

Subject Farm down payment assistance program

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Overview

H3548DE1 makes several changes to the farm down payment assistance program administered by the Minnesota Department of Agriculture (MDA). Under this program, MDA awards grants up to \$20,000 to eligible farmers that intend to purchase farmland. Eligible farmers commit to own and farm the land for at least five years. This act would be effective July 1, 2026.

Summary

Section	Description
1	<p>Definitions.</p> <p>Amends the definition of “eligible farmer” to not include cannabis farmers, set a net worth maximum of \$800,000 in 2017 adjusted for inflation (the net worth maximum in Rural Finance Authority programs), and require farming experience or knowledge. Removes reference to individuals farming cannabis under the “incubator farm” definition which affects the “limited land access” definition and the report to the legislature.</p>
2	<p>Grants.</p> <p>Changing grant amounts to up to 40% of the farm’s purchase price, with a maximum amount of \$30,000. Requires recipients to verify at least \$1,000 in farm income or investment in the farm. Adds the following additional constraints based on farmland location: (1) if the farmland is zoned commercial, the eligible farmer must include a business plan with application; and (2) if the farmland is within boundaries of a statutory or home rule charter city, the eligible farmer must earn at least \$1,000 in annual revenue.</p>
3	<p>Administration and financial assistance.</p> <p>Modifies the fiscal year 2027 farm down payment assistance appropriation to require MDA to reserve 40% of the appropriation for applicants who have a purchase agreement at the time of application. Changes the priority applicant annual gross</p>

Section	Description
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	farm product sale range from \$0 – \$100,000 to \$1,000 – \$100,000. Allows the unencumbered balance to remain available until June 30, 2029.
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