

Subject State Government

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Overview

This is the 2023 omnibus agriculture and broadband development finance bill for the House of Representatives. It would appropriate funding in state fiscal years 2024 and 2025 to the Minnesota Department of Agriculture (MDA), the Board of Animal Health (BAH), the Agricultural Utilization Research Institute, and the Department of Employment and Economic Development's Broadband Development Office.

Among other things, H.F. 2278 would also establish a beginning farmer equipment and infrastructure grant program, modify a beekeeper compensation program, require MDA to regulate pesticide-treated seed, create a grain indemnity program, expand and modify membership of the board that oversees the BAH, increase the fertilizer inspection fee, authorize MDA to impose an information technology surcharge, ban pesticides that contain a perfluoroalkyl or polyfluoroalkyl substance, and allow the Department of Employment and Economic Development (DEED) to award larger border-to-border broadband development grants.

Unless specified otherwise, the provisions in this bill would take effect on July 1, 2023.

Article 1: Appropriations

This article appropriates money to MDA, BAH, and the Agricultural Utilization Research Institute in state fiscal years 2024 and 2025.

Section	Description – Article 1: Appropriations
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1	Agriculture appropriations. Inserts boilerplate language regarding the appropriation format and terminology used in this article.
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Section	Description – Article 1: Appropriations
2	<p data-bbox="354 264 716 296">Department of Agriculture.</p> <p data-bbox="354 310 1354 380">Appropriates general fund and remediation fund dollars to MDA for specified purposes.</p> <p data-bbox="407 394 1382 464">Subd. 1. Total appropriation. Denotes the total amount of money, by fund, appropriated to MDA in this bill.</p> <p data-bbox="407 506 1419 688">Subd. 2. Protection services. Appropriates general fund and remediation fund dollars for MDA’s regulatory programs. Specifically, this subdivision provides funding for the following MDA divisions: Pesticide and Fertilizer Management; Laboratory Services; Plant Protection; Dairy and Meat Inspection; and Food and Feed Safety.</p> <p data-bbox="407 730 1419 800">Subd. 3. Agricultural marketing and development. Appropriates general fund dollars for MDA’s Agricultural Marketing and Development Division.</p> <p data-bbox="407 842 1409 947">Subd. 4. Agriculture, bioenergy, and bioproduct advancement. Appropriates general fund dollars for specific programs and purposes within this budget category.</p> <p data-bbox="407 989 1398 1058">Subd. 5. Administration and financial assistance. Appropriates general fund dollars for specified pass-through grants and agency administration.</p>
3	<p data-bbox="354 1104 675 1136">Board of Animal Health.</p> <p data-bbox="354 1150 1370 1220">Appropriates general fund dollars to the Board of Animal Health. Specifies the amounts appropriated for certain purposes.</p>
4	<p data-bbox="354 1266 911 1297">Agricultural Utilization Research Institute.</p> <p data-bbox="354 1312 1419 1381">Appropriates general fund dollars to the Agricultural Utilization Research Institute. Specifies the amounts appropriated for certain purposes.</p>
5	<p data-bbox="354 1428 883 1459">Administration and financial assistance.</p> <p data-bbox="354 1474 1360 1543">Authorizes MDA to use money appropriated by the 2022 Legislature for down payment assistance grants through the end of fiscal year 2025.</p>
6	<p data-bbox="354 1589 1162 1621">Grants for meat processing training and retention incentives.</p> <p data-bbox="354 1635 1386 1774">Establishes a temporary MDA program for fiscal years 2024 and 2025 to award grants to foundations, community development financial institutions, and other partner organizations to assist small- to medium-sized meat and poultry processors with hiring, training, and retaining new employees.</p>

Article 2: Agriculture Statutory Changes

Among other things, this article would establish a beginning farmer equipment and infrastructure grant program, modify a beekeeper compensation program, require MDA to regulate pesticide-treated seed, modify nursery certificate requirements, create a grain indemnity program, expand and modify membership of the board that oversees the BAH, increase the fertilizer inspection fee, ban pesticides that contain a perfluoroalkyl or polyfluoroalkyl substance, and authorize MDA to impose an information technology surcharge.

