

2.1 Subd. 2. Protection Services2.2 Appropriations by Fund

2.3	<u>2024</u>	<u>2025</u>
2.4	<u>29,666,000</u>	<u>17,610,000</u>
2.5	<u>399,000</u>	<u>399,000</u>

2.6 (a) \$399,000 the first year and \$399,000 the
 2.7 second year are from the remediation fund for
 2.8 administrative funding for the voluntary
 2.9 cleanup program.

2.10 (b) \$250,000 the first year and \$250,000 the
 2.11 second year are for the soil health financial
 2.12 assistance program. The commissioner may
 2.13 use up to 6.5 percent of this appropriation for
 2.14 costs incurred to administer the program. This
 2.15 is a onetime appropriation. Any unencumbered
 2.16 balance does not cancel at the end of the first
 2.17 year and is available in the second year.

2.18 Appropriations encumbered under contract on
 2.19 or before June 30, 2025, for soil health
 2.20 financial assistance grants are available until
 2.21 June 30, 2027.

2.22 (c) \$2,500,000 the first year is for transfer to
 2.23 the pollinator research account established
 2.24 under Minnesota Statutes, section 18B.051.

2.25 (d) \$400,000 the first year and \$400,000 the
 2.26 second year are for transfer to the noxious
 2.27 weed and invasive plant species assistance
 2.28 account established under Minnesota Statutes,
 2.29 section 18.89, to award grants to local units
 2.30 of government and Tribal Nations under
 2.31 Minnesota Statutes, section 18.90.

2.32 (e) \$175,000 the first year and \$175,000 the
 2.33 second year are for compensation for
 2.34 destroyed or crippled livestock under

3.1 Minnesota Statutes, section 3.737. The first
3.2 year appropriation may be spent to compensate
3.3 for livestock that were destroyed or crippled
3.4 during fiscal year 2023. If the amount in the
3.5 first year is insufficient, the amount in the
3.6 second year is available in the first year. The
3.7 commissioner may use up to \$5,000 each year
3.8 to reimburse expenses incurred by university
3.9 extension educators to provide fair market
3.10 values of destroyed or crippled livestock. If
3.11 the commissioner receives federal dollars to
3.12 pay claims for destroyed or crippled livestock,
3.13 an equivalent amount of this appropriation
3.14 may be used to reimburse nonlethal prevention
3.15 methods performed by federal wildlife services
3.16 staff.

3.17 (f) \$155,000 the first year and \$155,000 the
3.18 second year are for compensation for crop
3.19 damage under Minnesota Statutes, section
3.20 3.7371. If the amount in the first year is
3.21 insufficient, the amount in the second year is
3.22 available in the first year. The commissioner
3.23 may use up to \$10,000 of the appropriation
3.24 each year to reimburse expenses incurred by
3.25 the commissioner or the commissioner's
3.26 approved agent to investigate and resolve
3.27 claims, as well as for costs associated with
3.28 training for approved agents. The
3.29 commissioner may use up to \$20,000 of the
3.30 appropriation each year to make grants to
3.31 producers for measures to protect stored crops
3.32 from elk damage. If the commissioner
3.33 determines that claims made under Minnesota
3.34 Statutes, section 3.737 or 3.7371, are
3.35 unusually high, amounts appropriated for

- 4.1 either program may be transferred to the
4.2 appropriation for the other program.
- 4.3 (g) \$5,000,000 the first year is for transfer to
4.4 the grain indemnity account established under
4.5 Minnesota Statutes, section 223.24.
- 4.6 (h) \$825,000 the first year and \$825,000 the
4.7 second year are to replace capital equipment
4.8 in the Department of Agriculture's analytical
4.9 laboratory.
- 4.10 (i) \$75,000 the first year and \$75,000 the
4.11 second year are to support a meat processing
4.12 liaison position to assist new or existing meat
4.13 and poultry processing operations in getting
4.14 started, expanding, growing, or transitioning
4.15 into new business models.
- 4.16 (j) \$500,000 the first year is for grants to
4.17 organizations in Minnesota to develop
4.18 enterprises, supply chains, and markets for
4.19 continuous living cover crops and cropping
4.20 systems in the early stages of commercial
4.21 development. For the purposes of this
4.22 paragraph, "continuous living cover crops and
4.23 cropping systems" refers to agroforestry,
4.24 perennial biomass, perennial forage, perennial
4.25 grains, and winter annual cereal grains and
4.26 oilseeds that have market value as harvested
4.27 or grazed commodities.
- 4.28 (k) \$1,126,000 the first year and \$562,000 the
4.29 second year are to identify and regulate
4.30 pesticides containing perfluoroalkyl or
4.31 polyfluoroalkyl substances.
- 4.32 (l) \$100,000 the first year is to prepare a
4.33 proposal to regulate systemic pesticide-treated
4.34 seed.

5.1 (m) \$65,000 the first year is for transfer to the
 5.2 commissioner of natural resources for a report
 5.3 on feral pigs and mink.

5.4 **Subd. 3. Agricultural Marketing and**
 5.5 **Development**

4,290,000

4,290,000

5.6 (a) \$75,000 the first year and \$75,000 the
 5.7 second year are to expand international trade
 5.8 opportunities and markets for Minnesota
 5.9 agricultural products.

5.10 (b) \$186,000 the first year and \$186,000 the
 5.11 second year are for transfer to the Minnesota
 5.12 grown account and may be used as grants for
 5.13 Minnesota grown promotion established under
 5.14 Minnesota Statutes, section 17.102.

5.15 Notwithstanding Minnesota Statutes, section
 5.16 16A.28, the appropriations encumbered under
 5.17 contract on or before June 30, 2025, for
 5.18 Minnesota grown grants in this paragraph are
 5.19 available until June 30, 2027.

5.20 (c) \$634,000 the first year and \$634,000 the
 5.21 second year are for continuation of the dairy
 5.22 development and profitability enhancement
 5.23 programs including dairy profitability teams
 5.24 and dairy business planning grants under
 5.25 Minnesota Statutes, section 32D.30.

5.26 (d) \$200,000 the first year and \$200,000 the
 5.27 second year are to award cooperative grants
 5.28 under Minnesota Statutes, section 17.1016.
 5.29 The commissioner may use up to six percent
 5.30 of the appropriation each year to administer
 5.31 the grant program.

5.32 (e) The commissioner may use funds
 5.33 appropriated in this subdivision for annual
 5.34 cost-share payments to resident farmers or

6.1 entities that sell, process, or package
 6.2 agricultural products in this state for the costs
 6.3 of organic certification. The commissioner
 6.4 may allocate these funds for assistance to
 6.5 persons transitioning from conventional to
 6.6 organic agriculture.

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

34,057,000

33,057,000

6.9 (a) \$11,740,000 the first year and \$10,740,000
 6.10 the second year are for the agriculture
 6.11 research, education, extension, and technology
 6.12 transfer program under Minnesota Statutes,
 6.13 section 41A.14. Except as provide below, the
 6.14 appropriation each year is for transfer to the
 6.15 agriculture research, education, extension, and
 6.16 technology transfer account under Minnesota
 6.17 Statutes, section 41A.14, subdivision 3, and
 6.18 the commissioner shall transfer funds each
 6.19 year to the Board of Regents of the University
 6.20 of Minnesota for purposes of Minnesota
 6.21 Statutes, section 41A.14. To the extent
 6.22 practicable, money expended under Minnesota
 6.23 Statutes, section 41A.14, subdivision 1,
 6.24 clauses (1) and (2), must supplement and not
 6.25 supplant existing sources and levels of
 6.26 funding. The commissioner may use up to one
 6.27 percent of this appropriation for costs incurred
 6.28 to administer the program.

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

6.33 (1) \$600,000 the first year and \$600,000 the
 6.34 second year are for the Minnesota Agricultural
 6.35 Experiment Station's agriculture rapid

7.1 response fund under Minnesota Statutes,
7.2 section 41A.14, subdivision 1, clause (2);
7.3 (2) up to \$1,000,000 the first year and up to
7.4 \$1,000,000 the second year are for research
7.5 on avian influenza, salmonella, and other
7.6 turkey-related diseases;
7.7 (3) \$2,250,000 the first year and \$2,250,000
7.8 the second year are for grants to the Minnesota
7.9 Agricultural Education Leadership Council to
7.10 enhance agricultural education with priority
7.11 given to Farm Business Management
7.12 challenge grants;
7.13 (4) \$450,000 the first year and \$450,000 the
7.14 second year are for the cultivated wild rice
7.15 breeding project at the North Central Research
7.16 and Outreach Center to include a tenure
7.17 track/research associate plant breeder;
7.18 (5) \$350,000 the first year and \$350,000 the
7.19 second year are for potato breeding;
7.20 (6) \$690,000 the first year and \$690,000 the
7.21 second year are to fund the Forever Green
7.22 Initiative and protect the state's natural
7.23 resources while increasing the efficiency,
7.24 profitability, and productivity of Minnesota
7.25 farmers by incorporating perennial and
7.26 winter-annual crops into existing agricultural
7.27 practices. The base for the allocation under
7.28 this clause is \$630,000 in fiscal year 2026 and
7.29 thereafter;
7.30 (7) \$1,000,000 the first year is to purchase and
7.31 maintain equipment and physical infrastructure
7.32 to support breeding, agronomic research, and
7.33 food science activities of the Forever Green

8.1 Initiative. The allocation in this clause is
8.2 onetime; and
8.3 (8) \$500,000 each year is for farm scale winter
8.4 greenhouse research and development
8.5 coordinated by University of Minnesota
8.6 Extension Regional Sustainable Development
8.7 Partnerships. The allocation in this clause is
8.8 onetime.
8.9 (b) \$22,317,000 the first year and \$22,317,000
8.10 the second year are for the agricultural growth,
8.11 research, and innovation program under
8.12 Minnesota Statutes, section 41A.12. Except
8.13 as provided below, the commissioner may
8.14 allocate the appropriation each year among
8.15 the following areas: facilitating the start-up,
8.16 modernization, improvement, or expansion of
8.17 livestock operations including beginning and
8.18 transitioning livestock operations with
8.19 preference given to robotic dairy-milking
8.20 equipment; assisting value-added agricultural
8.21 businesses to begin or expand, to access new
8.22 markets, or to diversify, including aquaponics
8.23 systems; facilitating the start-up,
8.24 modernization, or expansion of other
8.25 beginning and transitioning farms including
8.26 by providing loans under Minnesota Statutes,
8.27 section 41B.056; sustainable agriculture
8.28 on-farm research and demonstration;
8.29 development or expansion of food hubs and
8.30 other alternative community-based food
8.31 distribution systems; enhancing renewable
8.32 energy infrastructure and use; crop research,
8.33 including basic and applied turf seed research;
8.34 Farm Business Management tuition assistance;
8.35 and good agricultural practices and good

9.1 handling practices certification assistance. The
9.2 commissioner may use up to 6.5 percent of
9.3 this appropriation for costs incurred to
9.4 administer the program.

9.5 Of the amount appropriated for the agricultural
9.6 growth, research, and innovation program
9.7 under Minnesota Statutes, section 41A.12:

9.8 (1) \$1,000,000 the first year and \$1,000,000
9.9 the second year are for distribution in equal
9.10 amounts to each of the state's county fairs to
9.11 preserve and promote Minnesota agriculture;

9.12 (2) \$6,750,000 the first year and \$6,750,000
9.13 the second year are for incentive payments
9.14 under Minnesota Statutes, sections 41A.16,
9.15 41A.17, 41A.18, and 41A.20. Of the amount
9.16 each year, \$1,000,000 is to pay prior claims
9.17 that were not fully paid. Notwithstanding
9.18 Minnesota Statutes, section 16A.28, the first
9.19 year appropriation is available until June 30,
9.20 2025, and the second year appropriation is
9.21 available until June 30, 2026. If this
9.22 appropriation exceeds the total amount for
9.23 which all producers are eligible in a fiscal
9.24 year, the balance of the appropriation is
9.25 available for other purposes under this
9.26 paragraph. The base under this clause is
9.27 \$5,750,000 in fiscal year 2026 and thereafter
9.28 and does not include funding to pay prior
9.29 claims that were not fully paid;

9.30 (3) \$3,000,000 the first year and \$3,000,000
9.31 the second year are for grants that enable retail
9.32 petroleum dispensers, fuel storage tanks, and
9.33 other equipment to dispense biofuels to the
9.34 public in accordance with the biofuel
9.35 replacement goals established under

10.1 Minnesota Statutes, section 239.7911. A retail
10.2 petroleum dispenser selling petroleum for use
10.3 in spark ignition engines for vehicle model
10.4 years after 2000 is eligible for grant money
10.5 under this clause if the retail petroleum
10.6 dispenser has no more than 10 retail petroleum
10.7 dispensing sites and each site is located in
10.8 Minnesota. The grant money must be used to
10.9 replace or upgrade equipment that does not
10.10 have the ability to be certified for E25. A grant
10.11 award must not exceed 65 percent of the cost
10.12 of the appropriate technology. A grant award
10.13 must not exceed \$200,000 per station. The
10.14 commissioner must cooperate with biofuel
10.15 stakeholders in the implementation of the grant
10.16 program. The commissioner, in cooperation
10.17 with any economic or community development
10.18 financial institution and any other entity with
10.19 which it contracts, must submit a report on the
10.20 biofuels infrastructure financial assistance
10.21 program by January 15 of each year to the
10.22 chairs and ranking minority members of the
10.23 legislative committees and divisions with
10.24 jurisdiction over agriculture policy and
10.25 finance. The annual report must include but
10.26 not be limited to a summary of the following
10.27 metrics: (i) the number and types of projects
10.28 financed; (ii) the amount of dollars leveraged
10.29 or matched per project; (iii) the geographic
10.30 distribution of financed projects; (iv) any
10.31 market expansion associated with upgraded
10.32 infrastructure; (v) the demographics of the
10.33 areas served; (vi) the costs of the program;
10.34 and (vii) the number of grants to
10.35 minority-owned or female-owned businesses;

