

HOUSE RESEARCH

Bill Summary

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Overview

House File 678, a bill consisting of 4 articles, offers a variety of financial and technical assistance to Minnesota farmers. Included in the bill are: reimbursement for payments on federal crop insurance premiums; crop disease research; technical assistance for producers interested in alternative crops; technical assistance for agricultural processing and marketing initiatives; one-time emergency payments or one-time property tax relief; exclusion of agricultural land from tax levies for new school buildings (those passed after the effective date of this act); exclusion of agricultural land from school district excess levies approved by referendum; authorizing farm businesses to income average for state taxes if they income average for federal taxes; allowing payment of claims for crop damage by deer; authorizing land owners or occupants to take 1 deer per year if the deer is causing damage on the property; authorizing interest-free loans up to \$200,000 for feedlot manure odor control projects; appropriating an additional \$10,000,000 for the upgrading of small to medium sized animal feedlots.

ARTICLE 1 - RISK MANAGEMENT

- 1 Crop insurance assistance.** Provides for reimbursement of half the cost of 1999 crop year premiums paid for insurance on crops grown by a qualifying farmer in a designated disaster county. The maximum payment allowed per farmer is \$4,000.
- 2 Appropriation; insurance reimbursements; research; technical assistance.** Appropriates \$8,800,000 from the budget reserve and cash flow account to the commissioner of agriculture to make insurance reimbursement payments.
Appropriates \$1,600,000 from the general fund to the Minnesota experiment station for research on wheat and barley scab, soybean mold, and other crop diseases.
Appropriates \$1,000,000 from the general fund to AURI for technical assistance and grants to farmers interested in producing alternative crops.
Appropriates \$2,000,000 from the general fund to AURI for technical assistance and grants involving farm-to-market marketing initiatives.

ARTICLE 2 - PROPERTY TAX RELIEF

- 1 **Agricultural property tax relief and assistance.** Provides financial relief payments to farmers under one or the other of two provisions. Option 1 is a payment of \$4.00 per acre of land classified as cropland in 1998. Option 2 provides for refund of the property tax paid May 15, 1999 on up to 160 acres of agricultural homestead property (excluding the house and one acre and any land that was leased during the 1998 production year).
\$40,000,000 is appropriated from the general fund to the commissioner of revenue for the acreage or tax payments.
- 2 **School district debt levy service.** Excludes homesteaded and nonhomesteaded agricultural land from the calculation of net tax capacity used to repay bonds for new school buildings.
- 3 **School district excess referendum levy.** Excludes homesteaded and nonhomesteaded agricultural land from taxes to pay excess referendum levies passed after the effective date of the act.
- 4 **Income tax averaging for farm income.** Allows a farm business that uses income averaging for federal taxes to also income average for state income taxes.
- 5 **Effective date.** Specifies that the farm relief program is effective the day following final enactment (within the 1999 fiscal year). School district tax sections are effective for referenda passed after the effective date of the act. Income averaging provisions are effective for taxable years beginning January 1, 1999.

ARTICLE 3 - CONTROL OF CROP PREDATORS

- 1 **Compensation for crop damage; authorization.** Adds deer to the animals for which agricultural crop damage claims can be paid.
- 2 **Timeliness of claim form.** For deer, only claims for damage occurring after January 1, 1999, can be filed.
- 3 **Compensation for crop damage.** Adds deer to the animals for which damage can be compensated.
- 4 **Decision on claims; opening land to hunting.** Adds deer to the animals for which proven crop damage can be compensated.
- 5 **Owners and occupants may take certain animals.** Authorizes the owner or occupant to take one deer per year if the deer is causing damage on the person's property.
- 6 **Appropriation; deer damage to agricultural crops.** Appropriates \$500,000 from the general fund to the commissioner of agriculture for payments for agricultural crop damage by deer.

ARTICLE 4 - TECHNOLOGY DEVELOPMENT, GRANTS, AND LOANS

- 1 **Feedlot manure process and odor control technology.** Adds a new program for interest-free loans (up to \$200,000 each) for feedlot manure processing and odor control technology projects.
- 2 **Appropriation; Feedlot manure process and odor control technology loans.** Appropriates \$2,000,000 from the general fund to the commissioner of agriculture for loans under section 1. Appropriates \$10,000,000 from the general fund to the board of water and soil resources for feedlot upgrade grants to small- and mid-sized farms.