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### Overview

This is the 2018 omnibus agriculture finance bill. It appropriates supplemental funding to the Minnesota Department of Agriculture for fiscal year 2019 and makes various changes to agricultural statutes.

#### Section

#### Article 1: Agriculture Appropriations

##### Overview

This article appropriates supplemental funding to the Minnesota Department of Agriculture (MDA) in fiscal year 2019.

- 1 Total appropriation.** Modifies the 2017 omnibus agriculture finance law to reflect the additional fiscal year 2019 appropriations in this bill.
- 2 Protection services.** Authorizes MDA to reimburse certain University of Minnesota Extension employees. Reimbursement funding would come from a portion of the money appropriated in the 2017 omnibus agriculture finance law to compensate owners of livestock crippled or killed by wolves.
- 3 Agriculture, bioenergy, and bioproduct advancement.** Requires MDA to issue payments to certain renewable chemical producers who would otherwise be ineligible under the

## Section

Renewable Chemical Production Incentive Program, but only after payments are issued to all eligible producers under the advanced biofuel, renewable chemical, and biomass thermal production incentive programs.

- 4 **Administration and financial assistance.** Increases funding in fiscal year 2019 for farm advocate services and mental health counseling. Modifies the fiscal agent for the mental health counseling funding.
- 5 **Rural Finance Authority.** Borrows \$35,000,000 from the bond market and appropriates the proceeds to the Rural Finance Authority (RFA) to purchase an interest in loans to farmers under the RFA's Beginning Farmer, Loan Restructuring, Seller-Sponsored, Agricultural Improvement, and Livestock Expansion loan programs. Borrows an additional \$35,000 to cover the bond-sale expenses incurred by the Department of Management and Budget.

## Article 2: Agriculture Statutory Changes

### Overview

This article modifies various agricultural statutes and establishes a new RFA loan program.

- 1 **Payment of inspection fee.** Extends the Minnesota Agricultural Fertilizer Research and Education Council (AFREC) fertilizer surcharge by ten years, to June 30, 2029.
- 2 **Expiration.** Extends AFREC by ten years, to June 30, 2030.
- 3 **Expiration.** Extends the Agricultural Fertilizer Research and Education Program overseen by AFREC by ten years, to June 30, 2030.
- 4 **Expiration.** Extends until June 30, 2030, the dedicated account that holds AFREC surcharge proceeds.
- 5 **Persons selling liquor.** Requires MDA to exclude a liquor store's gross sales of off-sale alcoholic beverages when determining the appropriate food-handler license fee.
- 6 **Eligibility.** Modifies eligibility for the Advanced Biofuel Production Incentive Program, including the minimum production level and the requirement to source biomass within a certain distance of the production facility.
- 7 **Payment amounts; limits.** Expands eligibility for the Advanced Biofuel Production Incentive Program to include advanced biofuel produced from oil or animal fat.
- 8 **Eligibility.** Modifies eligibility for the Renewable Chemical Production Incentive Program, including the minimum production level and the requirement to source biomass within a certain distance of the production facility.
- 9 **Eligibility.** Modifies eligibility for the Biomass Thermal Production Incentive Program, specifically the requirement to source biomass within a certain distance of the production facility.

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- 10**      **Definitions.** Expands eligibility for the RFA’s pilot agricultural microloan program by authorizing loans to eligible aquaculturists.
- 11**      **Rural energy feasibility program.** Establishes a new RFA revolving loan program to provide loans to eligible entities to explore the feasibility of renewable energy projects. Establishes loan criteria and limits the RFA’s participation to the lesser of 90 percent of the loan principal or \$50,000.
- 12**      **Rural Finance Authority revolving loan account.** Adds the new loan program established in the previous section to the list of RFA programs that utilize the RFA’s revolving loan account.
- 13**      **Areas where groundwater pollution is detected.** Prevents MDA from adopting mandatory rules, or “water resource protection requirements,” for nitrogen fertilizer under authority of the Groundwater Protection Act (Minn. Stat. ch. 103H) unless the proposed requirements are specifically approved by law.