- 11.1 (4) \$100,000 the first year and \$100,000 the
11.2 second year are for grants to facilitate the
11.3 start-up, modernization, or expansion of
11.4 copacking facilities, commercial kitchens, and
11.5 other key supply chain infrastructure, such as
11.6 shared cold-chain capacity. Money
11.7 appropriated in this clause may also be used
11.8 to assist value-added processors with food
11.9 safety and environmental sustainability
11.10 guideline planning and third-party certification
11.11 services. The base under this clause is
11.12 \$100,000 in fiscal year 2026 and thereafter;
- 11.13 (5) \$1,250,000 the first year and \$1,250,000
11.14 the second year are for grants to facilitate the
11.15 start-up, modernization, or expansion of meat,
11.16 poultry, egg, and milk processing facilities. A
11.17 grant award under this clause must not exceed
11.18 \$200,000. Any unencumbered balance at the
11.19 end of the second year does not cancel until
11.20 June 30, 2026, and may be used for other
11.21 purposes under this paragraph. The base under
11.22 this clause is \$250,000 in fiscal year 2026 and
11.23 thereafter;
- 11.24 (6) \$1,000,000 the first year and \$1,000,000
11.25 the second year are to develop and enhance
11.26 farm-to-school markets for Minnesota farmers
11.27 by providing more fruits, vegetables, meat,
11.28 grain, and dairy for Minnesota children in
11.29 schools and early childhood education centers
11.30 including, at the commissioner's discretion,
11.31 reimbursing schools and early childhood
11.32 education centers for purchases from local
11.33 farmers;
- 11.34 (7) \$1,000,000 the first year and \$1,000,000
11.35 the second year are for urban youth

- 12.1 agricultural education or urban agriculture
- 12.2 community development; and
- 12.3 (8) \$500,000 the first year and \$500,000 the
- 12.4 second year are for the good food access
- 12.5 program under Minnesota Statutes, section
- 12.6 17.1017.
- 12.7 Notwithstanding Minnesota Statutes, section
- 12.8 16A.28, any unencumbered balance does not
- 12.9 cancel at the end of the first year and is
- 12.10 available for the second year, and
- 12.11 appropriations encumbered under contract on
- 12.12 or before June 30, 2025, for agricultural
- 12.13 growth, research, and innovation grants are
- 12.14 available until June 30, 2028.
- 12.15 (c) The base for the agricultural growth,
- 12.16 research, and innovation program is
- 12.17 \$16,079,000 in fiscal year 2026 and
- 12.18 \$16,079,000 in fiscal year 2027, and includes
- 12.19 funding for incentive payments under
- 12.20 Minnesota Statutes, sections 41A.16, 41A.17,
- 12.21 41A.18, and 41A.20.
- 12.22 **Subd. 5. Administration and Financial**
- 12.23 **Assistance** 22,557,000 17,673,000
- 12.24 (a) \$474,000 the first year and \$474,000 the
- 12.25 second year are for payments to county and
- 12.26 district agricultural societies and associations
- 12.27 under Minnesota Statutes, section 38.02,
- 12.28 subdivision 1. Aid payments to county and
- 12.29 district agricultural societies and associations
- 12.30 shall be disbursed no later than July 15 of each
- 12.31 year. These payments are the amount of aid
- 12.32 from the state for an annual fair held in the
- 12.33 previous calendar year.

- 13.1 (b) \$350,000 the first year and \$350,000 the
13.2 second year are for grants to the Minnesota
13.3 Agricultural Education Leadership Council
13.4 for programs of the council under Minnesota
13.5 Statutes, chapter 41D.
- 13.6 (c) \$1,425,000 the first year and \$1,425,000
13.7 the second year are for transfer to the
13.8 agricultural and environmental revolving loan
13.9 account established under Minnesota Statutes,
13.10 section 17.117, subdivision 5a, for low-interest
13.11 loans under Minnesota Statutes, section
13.12 17.117.
- 13.13 (d) \$1,950,000 the first year and \$1,950,000
13.14 the second year are for grants to Second
13.15 Harvest Heartland on behalf of Minnesota's
13.16 six Feeding America food banks for the
13.17 following:
- 13.18 (1) to purchase milk for distribution to
13.19 Minnesota's food shelves and other charitable
13.20 organizations that are eligible to receive food
13.21 from the food banks. Milk purchased under
13.22 the grants must be acquired from Minnesota
13.23 milk processors and based on low-cost bids.
13.24 The milk must be allocated to each Feeding
13.25 America food bank serving Minnesota
13.26 according to the formula used in the
13.27 distribution of United States Department of
13.28 Agriculture commodities under The
13.29 Emergency Food Assistance Program. Second
13.30 Harvest Heartland may enter into contracts or
13.31 agreements with food banks for shared funding
13.32 or reimbursement of the direct purchase of
13.33 milk. Each food bank that receives funding
13.34 under this clause may use up to two percent
13.35 for administrative expenses;

14.1 (2) to compensate agricultural producers and
14.2 processors for costs incurred to harvest and
14.3 package for transfer surplus fruits, vegetables,
14.4 and other agricultural commodities that would
14.5 otherwise go unharvested, be discarded, or
14.6 sold in a secondary market. Surplus
14.7 commodities must be distributed statewide to
14.8 food shelves and other charitable organizations
14.9 that are eligible to receive food from the food
14.10 banks. Surplus food acquired under this clause
14.11 must be from Minnesota producers,
14.12 processors, and food hubs. Second Harvest
14.13 Heartland may use up to 15 percent of each
14.14 grant awarded under this clause for
14.15 administrative and transportation expenses;
14.16 and
14.17 (3) to purchase and distribute protein products,
14.18 including but not limited to pork, poultry, beef,
14.19 dry legumes, cheese, and eggs to Minnesota's
14.20 food shelves and other charitable organizations
14.21 that are eligible to receive food from the food
14.22 banks. Second Harvest Heartland may use up
14.23 to two percent of each grant awarded under
14.24 this clause for administrative expenses. Protein
14.25 products purchased under the grants must be
14.26 acquired from Minnesota processors,
14.27 producers, and food hubs.
14.28 Of the amount appropriated under this
14.29 paragraph, at least \$850,000 each year must
14.30 be allocated under clause (1) and at least
14.31 \$100,000 each year must be used to purchase
14.32 eligible items from food hubs that aggregate
14.33 food produced by emerging farmers.
14.34 Notwithstanding Minnesota Statutes, section
14.35 16A.28, any unencumbered balance the first

15.1 year does not cancel and is available in the
15.2 second year. Second Harvest Heartland must
15.3 submit quarterly reports to the commissioner
15.4 and the chairs and ranking minority members
15.5 of the legislative committees with jurisdiction
15.6 over agriculture finance in the form prescribed
15.7 by the commissioner. The reports must include
15.8 but are not limited to information on the
15.9 expenditure of funds, the amount of milk or
15.10 other commodities purchased, and the
15.11 organizations to which this food was
15.12 distributed.

15.13 (e) \$100,000 the first year and \$100,000 the
15.14 second year are for grants to The Good Acre
15.15 for the Local Emergency Assistance Farmer
15.16 Fund program to compensate emerging
15.17 farmers for crops donated to hunger relief
15.18 organizations in Minnesota. This is a onetime
15.19 appropriation.

15.20 (f) \$25,000 the first year and \$25,000 the
15.21 second year are for grants to the Southern
15.22 Minnesota Initiative Foundation to promote
15.23 local foods through an annual event that raises
15.24 public awareness of local foods and connects
15.25 local food producers and processors with
15.26 potential buyers.

15.27 (g) \$400,000 the first year and \$400,000 the
15.28 second year are to expand the Emerging
15.29 Farmer Office. The Emerging Farmer Office
15.30 must engage and support emerging farmers
15.31 regarding resources and opportunities
15.32 available throughout the Department of
15.33 Agriculture and the state. For purposes of this
15.34 paragraph, "emerging farmer" has the meaning
15.35 given in Minnesota Statutes, section 17.055,

16.1 subdivision 1. Of the amount appropriated
16.2 each year, \$25,000 is for translation services.

16.3 (h) \$337,000 the first year and \$337,000 the
16.4 second year are for farm advocate services.

16.5 Of the amount appropriated each year, \$50,000
16.6 is for the continuation of the farmland
16.7 transition programs and may be used for grants
16.8 to farmland access teams to provide technical
16.9 assistance to potential beginning farmers.

16.10 Farmland access teams must assist existing
16.11 farmers and beginning farmers on transitioning
16.12 farm ownership and farm operation. Services
16.13 provided by teams may include but are not
16.14 limited to mediation assistance, designing
16.15 contracts, financial planning, tax preparation,
16.16 estate planning, and housing assistance.

16.17 (i) \$260,000 the first year and \$260,000 the
16.18 second year are for a pass-through grant to
16.19 Region Five Development Commission to
16.20 provide, in collaboration with Farm Business
16.21 Management, statewide mental health
16.22 counseling support to Minnesota farm
16.23 operators, families, and employees, and
16.24 individuals who work with Minnesota farmers
16.25 in a professional capacity. Region Five
16.26 Development Commission may use up to 6.5
16.27 percent of the grant awarded under this
16.28 paragraph for administration.

16.29 (j) \$250,000 the first year and \$250,000 the
16.30 second year are to award and administer
16.31 beginning farmer equipment and infrastructure
16.32 grants under Minnesota Statutes, section
16.33 17.055.

17.1 (k) \$150,000 the first year and \$150,000 the
17.2 second year are for administrative support for
17.3 the Rural Finance Authority.

17.4 (l) \$750,000 the first year and \$750,000 the
17.5 second year are to award and administer down
17.6 payment assistance grants under Minnesota
17.7 Statutes, section 17.133, to emerging farmers
17.8 as defined in Minnesota Statutes, section
17.9 17.055, subdivision 1. Notwithstanding
17.10 Minnesota Statutes, section 16A.28, any
17.11 unencumbered balance at the end of the first
17.12 year does not cancel and is available in the
17.13 second year, and appropriations encumbered
17.14 under contract by June 30, 2025, are available
17.15 until June 30, 2027.

17.16 (m) \$50,000 the first year is to provide
17.17 technical assistance and leadership in the
17.18 development of a comprehensive and
17.19 well-documented state aquaculture plan. The
17.20 commissioner must provide the state
17.21 aquaculture plan to the legislative committees
17.22 with jurisdiction over agriculture finance and
17.23 policy by February 15, 2025.

17.24 (n) \$500,000 the first year and \$500,000 the
17.25 second year are for meat processing training
17.26 and retention incentive grants under section
17.27 6. This is a onetime appropriation.

17.28 (o) \$3,000,000 the first year is for Dairy
17.29 Assistance, Investment, Relief Initiative
17.30 (DAIRI) grants to Minnesota dairy farmers
17.31 who enroll in coverage under a federal dairy
17.32 risk protection program and produced no more
17.33 than 25,000,000 pounds of milk in 2022. The
17.34 commissioner must award DAIRI grants based
17.35 on the amount of milk produced in 2022, up

18.1 to 5,000,000 pounds per participating
18.2 producer, at a rate determined by the
18.3 commissioner within the limits of available
18.4 funding. Notwithstanding Minnesota Statutes,
18.5 section 16A.28, any unencumbered balance
18.6 does not cancel at the end of the first year and
18.7 is available the second year and any
18.8 unencumbered balance at the end of the second
18.9 year is available until June 30, 2026.

18.10 (p) \$1,000,000 the first year and \$1,000,000
18.11 the second year are to award and administer
18.12 hemp fiber processing equipment grants under
18.13 Minnesota Statutes, section 18K.10.
18.14 Notwithstanding Minnesota Statutes, section
18.15 16A.28, any unencumbered balance does not
18.16 cancel at the end of the first year and is for the
18.17 second year. This is a onetime appropriation.

18.18 (q) \$150,000 the first year and \$150,000 the
18.19 second year are for technical assistance grants
18.20 to certified community development financial
18.21 institutions that participate in United States
18.22 Department of Agriculture loan or grant
18.23 programs for small or emerging farmers,
18.24 including but not limited to the Increasing
18.25 Land, Capital, and Market Access Program.
18.26 For purposes of this paragraph, "emerging
18.27 farmer" has the meaning given in Minnesota
18.28 Statutes, section 17.055. subdivision 1.

18.29 (r) \$1,000,000 the first year is for transfer to
18.30 the agricultural emergency account established
18.31 under Minnesota Statutes, section 17.041.

