.29 The revisor of statutes must renumber the subdivisions in Minnesota Statutes, section
48.30 18B.01, so the defined terms are in alphabetical order and adjust any cross-references
48.31 accordingly."

48.32 Delete the title and insert:

49.1 "A bill for an act
49.2 relating to agriculture; establishing grant programs; classifying certain data;
49.3 requiring reports; dedicating certain revenues; making policy and technical changes
49.4 to agricultural and animal health provisions; appropriating money; amending
49.5 Minnesota Statutes 2020, sections 13.643, by adding a subdivision; 17.041,
49.6 subdivision 1; 17.117, subdivisions 9, 9a, 10, 11, 11a; 17.118, subdivisions 1, 3,
49.7 4; 18B.01, by adding subdivisions; 18B.051; 18B.07, by adding a subdivision;
49.8 18C.005, by adding subdivisions; 18C.201, by adding a subdivision; 21.81, by
49.9 adding a subdivision; 21.86, subdivision 2; 28A.08, by adding a subdivision;
49.10 28A.09, by adding a subdivision; 28A.10; 28A.21, subdivision 2; 35.155,
49.11 subdivision 10; 41A.16, subdivisions 1, 2; 41A.17, subdivisions 1, 2; 41A.18,
49.12 subdivisions 1, 2; 41B.047, subdivision 3; 223.17, subdivisions 4, 6; Minnesota
49.13 Statutes 2021 Supplement, sections 41A.19; 41A.21, subdivisions 2, 6; Laws 2021,
49.14 First Special Session chapter 3, article 1, sections 2; 4; proposing coding for new
49.15 law in Minnesota Statutes, chapters 17; 21."