18.32 (s) \$1,584,000 the first year and \$1,000,000
18.33 the second year are to support IT
18.34 modernization efforts, including laying the
18.35 technology foundations necessary to improve

19.1 customer licensing and payment interactions
19.2 with the department. This is a onetime
19.3 appropriation.

19.4 (t) \$150,000 the first year and \$150,000 the
19.5 second year are to coordinate climate-related
19.6 activities and services within the Department
19.7 of Agriculture and counterparts in local, state,
19.8 and federal agencies and to hire a full-time
19.9 climate implementation coordinator. The
19.10 climate implementation coordinator must
19.11 coordinate efforts seeking federal funding for
19.12 Minnesota's agricultural climate adaptation
19.13 and mitigation efforts and develop strategic
19.14 partnerships with the private sector and
19.15 nongovernment organizations.

19.16 (u) \$250,000 the first year is for a grant to the
19.17 Board of Regents of the University of
19.18 Minnesota to purchase equipment for the
19.19 Veterinary Diagnostic Laboratory to test for
19.20 chronic wasting disease, African swine fever,
19.21 avian influenza, and other animal diseases.
19.22 The Veterinary Diagnostic Laboratory must
19.23 report expenditures under this paragraph to
19.24 the legislative committees with jurisdiction
19.25 over agriculture finance and higher education
19.26 with a report submitted by January 3, 2024,
19.27 and a final report submitted by September 1,
19.28 2025. The reports must include a list of
19.29 equipment purchased, including the cost of
19.30 each item.

19.31 (v) \$2,500,000 the first year and \$2,500,000
19.32 the second year are to maintain the current
19.33 level of service delivery. The base for this
19.34 appropriation is \$3,011,000 in fiscal year 2026
19.35 and \$3,011,000 in fiscal year 2026.

20.1 (w) \$1,000,000 the first year and \$1,000,000
 20.2 the second year are for transfer to the Board
 20.3 of Regents of the University of Minnesota to
 20.4 evaluate, propagate, and maintain the genetic
 20.5 diversity of oilseeds, grains, grasses, legumes,
 20.6 and other plants including flax, timothy,
 20.7 barley, rye, triticale, alfalfa, orchard grass,
 20.8 clover, and other species and varieties that
 20.9 were in commercial distribution and use in
 20.10 Minnesota before 1970, excluding wild rice.
 20.11 This effort must also protect traditional seeds
 20.12 brought to Minnesota by immigrant
 20.13 communities. This appropriation includes
 20.14 funding for associated extension and outreach
 20.15 to small and BIPOC farmers. This is a onetime
 20.16 appropriation.

20.17 (x) The commissioner shall continue to
 20.18 increase connections with ethnic minority and
 20.19 immigrant farmers to farming opportunities
 20.20 and farming programs throughout the state.

20.21 **Sec. 3. BOARD OF ANIMAL HEALTH \$ 6,613,000 \$ 6,779,000**

20.22 (a) \$560,000 the first year and \$560,000 the
 20.23 second year are for agricultural emergency
 20.24 preparedness and response. As part of the
 20.25 fiscal year 2024 and 2025 reports required
 20.26 under Minnesota Statutes, section 35.03, the
 20.27 Board of Animal Health must report the
 20.28 number of additional positions created under
 20.29 this paragraph, the number of full-time
 20.30 equivalents hired under this paragraph and
 20.31 their specific expertise and training, and the
 20.32 specific types of incidents and animal diseases
 20.33 for which the board is preparing.

21.1 (b) \$6,000 the first year and \$6,000 the second
 21.2 year are for meeting expenses for the
 21.3 additional board members.

21.4 (c) \$166,000 the first year and \$332,000 the
 21.5 second year are to maintain the current level
 21.6 of service delivery.

21.7 **Sec. 4. AGRICULTURAL UTILIZATION**
 21.8 **RESEARCH INSTITUTE**

\$	<u>5,643,000</u>	\$	<u>4,343,000</u>
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21.9 (a) \$300,000 the first year is for equipment
 21.10 upgrades, equipment replacement, installation
 21.11 expenses, and laboratory infrastructure at the
 21.12 Agricultural Utilization Research Institute's
 21.13 laboratories in Crookston, Marshall, and
 21.14 Waseca.

21.15 (b) \$1,000,000 the first year is to replace
 21.16 analytical and processing equipment and make
 21.17 corresponding facility upgrades at Agricultural
 21.18 Utilization Research Institute facilities in
 21.19 Marshall and Waseca. This is a onetime
 21.20 appropriation and is available until June 30,
 21.21 2026.

21.22 (c) \$300,000 the first year and \$300,000 the
 21.23 second year are to maintain the current level
 21.24 of service delivery.

21.25 Sec. 5. Laws 2021, First Special Session chapter 3, article 1, section 2, subdivision 5, as
 21.26 amended by Laws 2022, chapter 95, article 1, section 1, subdivision 5, is amended to read:

21.27 **Subd. 5. Administration and Financial**
 21.28 **Assistance**

11,477,000	13,429,000
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21.29 (a) \$474,000 the first year and \$474,000 the
 21.30 second year are for payments to county and
 21.31 district agricultural societies and associations
 21.32 under Minnesota Statutes, section 38.02,
 21.33 subdivision 1. Aid payments to county and
 21.34 district agricultural societies and associations

22.1 shall be disbursed no later than July 15 of each
22.2 year. These payments are the amount of aid
22.3 from the state for an annual fair held in the
22.4 previous calendar year.

22.5 (b) \$387,000 the first year and \$337,000 the
22.6 second year are for farm advocate services.
22.7 Of these amounts, \$100,000 the first year and
22.8 \$50,000 the second year are for a pilot
22.9 program creating farmland access teams to
22.10 provide technical assistance to potential
22.11 beginning farmers. The farmland access teams
22.12 must assist existing farmers and beginning
22.13 farmers on transitioning farm ownership and
22.14 operation. Services provided by teams may
22.15 include but are not limited to providing
22.16 mediation assistance, designing contracts,
22.17 financial planning, tax preparation, estate
22.18 planning, and housing assistance. Of this
22.19 amount for farm transitions, up to \$50,000 the
22.20 first year may be used to upgrade the
22.21 Minnesota FarmLink web application that
22.22 connects farmers looking for land with farmers
22.23 looking to transition their land.

22.24 (c) \$47,000 the first year and \$47,000 the
22.25 second year are for grants to the Northern
22.26 Crops Institute that may be used to purchase
22.27 equipment. These are onetime appropriations.

22.28 (d) \$238,000 the first year and \$260,000 the
22.29 second year are for a pass-through grant to
22.30 Region Five Development Commission to
22.31 provide, in collaboration with Farm Business
22.32 Management, statewide mental health
22.33 counseling support to Minnesota farm
22.34 operators, families, and employees, and
22.35 individuals who work with Minnesota farmers

23.1 in a professional capacity. Region Five
23.2 Development Commission may use up to 6.5
23.3 percent of the grant awarded under this
23.4 paragraph for administration. The base for this
23.5 appropriation is \$260,000 in fiscal year 2024
23.6 and later.

23.7 (e) \$1,700,000 the first year and \$1,700,000
23.8 the second year are for grants to Second
23.9 Harvest Heartland on behalf of Minnesota's
23.10 six Feeding America food banks for the
23.11 following:

23.12 (1) to purchase milk for distribution to
23.13 Minnesota's food shelves and other charitable
23.14 organizations that are eligible to receive food
23.15 from the food banks. Milk purchased under
23.16 the grants must be acquired from Minnesota
23.17 milk processors and based on low-cost bids.
23.18 The milk must be allocated to each Feeding
23.19 America food bank serving Minnesota
23.20 according to the formula used in the
23.21 distribution of United States Department of
23.22 Agriculture commodities under The
23.23 Emergency Food Assistance Program. Second
23.24 Harvest Heartland may enter into contracts or
23.25 agreements with food banks for shared funding
23.26 or reimbursement of the direct purchase of
23.27 milk. Each food bank that receives funding
23.28 under this clause may use up to two percent
23.29 for administrative expenses;

23.30 (2) to compensate agricultural producers and
23.31 processors for costs incurred to harvest and
23.32 package for transfer surplus fruits, vegetables,
23.33 and other agricultural commodities that would
23.34 otherwise go unharvested, be discarded, or
23.35 sold in a secondary market. Surplus

24.1 commodities must be distributed statewide to
24.2 food shelves and other charitable organizations
24.3 that are eligible to receive food from the food
24.4 banks. Surplus food acquired under this clause
24.5 must be from Minnesota producers and
24.6 processors. Second Harvest Heartland may
24.7 use up to 15 percent of each grant awarded
24.8 under this clause for administrative and
24.9 transportation expenses; and

24.10 (3) to purchase and distribute protein products,
24.11 including but not limited to pork, poultry, beef,
24.12 dry legumes, cheese, and eggs to Minnesota's
24.13 food shelves and other charitable organizations
24.14 that are eligible to receive food from the food
24.15 banks. Second Harvest Heartland may use up
24.16 to two percent of each grant awarded under
24.17 this clause for administrative expenses. Protein
24.18 products purchased under the grants must be
24.19 acquired from Minnesota processors and
24.20 producers.

24.21 Of the amount appropriated under this
24.22 paragraph, at least \$600,000 each year must
24.23 be allocated under clause (1). Notwithstanding
24.24 Minnesota Statutes, section 16A.28, any
24.25 unencumbered balance the first year does not
24.26 cancel and is available in the second year.

24.27 Second Harvest Heartland must submit
24.28 quarterly reports to the commissioner and the
24.29 chairs and ranking minority members of the
24.30 legislative committees with jurisdiction over
24.31 agriculture finance in the form prescribed by
24.32 the commissioner. The reports must include
24.33 but are not limited to information on the
24.34 expenditure of funds, the amount of milk or
24.35 other commodities purchased, and the

25.1 organizations to which this food was
25.2 distributed.

25.3 (f) \$250,000 the first year and \$250,000 the
25.4 second year are for grants to the Minnesota
25.5 Agricultural Education and Leadership
25.6 Council for programs of the council under
25.7 Minnesota Statutes, chapter 41D.

25.8 (g) \$1,437,000 the first year and \$1,437,000
25.9 the second year are for transfer to the
25.10 agricultural and environmental revolving loan
25.11 account established under Minnesota Statutes,
25.12 section 17.117, subdivision 5a, for low-interest
25.13 loans under Minnesota Statutes, section
25.14 17.117. The base for appropriations under this
25.15 paragraph in fiscal year 2024 and thereafter
25.16 is \$1,425,000. The commissioner must
25.17 examine how the department could use up to
25.18 one-third of the amount transferred to the
25.19 agricultural and environmental revolving loan
25.20 account under this paragraph to award grants
25.21 to rural landowners to replace septic systems
25.22 that inadequately protect groundwater. No
25.23 later than February 1, 2022, the commissioner
25.24 must report to the legislative committees with
25.25 jurisdiction over agriculture finance and
25.26 environment finance on the results of the
25.27 examination required under this paragraph.
25.28 The commissioner's report may include other
25.29 funding sources for septic system replacement
25.30 that are available to rural landowners.

25.31 (h) \$150,000 the first year and \$150,000 the
25.32 second year are for grants to the Center for
25.33 Rural Policy and Development. These are
25.34 onetime appropriations.

26.1 (i) \$150,000 the first year is to provide grants
26.2 to Central Lakes College for the purposes of
26.3 designing, building, and offering credentials
26.4 in the area of meat cutting and butchery that
26.5 align with industry needs as advised by local
26.6 industry advisory councils. Notwithstanding
26.7 Minnesota Statutes, section 16A.28, any
26.8 unencumbered balance does not cancel at the
26.9 end of the first year and is available for the
26.10 second year. The commissioner may only
26.11 award a grant under this paragraph if the grant
26.12 is matched by a like amount from another
26.13 funding source. The commissioner must seek
26.14 matching dollars from Minnesota State
26.15 Colleges and Universities or other entities.
26.16 The appropriation is onetime and is available
26.17 until June 30, 2024. Any money remaining on
26.18 June 30, 2024, must be transferred to the
26.19 agricultural growth, research, and innovation
26.20 program under Minnesota Statutes, section
26.21 41A.12, and is available until June 30, 2025.
26.22 Grants may be used for costs including but
26.23 not limited to:

- 26.24 (1) facility renovation to accommodate meat
26.25 cutting;
- 26.26 (2) curriculum design and approval from the
26.27 Higher Learning Commission;
- 26.28 (3) program operational start-up costs;
- 26.29 (4) equipment required for a meat cutting
26.30 program; and
- 26.31 (5) meat handling start-up costs in regard to
26.32 meat access and market channel building.

26.33 No later than January 15, 2023, Central Lakes
26.34 College must submit a report outlining the use

27.1 of grant money to the chairs and ranking
27.2 minority members of the legislative
27.3 committees and divisions with jurisdiction
27.4 over agriculture and higher education.

27.5 (j) \$2,000 the first year is for grants to the
27.6 Minnesota State Poultry Association. This is
27.7 a onetime appropriation. Notwithstanding
27.8 Minnesota Statutes, section 16A.28, any
27.9 unencumbered balance does not cancel at the
27.10 end of the first year and is available for the
27.11 second year.

27.12 (k) \$17,000 the first year and \$17,000 the
27.13 second year are for grants to the Minnesota
27.14 State Horticultural Society. These are onetime
27.15 appropriations.

27.16 (l) \$18,000 the first year and \$18,000 the
27.17 second year are for grants to the Minnesota
27.18 Livestock Breeders Association. These are
27.19 onetime appropriations.

27.20 (m) The commissioner shall continue to
27.21 increase connections with ethnic minority and
27.22 immigrant farmers to farming opportunities
27.23 and farming programs throughout the state.

27.24 (n) \$25,000 the first year and \$25,000 the
27.25 second year are for grants to the Southern
27.26 Minnesota Initiative Foundation to promote
27.27 local foods through an annual event that raises
27.28 public awareness of local foods and connects
27.29 local food producers and processors with
27.30 potential buyers.

27.31 (o) \$75,000 the first year and \$75,000 the
27.32 second year are for grants to Greater Mankato
27.33 Growth, Inc., for assistance to
27.34 agriculture-related businesses to promote jobs,

28.1 innovation, and synergy development. These
28.2 are onetime appropriations.

28.3 (p) \$75,000 the first year and \$75,000 the
28.4 second year are for grants to the Minnesota
28.5 Turf Seed Council for basic and applied
28.6 research. The Minnesota Turf Seed Council
28.7 may subcontract with a qualified third party
28.8 for some or all of the basic or applied research.
28.9 No later than January 15, 2023, the Minnesota
28.10 Turf Seed Council must submit a report
28.11 outlining the use of the grant money and
28.12 related accomplishments to the chairs and
28.13 ranking minority members of the legislative
28.14 committees with jurisdiction over agriculture.
28.15 These are onetime appropriations. Any
28.16 unencumbered balance does not cancel at the
28.17 end of the first year and is available for the
28.18 second year.

28.19 (q) \$150,000 the first year and \$150,000 the
28.20 second year are to establish an emerging
28.21 farmer office and hire a full-time emerging
28.22 farmer outreach coordinator. The emerging
28.23 farmer outreach coordinator must engage and
28.24 support emerging farmers regarding resources
28.25 and opportunities available throughout the
28.26 Department of Agriculture and the state. For
28.27 purposes of this paragraph, "emerging farmer"
28.28 has the meaning provided in Minnesota
28.29 Statutes, section 17.055, subdivision 1. Of the
28.30 amount appropriated each year, \$25,000 is for
28.31 translation services for farmers and cottage
28.32 food producers.

28.33 (r) \$222,000 the first year and \$286,000 the
28.34 second year are to maintain the current level
28.35 of service delivery.

29.1 (s) \$827,000 the second year is to award and
29.2 administer grants to:

29.3 (1) organizations to provide technical and
29.4 culturally appropriate services to emerging
29.5 farmers and related businesses;

29.6 (2) organizations to help emerging farmers
29.7 pay for up to 65 percent of premium expenses
29.8 each year up to two years under the federal
29.9 micro farm insurance program; and

29.10 (3) The Good Acre for the Local Emergency
29.11 Assistance Farmer Fund (LEAFF) program to
29.12 compensate emerging farmers for crops
29.13 donated to hunger relief organizations in
29.14 Minnesota.

29.15 This is a onetime appropriation and is
29.16 available until June 30, 2024.

29.17 (t) \$750,000 the second year is to support the
29.18 IT modernization efforts, including laying the
29.19 technology foundations needed for improving
29.20 customer interactions with the department for
29.21 licensing and payments. The base for this
29.22 appropriation is \$584,000 in fiscal year 2024
29.23 and \$0 in fiscal year 2025.

29.24 (u) \$1,500,000 the first year is for transfer to
29.25 the agricultural emergency account established
29.26 under Minnesota Statutes, section 17.041. This
29.27 is a onetime transfer. This transfer is in
29.28 addition to the appropriations made in Laws
29.29 2022, chapter 47, section 2.

29.30 Notwithstanding Minnesota Statutes, section
29.31 17.041, the commissioner may use the amount
29.32 to be transferred for the purposes identified
29.33 under Laws 2022, chapter 47, section 2,

30.1 paragraph (b). This paragraph expires on
30.2 December 31, 2022.

30.3 (v) \$250,000 in the second year is for a grant
30.4 to the Board of Regents of the University of
30.5 Minnesota to purchase equipment for the
30.6 Veterinary Diagnostic Laboratory to test for
30.7 chronic wasting disease, African swine fever,
30.8 avian influenza, and other animal diseases.
30.9 The Veterinary Diagnostic Laboratory must
30.10 report expenditures under this paragraph to
30.11 the legislative committees with jurisdiction
30.12 over agriculture finance and higher education
30.13 with initial reports completed by January 3,
30.14 2023, and January 3, 2024, and a final report
30.15 by September 1, 2025. The reports must
30.16 include a list of equipment purchased,
30.17 including the cost of each item. The base for
30.18 this appropriation is \$250,000 in fiscal year
30.19 2024 and \$0 in fiscal year 2025.

30.20 (w) \$141,000 the second year is for additional
30.21 funding to administer the beginning farmer
30.22 tax credit. The base for this appropriation is
30.23 \$56,000 in fiscal year 2024 and later.

30.24 (x) \$750,000 the second year is for a grant to
30.25 the Ag Innovation Campus to continue
30.26 construction of a soybean processing and
30.27 research facility. This is a onetime
30.28 appropriation.

30.29 The commissioner shall submit a report on the
30.30 utilization of the grants to the chairs and
30.31 ranking minority members of the legislative
30.32 committees and divisions with jurisdiction
30.33 over agriculture policy and finance by
30.34 February 1, 2024.

31.1 (y) \$50,000 is added to the base for fiscal year
31.2 2024 and \$0 for fiscal year 2025 to provide
31.3 technical assistance and leadership in the
31.4 development of a comprehensive and
31.5 well-documented state aquaculture plan. The
31.6 commissioner must provide the state
31.7 aquaculture plan to the legislative committees
31.8 with jurisdiction over agriculture finance and
31.9 policy by February 15, 2025.

31.10 (z) \$500,000 the second year is to award and
31.11 administer down payment assistance grants
31.12 under Minnesota Statutes, section 17.133. The
31.13 base for this appropriation is \$750,000 in fiscal
31.14 year 2024 and thereafter. Notwithstanding
31.15 Minnesota Statutes, section 16A.28, any
31.16 unencumbered balance the first year does not
31.17 cancel and is available in the second year.

31.18 (aa) \$350,000 the second year is to provide
31.19 grants to secondary career and technical
31.20 education programs for the purpose of offering
31.21 instruction in meat cutting and butchery. By
31.22 January 15, 2023, the commissioner must
31.23 report to the chairs and ranking minority
31.24 members of the committees with jurisdiction
31.25 over agriculture finance and education finance
31.26 by listing the grants made under this paragraph
31.27 by county and noting the number and amount
31.28 of grant requests not fulfilled. The report may
31.29 include additional information as determined
31.30 by the commissioner, including but not limited
31.31 to information regarding the outcomes
31.32 produced by these grants. If additional grants
31.33 are awarded under this paragraph that were
31.34 not covered in the report due by January 15,
31.35 2023, the commissioner must submit an

32.1 additional report to the chairs and ranking
 32.2 minority members of the committees with
 32.3 jurisdiction over agriculture finance and
 32.4 education finance regarding all grants issued
 32.5 under this paragraph by November 1, 2023.

32.6 This is a onetime appropriation. Grants may
 32.7 be used for costs, including but not limited to:

32.8 (1) equipment required for a meat cutting
 32.9 program;

32.10 (2) facility renovation to accommodate meat
 32.11 cutting; and

32.12 (3) training faculty to teach the fundamentals
 32.13 of meat processing.

32.14 A grant recipient may be awarded a grant of
 32.15 up to \$70,000 and may use up to ten percent
 32.16 of the grant for faculty training.

32.17 Priority may be given to applicants who are
 32.18 coordinating with meat cutting and butchery
 32.19 programs at Minnesota State Colleges and
 32.20 Universities system and local industry
 32.21 partners.

32.22 **Sec. 6. GRANTS FOR MEAT PROCESSING TRAINING AND RETENTION**
 32.23 **INCENTIVES.**

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

32.26 (b) "Partner organizations" include:

32.27 (1) foundations engaged in economic development;

32.28 (2) community development financial institutions;

32.29 (3) federally recognized economic development districts; and

32.30 (4) community development corporations.

33.1 (c) "Small to medium-sized meat and poultry processor" means a meat and poultry
33.2 processor licensed by the state of Minnesota or the federal government that has fewer than
33.3 150 employees.

33.4 Subd. 2. Grants. (a) The commissioner of agriculture must provide grants to partner
33.5 organizations to assist small to medium-sized meat and poultry processors with hiring and
33.6 training new employees. New employees at eligible meat and poultry processing plants may
33.7 receive up to \$10,000 in the form of tuition reimbursement for programs at Minnesota state
33.8 colleges and universities, sign-on bonuses, relocation assistance, retention incentives, child
33.9 care stipends, and other related expenses. Employees at any one meat or poultry processor
33.10 may not receive more than \$50,000 under this paragraph.

33.11 (b) Up to 20 percent of a grant to a partner organization may be used for direct services
33.12 to employees, including but not limited to translation services.

33.13 (c) Priority must be given to applications from partner organizations working in
33.14 partnership with Minnesota state colleges and universities.

33.15 **ARTICLE 2**

33.16 **AGRICULTURE STATUTORY CHANGES**

33.17 Section 1. **[17.033] LICENSE AND PERMIT SURCHARGES.**

33.18 The commissioner may collect license and permit surcharges on all licensing and
33.19 permitting transactions conducted by the Department of Agriculture for which a fee is
33.20 charged. The surcharge applies to all initial and renewal license and permit applications
33.21 and is calculated based on the license or permit base fee. Late penalties or other assessments
33.22 are not included in the calculation of the surcharge. The fee is set at five percent beginning
33.23 August 1, 2023, with a minimum fee of \$5 for each transaction. The surcharge rate must
33.24 be reviewed and set annually by the commissioner and may be assessed at a rate of between
33.25 three and eight percent of the licensing or permitting fee, with a minimum fee of \$5 for each
33.26 transaction. The fees collected for this surcharge must be deposited in a dedicated account
33.27 in the agricultural fund. Money in the account, including interest, is appropriated to the
33.28 commissioner for the information technology improvement activities needed to create
33.29 electronic systems for conducting licensing and permitting transactions and to modernize
33.30 the department's inspection and customer management systems.

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

34.2 Subdivision 1. **Emerging farmer working group.** To advise the commissioner and
34.3 legislature regarding the development and implementation of programs and initiatives that
34.4 support emerging farmers in this state, the commissioner must periodically convene a
34.5 working group consisting, to the extent possible, of persons who are, and organizations that
34.6 represent, farmers or aspiring farmers who are women, veterans, persons with disabilities,
34.7 American Indian or Alaskan Natives, members of a community of color, young, LGBTQIA+,
34.8 and urban, and any other emerging farmers as determined by the commissioner. ~~No later~~
34.9 ~~than January 15 each year, the commissioner must update the chairs and ranking minority~~
34.10 ~~members of the legislative committees and divisions with jurisdiction over agriculture~~
34.11 ~~regarding the working group's activities and recommendations.~~

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

34.14 Subd. 2a. **Emerging Farmers Office.** The Emerging Farmers Office exists to support
34.15 emerging farmers. For purposes of this paragraph, "emerging farmer" has the meaning given
34.16 in subdivision 1. At a minimum, the office must coordinate the emerging farmer working
34.17 group under subdivision 1 and the beginning farmer equipment and infrastructure grant
34.18 program under subdivision 3.

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

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

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

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

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

34.30 Subd. 4. **Report.** No later than February 1 each year, the commissioner must submit a
34.31 report to the chairs and ranking minority members of the legislative committees and divisions

35.1 with jurisdiction over agriculture regarding the emerging farmer working group's activities,
35.2 recommendations, and any grants awarded under this section.

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

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

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

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

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

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

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

35.18 (5) not allow nonpatron voting rights.

35.19 (c) The commissioner may receive applications and make grants up to \$50,000 to eligible
35.20 grantees for feasibility, marketing analysis, assistance with organizational development,
35.21 financing and managing new cooperatives, product development, development of business
35.22 and marketing plans, and predesign of facilities, including site analysis, the development
35.23 of bid specifications, preliminary blueprints and schematics, and the completion of purchase
35.24 agreements and other necessary legal documents.

35.25 (d) Grants must be matched dollar-for-dollar with other money or in-kind contributions.

35.26 Sec. 7. Minnesota Statutes 2022, section 17.116, subdivision 3, is amended to read:

35.27 Subd. 3. **Awarding of grants.** (a) Applications for grants must be made to the
35.28 commissioner on forms prescribed by the commissioner.

35.29 (b) The applications must be reviewed, ranked, and recommended by a technical review
35.30 panel appointed by the commissioner. The technical review panel shall consist of a soil
35.31 scientist, an agronomist, a representative from a postsecondary educational institution, an

36.1 agricultural marketing specialist, two resident farmers of the state using sustainable
36.2 agriculture methods, two resident farmers of the state using organic agriculture methods,
36.3 and a chair from the department.

36.4 (c) The technical review panel shall rank applications according to the following criteria:

36.5 (1) direct or indirect energy savings or production;

36.6 (2) environmental benefit;

36.7 (3) farm profitability;

36.8 (4) the number of farms able to apply the techniques or the technology proposed;

36.9 (5) the effectiveness of the project as a demonstration;

36.10 (6) the immediate transferability of the project to farms; and

36.11 (7) the ability of the project to accomplish its goals.

36.12 (d) The commissioner shall consider the recommendations of the technical review panel
36.13 and may award grants for eligible projects. Priority must be given to applicants who are
36.14 farmers or groups of farmers.

36.15 (e) Grants for eligible projects may not exceed \$25,000 unless the portion above \$25,000
36.16 is matched on an equal basis by the applicant's cash ~~or in-kind land use contribution.~~
36.17 contribution or the value of the applicant's in-kind land use, equipment use, or personal
36.18 labor. Grant recipients who are not required to provide a match and grant recipients whose
36.19 in-kind contributions exceed the amount needed to meet matching requirements may submit
36.20 the value of the grant recipients' labor or equipment use as an expense eligible for payment
36.21 from grant money. Grant funding of projects may not exceed \$50,000 under this section,
36.22 but applicants may utilize other funding sources. A portion of each grant must be targeted
36.23 for public information activities of the project.

36.24 (f) A project may continue for up to three years. Multiyear projects must be reevaluated
36.25 by the technical review panel and the commissioner before second or third year funding is
36.26 approved. A project is limited to one grant for its funding.

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

36.28 Subd. 3. **Report to legislature.** No later than December 1, 2023, and annually thereafter,
36.29 the commissioner must provide a report to the chairs and ranking minority members of the
36.30 legislative committees having jurisdiction over agriculture and rural development, in

37.1 compliance with sections 3.195 and 3.197, on the farm down payment assistance grants
37.2 under this section. The report must include:

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

37.6 (2) the number and amount of grants;

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

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

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

37.10 ~~(5)~~ (6) the number of farmers who cease to own land and are subject to payment of a
37.11 penalty, along with the reasons for the land ownership cessation; and

37.12 ~~(6)~~ (7) the number and amount of grant applications that exceeded the allocation available
37.13 in each year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

38.13 Sec. 12. Minnesota Statutes 2022, section 18B.051, is amended to read:

38.14 **18B.051 POLLINATOR RESEARCH ACCOUNT.**

38.15 Subdivision 1. **Account established.** A pollinator research account is established in the
38.16 agricultural fund. Money in the account, including interest, is appropriated to the Board of
38.17 Regents of the University of Minnesota for pollinator research and outreach, including, but
38.18 not limited to, ~~science-based best practices and the identification and establishment of habitat~~
38.19 ~~beneficial to pollinators.;~~

38.20 (1) the identification and establishment of habitat beneficial to pollinators;

38.21 (2) the development and promotion of science-based best management practices;

38.22 (3) the development and promotion of practices that can reduce the effects of pesticides
38.23 on pollinators;

38.24 (4) the effects of seed treatments on pollinators; and

38.25 (5) the development and promotion of integrated pest management, including pest
38.26 economic thresholds.

38.27 The University of Minnesota must select projects in consultation with the Minnesota
38.28 Department of Agriculture.

38.29 Subd. 2. **Expiration.** This section expires July 1, ~~2025~~ 2027.

39.1 Sec. 13. Minnesota Statutes 2022, section 18B.055, is amended to read:

39.2 **18B.055 COMPENSATION FOR BEES KILLED BY PESTICIDE;**
 39.3 **APPROPRIATION.**

39.4 Subdivision 1. **Compensation required.** (a) The commissioner must compensate a
 39.5 ~~person~~ bee owner for an acute pesticide poisoning resulting in the death of bees or loss of
 39.6 bee colonies owned by the ~~person, provided:~~ bee owner.

39.7 ~~(1) the person who applied the pesticide cannot be determined;~~

39.8 ~~(2) the person who applied the pesticide did so in a manner consistent with the pesticide~~
 39.9 ~~product's label or labeling; or~~

39.10 ~~(3) the person who applied the pesticide did so in a manner inconsistent with the pesticide~~
 39.11 ~~product's label or labeling.~~

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

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

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

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

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

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

40.5 Subd. 5. **Payments; denial of compensation.** ~~(a) If the commissioner determines the
40.6 bee death or loss of bee colony was caused by an acute pesticide poisoning and either the
40.7 pesticide applicator cannot be determined or the pesticide applicator applied the pesticide
40.8 product in a manner consistent with the pesticide product's label or labeling, the commissioner
40.9 may award compensation from the pesticide regulatory account. If the pesticide applicator
40.10 can be determined and the applicator applied the pesticide product in a manner inconsistent
40.11 with the product's label or labeling, the commissioner may collect a penalty from the pesticide
40.12 applicator sufficient to compensate the bee owner for the fair market value of the dead bees
40.13 and bee colonies losses, and must award the money to the bee owner.~~

40.14 ~~(b)~~ (a) If the commissioner denies compensation claimed by a bee owner under this
40.15 section, the commissioner must issue a written decision based upon the available evidence.
40.16 The decision must include specification of the facts upon which the decision is based and
40.17 the conclusions on the material issues of the claim. The commissioner must mail a copy of
40.18 the decision to the bee owner.

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

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

40.29 Subd. 6a. **Enhanced penalty factor.** If the commissioner determines that a bee death
40.30 or loss of bee colony was caused by acute pesticide poisoning, is able to determine the
40.31 pesticide applicator that was responsible, and determines that the applicator applied the
40.32 pesticide in a manner inconsistent with the product's label or labeling, the commissioner
40.33 may add the amount that the bee owner received from the bee owner's claim to any penalty

41.1 amount assessed by the commissioner under any penalty actions against the pesticide
41.2 applicator under section 18D.315 or 18D.325.

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

41.6 Sec. 14. **[18B.117] REGISTRATION PROHIBITED.**

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

41.9 Sec. 15. Minnesota Statutes 2022, section 18C.425, subdivision 6, is amended to read:

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

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

41.16 (c) The person responsible for payment of the inspection fees for fertilizers, soil
41.17 amendments, or plant amendments sold and used in this state must pay an inspection fee of
41.18 ~~39~~ 64 cents per ton, and until June 30, 2024, an additional 40 cents per ton, of fertilizer, soil
41.19 amendment, and plant amendment sold or distributed in this state, with a minimum of \$10
41.20 on all tonnage reports. Notwithstanding section 18C.131, the commissioner must deposit
41.21 all revenue from the additional 40 cents per ton fee in the agricultural fertilizer research and
41.22 education account in section 18C.80. Products sold or distributed to manufacturers or
41.23 exchanged between them are exempt from the inspection fee imposed by this subdivision
41.24 if the products are used exclusively for manufacturing purposes.

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

41.28 Sec. 16. Minnesota Statutes 2022, section 18H.02, is amended by adding a subdivision to
41.29 read:

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

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

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

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

42.5 Sec. 17. Minnesota Statutes 2022, section 18H.03, subdivision 6, is amended to read:

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

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

42.10 **18H.05 NURSERY CERTIFICATE REQUIREMENTS.**

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

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

42.18 (c) A person required to be certified by this section must apply for a certificate or for
42.19 renewal on a form furnished by the commissioner which must contain:

42.20 (1) the name and address of the applicant, the number of locations to be operated by the
42.21 applicant and their addresses, and the assumed business name of the applicant;

42.22 (2) if other than an individual, a statement whether a person is a partnership, corporation,
42.23 or other organization;

42.24 (3) the type of business to be operated and, if the applicant is an agent, the principals
42.25 the applicant represents; and

42.26 (4) source or sources of purchased nursery stock.

42.27 (d) No person may:

42.28 (1) falsely claim to be a certified live plant dealer; ~~grower, broker, or agent;~~

42.29 (2) make willful false statements when applying for a certificate; or

43.1 (3) sell or distribute certified nursery stock to an uncertified ~~nursery stock~~ live plant
43.2 dealer who is required to be certified ~~or nursery stock grower~~.

43.3 (e) Each application for a certificate must be accompanied by the appropriate certificate
43.4 fee under section 18H.07.

43.5 (f) Certificates issued by the commissioner must be prominently displayed to the public
43.6 in the place of business where certified nursery stock is sold or distributed.

43.7 (g) The commissioner may refuse to issue a certificate for cause.

43.8 (h) Each ~~grower or~~ live plant dealer is entitled to one sales location under the certificate
43.9 ~~of the grower or dealer~~. Each additional sales location maintained by the person requires
43.10 the payment of the full certificate fee for each additional sales outlet.

43.11 ~~(i) A grower who is also a dealer is certified only as a grower for that specific site.~~

43.12 ~~(i)~~ (i) A certificate is personal to the applicant and may not be transferred. A new
43.13 certificate is necessary if the business entity is changed or if the membership of a partnership
43.14 is changed, whether or not the business name is changed.

43.15 ~~(j)~~ (j) The certificate issued to a live plant dealer ~~or grower~~ applies to the particular
43.16 premises named in the certificate. However, if prior approval is obtained from the
43.17 commissioner, the place of business may be moved to the other premises or location without
43.18 an additional certificate fee.

43.19 ~~(k)~~ (k) A collector of nursery stock from the wild is required to obtain a ~~dealer's~~ live
43.20 plant dealer certificate from the commissioner and is subject to all the requirements that
43.21 apply to the inspection of nursery stock. All collected nursery stock must be labeled as
43.22 "collected from the wild."

43.23 Sec. 19. Minnesota Statutes 2022, section 18H.07, is amended by adding a subdivision to
43.24 read:

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

43.28 (1) \$50 fee for a live plant dealer certificate that allows for one retail sales location. A
43.29 \$50 certificate is required for each additional retail sales location; and

43.30 (2) a live plant dealer growing nursery stock requires an inspection for certification of
43.31 that nursery stock prior to sale of the nursery stock and must be assessed an additional
43.32 charge of \$100 plus \$10 per acre up to 200 acres. Acreage to be certified should be rounded

44.1 to the nearest one acre. For the basis of fee determination, "growing nursery stock" means
 44.2 the purchase of seeds, seedlings, or small plants and the cultivation of the plants in fields
 44.3 or containers in Minnesota for eventual sale, including cutting, splitting, and propagating
 44.4 plants.

44.5 Sec. 20. Minnesota Statutes 2022, section 18H.07, is amended by adding a subdivision to
 44.6 read:

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

44.10 (1) a \$50 fee for a live plant dealer certificate that allows for one retail sales location.

44.11 A \$50 certificate is required for each additional retail sales location;

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

	<u>Purchases</u>	<u>Fee</u>
44.17		
44.18	<u>\$0</u>	<u>to \$3,000</u>
44.19	<u>\$3,001</u>	<u>to \$10,000</u>
44.20	<u>\$10,001</u>	<u>to \$20,000</u>
44.21	<u>\$20,001</u>	<u>to \$50,000</u>
44.22	<u>\$50,001</u>	<u>to \$100,000</u>
44.23	<u>\$100,001</u>	<u>to \$150,000</u>
44.24	<u>\$150,001</u>	<u>to \$200,000</u>
44.25	<u>\$200,001</u>	<u>to \$300,000</u>
44.26	<u>\$300,001</u>	<u>to \$400,000</u>
44.27	<u>\$400,001</u>	<u>to \$500,000</u>
44.28	<u>\$500,001</u>	<u>to \$600,000</u>
44.29	<u>\$600,001</u>	<u>to \$700,000</u>
44.30	<u>\$700,001</u>	<u>to \$800,000</u>
44.31	<u>\$800,001</u>	<u>to \$900,000</u>
44.32	<u>\$900,001</u>	<u>to \$1,000,000</u>
44.33	<u>\$1,000,001</u>	<u>to \$2,000,000</u>
44.34	<u>\$2,000,001</u>	<u>to \$3,000,000</u>
44.35	<u>\$3,000,001 or more</u>	<u>.0005 x annual purchases; and</u>

45.1 (3) a live plant dealer growing nursery stock requires an inspection for certification of
45.2 that nursery stock prior to sale and must be assessed an additional charge of \$100 plus \$10
45.3 per acre up to 200 acres. Acreage to be certified should be rounded to the nearest one acre.
45.4 For the basis of fee determination, "growing nursery stock" is the purchase of seeds,
45.5 seedlings, or small plants and the cultivation of plants in fields or containers in Minnesota
45.6 for eventual sale, including cutting, splitting, and propagating plants.

45.7 (b) In addition to the fees in paragraph (a), a penalty of 25 percent of the fee due may
45.8 be charged or a portion thereof, if the fee is delinquent or any application for renewal is not
45.9 postmarked or electronically date stamped by December 31 of the current year.

45.10 (c) A live plant dealer operating without a valid certificate must not offer nursery stock
45.11 for sale or sell nursery stock until a certificate is issued to the live plant dealer by the
45.12 commissioner and the live plant dealer has paid any applicable fees and penalties in full.

45.13 Sec. 21. Minnesota Statutes 2022, section 18H.08, subdivision 2, is amended to read:

45.14 Subd. 2. **Virus disease-free certification.** The commissioner may provide special
45.15 services such as virus disease-free certification and other similar programs. Participation
45.16 by ~~nursery stock growers~~ live plant dealers is voluntary. Plants offered for sale as certified
45.17 virus-free must be grown according to certain procedures in a manner defined by the
45.18 commissioner for the purpose of eliminating viruses and other injurious disease or insect
45.19 pests. The commissioner shall collect reasonable fees from participating ~~nursery stock~~
45.20 ~~growers~~ live plant dealers for services and materials that are necessary to conduct this type
45.21 of work.

45.22 Sec. 22. Minnesota Statutes 2022, section 18H.09, is amended to read:

45.23 **18H.09 NURSERY STOCK CERTIFICATION REQUIREMENTS.**

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

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

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

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

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

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

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

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

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

46.21 (f) Optional inspections of plants may be conducted by the commissioner upon request
46.22 by any persons desiring an inspection. A fee as provided in section 18H.07 must be charged
46.23 for such an inspection.

46.24 Sec. 23. Minnesota Statutes 2022, section 18H.13, subdivision 3, is amended to read:

46.25 Subd. 3. **Reciprocal agreements.** The commissioner may cooperate with and enter into
46.26 reciprocal agreements with other states regarding licensing and movement of nursery stock.
46.27 Reciprocal agreements with other states do not prevent the commissioner from prohibiting
46.28 the distribution in Minnesota of any nursery stock that fails to meet minimum criteria for
46.29 nursery stock of Minnesota certified ~~growers, dealers, or both~~ live plant dealers. An official
46.30 directory of certified nurseries and related nursery industry businesses from other states is
46.31 acceptable in lieu of individual nursery certificates.

47.1 Sec. 24. Minnesota Statutes 2022, section 18H.15, is amended to read:

47.2 **18H.15 VIOLATIONS.**

47.3 (a) A person who offers to distribute nursery stock that is uncertified, uninspected, or
47.4 falsely labeled or advertised possesses an illegal regulated commodity that is considered
47.5 infested or infected with harmful plant pests and subject to regulatory action and control.
47.6 If the commissioner determines that the provisions of this section have been violated, the
47.7 commissioner may order the destruction of all of the plants unless the person:

47.8 (1) provides proper phytosanitary preclearance, phytosanitary certification, or nursery
47.9 stock certification;

47.10 (2) agrees to have the plants, plant materials, or nursery stock returned to the consignor;
47.11 and

47.12 (3) provides proper documentation, certification, or compliance to support advertising
47.13 claims.

47.14 (b) The plant owner is liable for all costs associated with a withdrawal-from-distribution
47.15 order or the quarantine, treatment, or destruction of plants. The commissioner is not liable
47.16 for actual or incidental costs incurred by a person due to the commissioner's actions. The
47.17 commissioner must be reimbursed by the owner of the plants for the actual expenses incurred
47.18 in carrying out a withdrawal-from-distribution order or the quarantine, treatment, or
47.19 destruction of any plants.

47.20 (c) It is unlawful for a person to:

47.21 (1) misrepresent, falsify, or knowingly distribute, sell, advertise, or display damaged,
47.22 mislabeled, misrepresented, infested, or infected nursery stock;

47.23 (2) fail to obtain a nursery certificate as required by the commissioner;

47.24 (3) fail to renew a nursery certificate, but continue business operations;

47.25 (4) fail to display a nursery certificate;

47.26 (5) misrepresent or falsify a nursery certificate;

47.27 (6) refuse to submit to a nursery inspection;

47.28 (7) fail to provide the cooperation necessary to conduct a successful nursery inspection;

47.29 (8) offer for sale uncertified plants, plant materials, or nursery stock;

47.30 (9) possess an illegal regulated commodity;

- 48.1 (10) violate or disobey a commissioner's order;
- 48.2 (11) violate a quarantine issued by the commissioner;
- 48.3 (12) fail to obtain phytosanitary certification for plant material or nursery stock brought
48.4 into Minnesota;
- 48.5 (13) deface, mutilate, or destroy a nursery stock certificate, phytosanitary certificate, or
48.6 phytosanitary preclearance certificate, or other commissioner mark, permit, or certificate;
- 48.7 (14) fail to notify the commissioner of an uncertified shipment of plants, plant materials,
48.8 or nursery stock;
- 48.9 (15) transport uncertified plants, plant materials, or nursery stock in Minnesota; or
- 48.10 (16) sell nursery stock to an uncertified ~~nursery stock~~ live plant dealer who is required
48.11 to be certified.

48.12 Sec. 25. Minnesota Statutes 2022, section 18K.04, subdivision 1, is amended to read:

48.13 Subdivision 1. **Requirement; issuance; presumption.** (a) A person must obtain a license
48.14 from the commissioner before (1) growing industrial hemp ~~for commercial or research~~
48.15 ~~purposes, and (2) before processing industrial hemp for commercial purposes, or (3)~~
48.16 researching industrial hemp.

48.17 (b) To obtain a license under paragraph (a), a person must apply to the commissioner
48.18 in the form prescribed by the commissioner and must pay the annual registration and
48.19 inspection fee established by the commissioner in accordance with section 16A.1285,
48.20 subdivision 2.

48.21 (c) For a license to grow industrial hemp ~~for commercial or research purposes,~~ the license
48.22 application must include the name and address of the applicant and the legal description of
48.23 the land area or areas where industrial hemp will be grown by the applicant and any other
48.24 information required under Code of Federal Regulations, title 7, part 990.

48.25 (d) For a license to process industrial hemp ~~for commercial purposes,~~ the license
48.26 application must include the name and address of the applicant, the legal description of the
48.27 processing location, and any other information required by the commissioner.

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

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

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

49.6 Sec. 26. Minnesota Statutes 2022, section 18K.04, subdivision 2, is amended to read:

49.7 Subd. 2. **Background check; data classification.** The commissioner must require each
49.8 first-time applicant for a license to submit to a background investigation conducted by the
49.9 Bureau of Criminal Apprehension as a condition of licensure. Any first-time authorized
49.10 representatives designated by the applicant must also submit to a background investigation.

49.11 As part of the background investigation, the Bureau of Criminal Apprehension must conduct
49.12 criminal history checks of Minnesota records and is authorized to exchange fingerprints
49.13 with the United States Department of Justice, Federal Bureau of Investigation for the purpose
49.14 of a criminal background check of the national files. The cost of the investigation must be
49.15 paid by the applicant. Criminal history records provided to the commissioner under this
49.16 section must be treated as private data on individuals, as defined in section 13.02, subdivision
49.17 12.

49.18 Sec. 27. Minnesota Statutes 2022, section 18K.06, is amended to read:

49.19 **18K.06 RULEMAKING.**

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

49.26 (b) Rules adopted under paragraph (a) must include, but not be limited to, provisions
49.27 governing:

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

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

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

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

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

50.4 Sec. 28. [18K.10] HEMP FIBER PROCESSING EQUIPMENT GRANTS.

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

50.10 Sec. 29. Minnesota Statutes 2022, section 25.39, subdivision 1, is amended to read:

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

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

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

50.24 (b) In the case of pet food or specialty pet food distributed in the state only in packages
50.25 of ten pounds or less, a distributor must register each product ~~and submit a current label for~~
50.26 ~~each product~~ annually on forms provided by the commissioner, accompanied by an annual
50.27 application fee of \$100 for each product in lieu of the inspection fee, and within five business
50.28 days, submit a current label for each product upon the request of the commissioner. This
50.29 annual fee must be received by the commissioner on or before June 30 or postmarked on
50.30 or before June 30. The inspection fee required by paragraph (a) applies to pet food or
50.31 specialty pet food distributed in packages exceeding ten pounds.

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

51.1 Sec. 30. Minnesota Statutes 2022, section 28A.08, is amended by adding a subdivision to
51.2 read:

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

51.8 Sec. 31. Minnesota Statutes 2022, section 28A.082, subdivision 1, is amended to read:

51.9 Subdivision 1. **Fees; application.** (a) The fees for review of food handler facility floor
51.10 plans under the Minnesota Food Code are based upon the square footage of the structure
51.11 being newly constructed, remodeled, or converted. The fees for the review shall be:

square footage	review fee
0 - 4,999 999.....	\$ 200.00
<u>1,000 - 4,999.....</u>	<u>\$ 400.00</u>
	275.00
5,000 - 24,999.....	\$ <u>800.00</u>
	425.00
25,000 plus.....	\$ <u>1,000.00</u>

51.19 (b) The applicant must submit the required fee, review application, plans, equipment
51.20 specifications, materials lists, and other required information on forms supplied by the
51.21 department at least 30 days prior to commencement of construction, remodeling, or
51.22 conversion. The commissioner may waive this fee after determining that the facility's
51.23 principal mode of business is not the sale of food and that the facility sells only prepackaged
51.24 foods.

51.25 (c) The fee for a remodel of a licensed food establishment by the license holder is based
51.26 on the total square footage in paragraph (a) of the remodeled food preparation, service,
51.27 display, and storage areas only. This paragraph does not apply to a retail food handler who
51.28 is applying for a new license that includes the conversion of an existing building or structure
51.29 that was previously licensed as a food establishment.

51.30 Sec. 32. Minnesota Statutes 2022, section 28A.09, is amended by adding a subdivision to
51.31 read:

51.32 Subd. 3. Vending machine inspection account; appropriation. A vending machine
51.33 inspection account is established in the agricultural fund. Fees paid under subdivision 1

52.1 must be deposited in this account. Money in the account, including interest, is appropriated
 52.2 to the commissioner for expenses relating to identifying and inspecting food vending
 52.3 machines under chapters 28 to 34A or rules adopted under one of those chapters.

52.4 Sec. 33. Minnesota Statutes 2022, section 35.02, subdivision 1, is amended to read:

52.5 Subdivision 1. **Members; officers.** The board has ~~six~~ 11 members appointed by the
 52.6 governor with ~~the advice and consent of the senate, four of whom are producers of livestock~~
 52.7 ~~in the state and at least one of the four livestock producers is also a member of a federally~~
 52.8 ~~recognized Tribe located in Minnesota, and two of whom are practicing veterinarians licensed~~
 52.9 ~~in Minnesota~~ two at-large members, one member who is a member of a federally recognized
 52.10 Tribe located in Minnesota, and eight regional members, with no two regional members
 52.11 residing in the same congressional district. To the extent practicable, the governor's
 52.12 appointments must achieve gender balance among the board membership. Members must
 52.13 be knowledgeable in animal agriculture, animal health, or pets and companion animals,
 52.14 with at least two members who represent the public and are not employed in agriculture,
 52.15 veterinary medicine, the pet industry, or a related field. The commissioners of agriculture,
 52.16 natural resources, and health, the dean of the College of Veterinary Medicine, and the
 52.17 director of the Veterinary Diagnostic Laboratory of the University of Minnesota ~~may~~ shall
 52.18 serve as consultants to the board without vote. Appointments to fill unexpired terms must
 52.19 be made from the classes to which the retiring members belong. The board shall elect a
 52.20 president and a vice-president from among its members ~~and~~ The governor shall appoint a
 52.21 veterinarian licensed in Minnesota who is not a member to be ~~its~~ the board's executive
 52.22 director for a term of one year and until a successor qualifies. The board shall set the duties
 52.23 of the director.

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

52.26 Sec. 34. Minnesota Statutes 2022, section 35.05, is amended to read:

52.27 **35.05 AUTHORITY OF STATE BOARD.**

52.28 (a) The state board may quarantine or kill any domestic animal infected with, or which
 52.29 has been exposed to, a contagious or infectious dangerous disease if it is necessary to protect
 52.30 the health of the domestic animals of the state.

52.31 (b) The board may regulate or prohibit the arrival in and departure from the state of
 52.32 infected or exposed animals and, in case of violation of any rule or prohibition, may detain

53.1 any animal at its owner's expense. The board may regulate or prohibit the importation of
53.2 domestic animals which, in its opinion, may injure the health of Minnesota livestock.

53.3 (c) When the governor declares an emergency under section 35.0661, the board, through
53.4 its executive director, may assume control of such resources within the University of
53.5 Minnesota's Veterinary Diagnostic Laboratory as necessary to effectively address the disease
53.6 outbreak. The director of the laboratory and other laboratory personnel must cooperate fully
53.7 in performing necessary functions related to the outbreak or threatened outbreak.

53.8 (d) The board may test or require tests of any bovine or cervidae in the state when the
53.9 board deems it necessary to achieve or maintain bovine tuberculosis accredited free state
53.10 or zone status under the regulations and laws administered by the United States Department
53.11 of Agriculture.

53.12 (e) Notwithstanding section 3.3005, subdivision 2, the board may apply for, receive,
53.13 and disburse federal money made available to the state for animal disease response. All
53.14 federal money received by the board for this purpose must be deposited in the state treasury
53.15 and, ~~except as provided in section 35.156, subdivision 2,~~ is appropriated to the board for
53.16 the purposes for which it was received. By January 15 each year, the board must report to
53.17 the senate Committee on Finance, the house of representatives Committee on Ways and
53.18 Means, and the legislative committees with jurisdiction over the board's operating budget
53.19 regarding the amount of federal money received and spent in the previous fiscal year under
53.20 this paragraph and the board's use of these funds.

53.21 Sec. 35. Minnesota Statutes 2022, section 41A.12, subdivision 4, is amended to read:

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

53.23 Sec. 36. Minnesota Statutes 2022, section 41A.16, subdivision 1, is amended to read:

53.24 Subdivision 1. ~~**Eligibility for participants on or before April 1, 2023.**~~ (a) A facility
53.25 eligible for payment under this section must source from Minnesota at least 80 percent of
53.26 the biomass used to produce an advanced biofuel, except that, if a facility is sited 50 miles
53.27 or less from the state border, biomass used to produce an advanced biofuel may be sourced
53.28 from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from
53.29 within a 100-mile radius of the facility or from within Minnesota. The facility must be
53.30 located in Minnesota, must begin production at a specific location on or before ~~April 1~~ June
53.31 30, 2023, and must not begin operating above 23,750 MMbtu of quarterly advanced biofuel
53.32 production before July 1, 2015. Eligible facilities include existing companies and facilities
53.33 that are adding advanced biofuel production capacity, or retrofitting existing capacity, as

54.1 well as new companies and facilities. Production of conventional corn ethanol and
54.2 conventional biodiesel is not eligible. Eligible advanced biofuel facilities must produce at
54.3 least 1,500 MMbtu of advanced biofuel quarterly.

54.4 (b) No payments shall be made for advanced biofuel production that occurs after June
54.5 30, 2035, for those eligible biofuel producers under paragraph (a).

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

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

54.10 (e) Renewable chemical production for which payment has been received under section
54.11 41A.17, and biomass thermal production for which payment has been received under section
54.12 41A.18, are not eligible for payment under this section.

54.13 (f) Biobutanol is eligible under this section.

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

54.15 Sec. 37. Minnesota Statutes 2022, section 41A.16, subdivision 2, is amended to read:

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

54.21 (b) Total payments under this section to an eligible biofuel producer in a fiscal year may
54.22 not exceed the amount necessary for 2,850,000 MMbtu of biofuel production. Total payments
54.23 under this section to all eligible biofuel producers in a fiscal year may not exceed the amount
54.24 necessary for 17,100,000 MMbtu of biofuel production. If the total amount for which all
54.25 producers are eligible in a quarter exceeds the amount available for payments, the
54.26 commissioner shall make the payments on a pro rata basis. An eligible producer may reapply
54.27 for payment, and the commissioner must pay, the difference between a claim for payment
54.28 filed under subdivision 6 and the pro rata amount received:

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

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

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

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

55.5 Sec. 38. Minnesota Statutes 2022, section 41A.17, subdivision 1, is amended to read:

55.6 Subdivision 1. **Eligibility for participants on or before April 1, 2023.** (a) A facility
55.7 eligible for payment under this section must source from Minnesota at least 80 percent of
55.8 the biomass used to produce a renewable chemical, except that, if a facility is sited 50 miles
55.9 or less from the state border, biomass used to produce a renewable chemical may be sourced
55.10 from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from
55.11 within a 100-mile radius of the facility or from within Minnesota. The facility must be
55.12 located in Minnesota, must begin production at a specific location on or before ~~April 1~~ June
55.13 30, 2023, and must not begin production of 250,000 pounds of chemicals quarterly before
55.14 January 1, 2015. Eligible facilities include existing companies and facilities that are adding
55.15 production capacity, or retrofitting existing capacity, as well as new companies and facilities.
55.16 Eligible renewable chemical facilities must produce at least 250,000 pounds of renewable
55.17 chemicals quarterly. Renewable chemicals produced through processes that are fully
55.18 commercial before January 1, 2000, are not eligible.

55.19 (b) No payments shall be made for renewable chemical production that occurs after June
55.20 30, 2035, for those eligible renewable chemical producers under paragraph (a).

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

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

55.25 (e) Advanced biofuel production for which payment has been received under section
55.26 41A.16, and biomass thermal production for which payment has been received under section
55.27 41A.18, are not eligible for payment under this section.

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

55.29 Sec. 39. Minnesota Statutes 2022, section 41A.17, subdivision 2, is amended to read:

55.30 Subd. 2. **Payment amounts; bonus; limits.** (a) The commissioner shall make payments
55.31 to eligible producers of renewable chemicals located in the state. The amount of the payment
55.32 for each producer's annual production is \$0.03 per pound of sugar-derived renewable

56.1 chemical, \$0.03 per pound of cellulosic sugar, starch, oil, or animal fat, and \$0.06 per pound
56.2 of cellulosic-derived renewable chemical produced at a specific location for ten years after
56.3 the start of production.

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

56.7 (c) Total payments under this section to an eligible renewable chemical producer in a
56.8 fiscal year may not exceed the amount necessary for 99,999,999 pounds of renewable
56.9 chemical production. Total payments under this section to all eligible renewable chemical
56.10 producers in a fiscal year may not exceed the amount necessary for 599,999,999 pounds of
56.11 renewable chemical production. If the total amount for which all producers are eligible in
56.12 a quarter exceeds the amount available for payments, the commissioner shall make the
56.13 payments on a pro rata basis. An eligible producer may reapply for payment, and the
56.14 commissioner must pay, the difference between a claim for payment filed under subdivision
56.15 5 and the pro rata amount received:

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

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

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

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

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

56.26 Sec. 40. Minnesota Statutes 2022, section 41A.18, subdivision 1, is amended to read:

56.27 Subdivision 1. ~~Eligibility for participants on or before April 1, 2023.~~ (a) A facility
56.28 eligible for payment under this section must source from Minnesota at least 80 percent of
56.29 the biomass used for biomass thermal production, except that, if a facility is sited 50 miles
56.30 or less from the state border, biomass used for biomass thermal production may be sourced
56.31 from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from
56.32 within a 100-mile radius of the facility, or from within Minnesota. Biomass must be from
56.33 agricultural or forestry sources. The facility must be located in Minnesota, must have begun

57.1 production at a specific location on or before ~~April 1~~ June 30, 2023, and must not begin
57.2 before July 1, 2015. Eligible facilities include existing companies and facilities that are
57.3 adding production capacity, or retrofitting existing capacity, as well as new companies and
57.4 facilities. Eligible biomass thermal production facilities must produce at least 250 MMbtu
57.5 of biomass thermal quarterly.

57.6 (b) No payments shall be made for biomass thermal production that occurs after June
57.7 30, 2035, for those eligible biomass thermal producers under paragraph (a).

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

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

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

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

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

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

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

57.25 (c) Total payments under this section to an eligible thermal producer in a fiscal year
57.26 may not exceed the amount necessary for 30,000 MMbtu of thermal production. Total
57.27 payments under this section to all eligible thermal producers in a fiscal year may not exceed
57.28 the amount necessary for 150,000 MMbtu of total thermal production. If the total amount
57.29 for which all producers are eligible in a quarter exceeds the amount available for payments,
57.30 the commissioner shall make the payments on a pro rata basis. An eligible producer may
57.31 reapply for payment, and the commissioner must pay, the difference between a claim for
57.32 payment filed under subdivision 5 and the pro rata amount received:

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

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

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

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

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

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

58.16 Sec. 42. Minnesota Statutes 2022, section 41A.19, is amended to read:

58.17 **41A.19 REPORT; INCENTIVE PROGRAMS.**

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

58.24 (1) the producer's business structure;

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

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

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

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

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

59.3 (7) board member and executive compensation;

59.4 (8) evidence of compliance with environmental permits;

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

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

59.10 Sec. 43. Minnesota Statutes 2022, section 223.16, is amended by adding a subdivision to
 59.11 read:

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

59.15 Sec. 44. Minnesota Statutes 2022, section 223.17, subdivision 7, is amended to read:

59.16 Subd. 7. ~~Action on a bond~~ **Breach of contract.** A producer claiming to be damaged
 59.17 by a breach of a contract for the purchase of grain by a licensed grain buyer may file a
 59.18 written claim with the commissioner. The claim must state the facts constituting the claim.
 59.19 ~~The claim must be filed with the commissioner within 180 days of the breach of the contract.~~
 59.20 If a claim is valid, the commissioner may immediately suspend the license, in which case
 59.21 the licensee shall surrender the license to the commissioner. Within 15 days the licensee
 59.22 may request an administrative hearing subject to chapter 14 to determine whether the license
 59.23 should be revoked. If no request is made within 15 days, the commissioner shall revoke the
 59.24 license.

59.25 Sec. 45. Minnesota Statutes 2022, section 223.17, subdivision 7a, is amended to read:

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

60.1 Sec. 46. Minnesota Statutes 2022, section 223.175, is amended to read:

60.2 **223.175 WRITTEN VOLUNTARY EXTENSION OF CREDIT CONTRACTS;**
60.3 **FORM.**

60.4 A written confirmation required under section 223.177, subdivision 2, and a written
60.5 voluntary extension of credit contract must include those items prescribed by the
60.6 commissioner by rule. A contract shall include a statement of the legal and financial
60.7 responsibilities of grain buyers and sellers established in this chapter. A contract shall also
60.8 include the following statement in not less than ten point, all capital type, framed in a box
60.9 with space provided for the seller's signature: "THIS CONTRACT CONSTITUTES A
60.10 VOLUNTARY EXTENSION OF CREDIT. ~~THIS CONTRACT IS NOT COVERED BY~~
60.11 ~~ANY GRAIN BUYER'S BOND~~ MAY NOT BE COVERED COMPLETELY BY THE
60.12 GRAIN INDEMNITY ACCOUNT." If a written contract is provided at the time the grain
60.13 is delivered to the grain buyer, the seller shall sign the contract in the space provided beneath
60.14 the statement. A transaction that does not meet the provisions of a voluntary extension of
60.15 credit, including the issuance and signing of a voluntary extension of credit contract, is a
60.16 cash sale.

60.17 Sec. 47. Minnesota Statutes 2022, section 223.19, is amended to read:

60.18 **223.19 RULES.**

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

60.21 Sec. 48. [223.24] GRAIN INDEMNITY ACCOUNT.

60.22 Subdivision 1. Establishment. The grain indemnity account is established under the
60.23 direction and control of the commissioner of agriculture. The grain indemnity account shall
60.24 consist of grain indemnity premiums, money from any other source, and interest.

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

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

60.30 (1) the payment of valid claims;

60.31 (2) the payment of grain indemnity premium refunds;

61.1 (3) the payment of administrative expenses under paragraph (c);

61.2 (4) the payment of legal fees and legal expenses under subdivision 7; or

61.3 (5) the payment of a trustee appointed under subdivision 6.

61.4 (c) The commissioner shall allocate money from the grain indemnity account to a separate
61.5 administrative expenses account to pay or reimburse the agency for grain indemnity account
61.6 expenses. Administrative expenses under this paragraph include the actual cost of processing
61.7 payments and refunds, enforcement, record keeping, ordinary management and investment
61.8 fees connected with the operation of the grain indemnity account, and legal expenses.

61.9 Subd. 3. **Eligibility.** A producer is eligible to receive a grain indemnity payment from
61.10 the commissioner if the producer sold grain to a grain buyer as defined in this chapter or
61.11 stored grain with a public grain warehouse operator under chapter 232 and the producer is
61.12 damaged by the grain buyer's or public grain warehouse operator's failure to pay for or
61.13 redeliver grain.

61.14 Subd. 4. **Application.** (a) A producer asserting eligibility under subdivision 3 must file
61.15 a completed claim with the commissioner. The producer must state the facts constituting
61.16 the claim and all other information required by the commissioner.

61.17 (b) Upon receiving a claim, the commissioner must promptly determine the validity of
61.18 the claim and notify the claimant of the commissioner's determination.

61.19 (c) An aggrieved party may appeal the commissioner's determination by requesting,
61.20 within 15 days, that the commissioner initiate a contested case proceeding under chapter
61.21 14.

61.22 Subd. 5. **Payment limitation.** (a) For each failure as defined by section 223.16,
61.23 subdivision 3c, the commissioner must pay the eligible producer:

61.24 (1) the amount equal to the value of the grain sold on cash sale, grain assigned to
61.25 warehouse receipt, or grain assigned to open storage less than 180 days from the deposit;

61.26 (2) the amount equal to the value of grain sold up to \$300,000, or the lesser of \$750,000
61.27 or 75 percent of the amount owed to the seller for a contract in excess of \$300,000 for a
61.28 deferred or delayed payment contract for which a price has been established when the
61.29 contract originated within 120 days of the breach of contract;

61.30 (3) the lesser of \$750,000 or 75 percent of the amount owed to the seller for a voluntary
61.31 extension of credit contract for which no price has been established when the contract
61.32 originated within 180 days of the breach of contract;

62.1 (4) the lesser of \$500,000 or 50 percent for an open storage assignment or a voluntary
62.2 extension of credit contract when the open storage assignment or contract originated between
62.3 181 days and 18 months from the failure; or

62.4 (5) the lesser of \$250,000 or 25 percent for an open storage assignment or a voluntary
62.5 extension of credit contract when the open storage assignment or contract originated between
62.6 19 months and 36 months from the failure.

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

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

62.10 (d) If a grain buyer holds both a Minnesota grain buyer license, as defined in chapter
62.11 223, and a license with the United States Department of Agriculture (USDA) under the
62.12 United States Warehouse Act, a seller may only file a claim with the grain indemnity account
62.13 if the seller sold grain as a cash sale or under a voluntary extension of credit contract. The
62.14 commissioner must deny any claims for stored grain from a seller that holds both a Minnesota
62.15 grain buyer license and a license with the USDA under the United States Warehouse Act.

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

62.21 (f) If the grain indemnity account balance is insufficient to pay refunds under subdivision
62.22 11 and valid claims exist, once money is deposited into the grain indemnity account, the
62.23 commissioner must issue pending refunds for grain indemnity premium payments before
62.24 issuing payments to claimants.

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

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

62.31 Subd. 7. **Debt obligation; subrogated claim.** (a) Money paid by the commissioner to
62.32 satisfy a valid claim constitutes a debt obligation of the grain buyer or public grain warehouse
62.33 operator in default. The commissioner may take action against the grain buyer or public

63.1 grain warehouse operator to recover the amount of any claim payment plus reasonable costs,
63.2 attorney fees, and interest computed at the rate provided in section 270C.40. The
63.3 commissioner must deposit any amount recovered under this subdivision in the grain
63.4 indemnity account.

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

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

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

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

63.17 Subd. 9. Collection and submission of grain indemnity premiums. (a) Each producer
63.18 must pay to the commissioner a grain indemnity premium of not more than 0.2 percent of
63.19 the net proceeds from all grain sold by the producer to a grain buyer purchasing grain in
63.20 Minnesota. When grain is sold to a grain buyer, the grain buyer must deduct the grain
63.21 indemnity premium from the proceeds of the sale and pay the grain indemnity premium to
63.22 the commissioner on behalf of the producer.

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

63.28 (c) A grain buyer must clearly indicate the grain indemnity premiums collected under
63.29 paragraph (b) in the grain buyer's books and records. A grain buyer must retain books and
63.30 records containing the grain indemnity premiums for at least three years. A grain buyer
63.31 must make the grain buyer's books and records available for inspection by the commissioner
63.32 during regular business hours. The department must take steps reasonably necessary to
63.33 verify the accuracy of the grain indemnity premiums as recorded in the grain buyer's books
63.34 and records. Any record or portion thereof seized or copied by the commissioner is private

64.1 or nonpublic data as provided in section 13.02, except that the commissioner may disclose
64.2 this data to aid in the law enforcement process.

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

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

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

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

64.14 (b) Except as provided in paragraph (c), after the grain indemnity account reaches
64.15 \$15,000,000, the commissioner must not require the collection of additional grain indemnity
64.16 premiums until the amount in the grain indemnity account drops below \$9,000,000. In a
64.17 year when the commissioner determines that the grain indemnity account is at or below
64.18 \$9,000,000, the commissioner may reinstate the collection described in this section.

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

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

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

65.1 (c) If a producer is entitled to a refund of a grain indemnity premium under this section,
65.2 the commissioner must pay the refund within 90 days of receiving the demand for a refund.
65.3 If the grain indemnity account balance is insufficient to pay refunds under this subdivision
65.4 and valid claims exist, once money is deposited into the grain indemnity account, the
65.5 commissioner must issue pending refunds for grain indemnity premium payments before
65.6 issuing payments to claimants.

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

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

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

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

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

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

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

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

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

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

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

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

66.10 (b) In addition to the civil penalty described in paragraph (a), the commissioner in an
66.11 enforcement action for a violation described in paragraph (a), clause (1) or (2), must order
66.12 the grain buyer to pay into the grain indemnity account any grain indemnity premiums
66.13 collected by the grain buyer that the grain buyer owes to the grain indemnity account and
66.14 may order the grain buyer to pay interest on the amount that the grain buyer owes to the
66.15 grain indemnity account.

66.16 Subd. 13. **Grain bonds; new license holders.** (a) Except as provided in paragraph (b),
66.17 before the commissioner issues a grain buyer or public grain warehouse operator license,
66.18 a person who has not been licensed to buy grain or operate a public grain warehouse in the
66.19 previous licensing period must file with the commissioner a grain bond in a penal sum of
66.20 \$100,000. A grain bond must remain in effect for the first three years of the license.

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

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

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

66.27 (e) A grain bond required under paragraphs (a) and (c) must provide for the payment of
66.28 any loss caused by the grain buyer's failure to pay upon the owner's demand, including loss
66.29 caused by the grain buyer's failure to pay within the time required. The grain bond must be
66.30 conditioned upon the grain buyer being duly licensed. A grain bond required under paragraphs
66.31 (a) and (c) that is obtained by a public grain warehouse operator must be conditioned that
66.32 the public grain warehouse operator issuing a grain warehouse receipt is liable to the depositor
66.33 for the delivery of the kind, grade, and net quantity of grain called for by the receipt. A

67.1 grain bond must be conditioned upon the operator being duly licensed. For those entities
67.2 licensed under this chapter, the entire grain bond must be available to any claims against
67.3 the grain bond filed under this chapter.

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

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

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

67.12 **EFFECTIVE DATE.** This section is effective July 1, 2023.

67.13 Sec. 49. Minnesota Statutes 2022, section 232.22, subdivision 5, is amended to read:

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

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

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

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

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

68.4 Sec. 50. Laws 2022, chapter 95, article 2, section 29, subdivision 6, is amended to read:

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

68.6 Sec. 51. **PROPOSAL REQUIRED; REGULATION OF SEED TREATED WITH**
68.7 **SYSTEMIC PESTICIDE.**

68.8 The commissioner of agriculture must prepare a proposal to regulate systemic
68.9 pesticide-treated seed. No later than February 1, 2024, the commissioner must submit the
68.10 proposal to the legislative committees with jurisdiction over agriculture. The proposal must
68.11 include at least the following six elements:

68.12 (1) accounting for the total quantity of systemic pesticide-treated seed purchased and
68.13 used in the state, as well as the total acreage and location where systemic pesticide-treated
68.14 seed is applied each year;

68.15 (2) ensuring that all treated seed used in the state is subject to any regulatory restrictions
68.16 necessary to protect human health and the environment, including but not limited to
68.17 pollinating insects, birds, and aquatic ecosystems from exposure to systemic insecticides;

68.18 (3) requiring formal verification of need prior to the use of systemic pesticide-treated
68.19 seed except where systemic pesticide-treated seed is the only commercially available option.
68.20 At a minimum, the proposal must include written certification from a trained and approved
68.21 individual for each use of systemic pesticide-treated field crop seed, verifying that, for the
68.22 time and location, the use would be effective in addressing a demonstrable pest problem;

68.23 (4) studying the use, efficacy, and environmental and health impacts of systemic
68.24 pesticide-treated seed use in the state;

68.25 (5) developing and disseminating educational materials and best management practices
68.26 for the use of systemic pesticide-treated seed; and

68.27 (6) collaborating with the University of Minnesota in developing and implementing the
68.28 systemic pesticide-treated seed program. Collaboration may include the evaluation of national
68.29 and international research on treated seed for its applicability to Minnesota-specific conditions
68.30 to ensure a sound understanding of efficacy of seed treatment rates, scouting techniques,
68.31 pest pressures, economic thresholds, and planting technology differences.

70.1 "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium"
 70.2 is fiscal years 2024 and 2025.

70.3	<u>APPROPRIATIONS</u>	
70.4	<u>Available for the Year</u>	
70.5	<u>Ending June 30</u>	
70.6	<u>2024</u>	<u>2025</u>
70.7	Sec. 2. <u>DEPARTMENT OF EMPLOYMENT</u>	
70.8	<u>AND ECONOMIC DEVELOPMENT</u> \$ <u>73,350,000</u> \$ <u>50,350,000</u>	

70.9 (a) \$350,000 each year is for the Office of
 70.10 Broadband Development.

70.11 (b) \$75,000,000 the first year and \$50,000,000
 70.12 the second year are for transfer to the
 70.13 border-to-border broadband fund account
 70.14 established in Minnesota Statutes, section
 70.15 116J.396. Of the amount each year,
 70.16 \$20,000,000 is for lower population density
 70.17 program grants under Minnesota Statutes,
 70.18 section 116J.3952. This is a onetime
 70.19 appropriation.

70.20 Sec. 3. Minnesota Statutes 2022, section 116J.395, subdivision 7, is amended to read:

70.21 Subd. 7. **Limitation.** (a) No grant awarded under this section may fund more than 50
 70.22 percent of the total cost of a project.

70.23 (b) Grants awarded to a single project under this section must not exceed ~~\$5,000,000~~
 70.24 \$10,000,000.

70.25 Sec. 4. **[116J.3952] LOWER POPULATION DENSITY GRANT PROGRAM.**

70.26 Subdivision 1. Establishment. A lower population density grant program is established
 70.27 in the Department of Employment and Economic Development. The purpose of the lower
 70.28 population density grant program is to provide broadband service to unserved and
 70.29 underserved areas of the state where a 50 percent match formula is not adequate to make a
 70.30 business case for the extension of broadband facilities.

70.31 Subd. 2. Grants. Grants awarded under this section may fund up to 75 percent of the
 70.32 total cost of a project and must otherwise adhere to section 116J.395, subdivisions 1 to 6
 70.33 and subdivision 7, paragraph (b).

71.1 Sec. 5. Minnesota Statutes 2022, section 116J.396, subdivision 2, is amended to read:

71.2 Subd. 2. **Expenditures.** Money in the account may be used only:

71.3 (1) for grant awards made under sections 116J.395 ~~and to 116J.3951~~ 116J.3952, including
71.4 costs incurred by the Department of Employment and Economic Development to administer
71.5 that section;

71.6 (2) to supplement revenues raised by bonds sold by local units of government for
71.7 broadband infrastructure development; or

71.8 (3) to contract for the collection of broadband deployment data from providers and the
71.9 creation of maps showing the availability of broadband service.

71.10 Sec. 6. Laws 2022, chapter 95, article 4, section 2, is amended to read:

71.11 Sec. 2. **LOWER POPULATION DENSITY PILOT PROGRAM.**

71.12 (a) The commissioner of employment and economic development must establish a pilot
71.13 program to provide broadband service to unserved and underserved areas, as defined in
71.14 Minnesota Statutes, section 116J.394, of the state where a 50 percent match formula is not
71.15 adequate to make a business case for the extension of broadband facilities. Grants awarded
71.16 under this section shall adhere to all other requirements of Minnesota Statutes, section
71.17 116J.395, subdivisions 1 to 6, and may fund up to 75 percent of the total cost of a project,
71.18 notwithstanding Minnesota Statutes section 116J.395, subdivision 7. Grants awarded to a
71.19 single project under this section may not exceed \$10,000,000.

71.20 (b) The commissioner of employment and economic development may use up to
71.21 \$30,000,000 from the appropriations in sections 3 and 4 for the lower population density
71.22 pilot program under paragraph (a).

71.23 (c) No later than December 31, 2023, the Office of Broadband Development must submit
71.24 a report to the chairs and ranking minority members of the senate and house of representatives
71.25 committees with primary jurisdiction over broadband policy and finance analyzing the
71.26 impacts of this section on the number and amounts of grants awarded under Minnesota
71.27 Statutes, section 116J.395.

71.28 (d) This section expires December 31, 2026."

71.29 Delete the title and insert:

71.30 "A bill for an act
71.31 relating to state government; establishing a budget for the Department of
71.32 Agriculture, the Board of Animal Health, the Agricultural Utilization Research

72.1 Institute, and the Office of Broadband Development; transferring money to the
72.2 border-to-border broadband fund account; making policy and technical changes
72.3 to agriculture provisions; modifying fees; creating accounts; requiring reports;
72.4 providing civil penalties; appropriating money; amending Minnesota Statutes
72.5 2022, sections 17.055, subdivision 1, by adding subdivisions; 17.1016, subdivision
72.6 2; 17.116, subdivision 3; 17.133, subdivision 3; 18B.01, subdivision 2b, by adding
72.7 a subdivision; 18B.051; 18B.055; 18C.425, subdivision 6; 18H.02, by adding a
72.8 subdivision; 18H.03, subdivision 6; 18H.05; 18H.07, by adding subdivisions;
72.9 18H.08, subdivision 2; 18H.09; 18H.13, subdivision 3; 18H.15; 18K.04,
72.10 subdivisions 1, 2; 18K.06; 25.39, subdivision 1; 28A.08, by adding a subdivision;
72.11 28A.082, subdivision 1; 28A.09, by adding a subdivision; 35.02, subdivision 1;
72.12 35.05; 41A.12, subdivision 4; 41A.16, subdivisions 1, 2; 41A.17, subdivisions 1,
72.13 2; 41A.18, subdivisions 1, 2; 41A.19; 116J.395, subdivision 7; 116J.396,
72.14 subdivision 2; 223.16, by adding a subdivision; 223.17, subdivisions 7, 7a; 223.175;
72.15 223.19; 232.22, subdivision 5; Laws 2021, First Special Session chapter 3, article
72.16 1, section 2, subdivision 5, as amended; Laws 2022, chapter 95, article 2, section
72.17 29, subdivision 6; article 4, section 2; proposing coding for new law in Minnesota
72.18 Statutes, chapters 17; 18B; 18K; 116J; 223; repealing Minnesota Statutes 2022,
72.19 sections 17.055, subdivision 2; 18H.02, subdivisions 21, 22, 23; 18H.07,
72.20 subdivisions 2, 3; 18K.05; 18K.09; 35.156, subdivision 2; 41A.16, subdivision 7;
72.21 41A.17, subdivision 6; 41A.18, subdivision 6; 41A.21, subdivision 6; 223.17,
72.22 subdivisions 4, 8; 232.22, subdivisions 4, 6, 6a, 7."