Section Description – Article 2: Agriculture Statutory Changes

- 1 License and permit surcharges.**
Authorizes MDA to impose a technology surcharge on all license and permit transactions for which MDA charges a fee. Sets the initial surcharge at five percent with a minimum fee of \$5 per transaction. Authorizes MDA to reset the fee annually within a range of three to eight percent. Appropriates surcharge revenue to MDA for information technology improvements required to create electronic licensing and permitting transaction systems and modernize MDA’s inspection and customer management systems.
- 2 Emerging Farmer Working Group.**
Eliminates the annual reporting requirement for MDA’s Emerging Farmer Working Group – this requirement appears in modified form in a later section. Expands the definition of “emerging farmer” to include farmers and aspiring farmers who are LGBTQIA+.
- 3 Emerging Farmers Office.**
Codifies MDA’s existing Emerging Farmers Office in statute and assigns the office specific duties, including coordinating the new beginning farmer grant program established below.
- 4 Beginning farmer equipment and infrastructure grants.**
Authorizes MDA to award and administer equipment and infrastructure grants to beginning farmers, giving preference to emerging farmers.
- 5 Report.**
Requires MDA to report to the legislature annually regarding the Emerging Farmer Working Group’s activities, recommendations, and any beginning farmer grants awarded.
- 6 Grant program.**
Expands eligibility for an MDA grant program that helps farmers finance new processing or marketing cooperatives. Grant-eligible cooperatives would now include “chapter 308B” cooperatives with nonpatron investor owners, so long as the

Section Description – Article 2: Agriculture Statutory Changes

- cooperative is controlled by its farmer members and nonpatron members do not have voting rights.
- 7 **Awarding of grants.**
Modifies MDA’s sustainable agriculture demonstration grant program to expand eligible in-kind grantee contributions to include the grantee’s equipment use and personal labor. Authorizes MDA to pay certain grantees for their labor and equipment use.
- 8 **Report to the legislature.**
Requires MDA to report disaggregated data regarding the gender, race, and ethnicity of the farmers that receive down payment assistance grants.
- 9 **Soil health financial assistance program.**
Establishes a permanent soil health financial assistance program to award grants to farmers and local units of government for projects on agricultural land in Minnesota that will sequester additional carbon in the soil, integrate perennial vegetation, reduce nitrous oxide and methane emissions, utilize precision agricultural practices, develop site-specific management plans, or enable the purchase of eligible equipment and other items.
- 10 **Bee owner.**
Modifies the definition of “bee owner” for purposes of an existing MDA program that compensates bee owners for certain losses attributable to acute pesticide poisoning. As modified, a bee owner eligible for compensation would be a person who owns one or more bee colonies. Under current law, the person must own an apiary, which is defined as “a place where a collection of one or more hives or colonies of bees or the nuclei of bees are kept.”
- 11 **Bee kill incident.**
Defines the term “bee kill incident” for purposes of an existing MDA program that compensates bee owners for certain losses attributable to acute pesticide poisoning.
- 12 **Pesticide-treated seed.**
Defines this term for purposes of state pesticide control law.
- 13 **Systemic pesticide.**
Defines this term for purposes of state pesticide control law.

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- 14 **Administration by commissioner.**
Identifies MDA as the lead state agency for the regulation of pesticide-treated seed, as defined above.
- 15 **Pesticide impact on environment.**
Requires MDA to determine the impact of pesticide-treated seed on the environment and develop best management practices regarding pesticide-treated seed distribution, storage, handling, use, and disposal.
- 16 **Pollinator research account.**
Modifies eligible uses of money in the pollinator research account and extends the account’s expiration date by two years, to July 1, 2027. Requires the University of Minnesota to select projects funded by the account in consultation with MDA.
- 17 **Systemic pesticide-treated seed.**
Requires MDA to develop a systemic pesticide-treated seed program and specifies additional duties including developing use guidance, evaluating relevant research to determine its applicability to Minnesota-specific conditions, identifying additional research needs, and developing science-based best management practices for situations where systemic pesticide-treated seed use is appropriate.
- 18 **Pesticide-treated seed research account.**
Establishes a new dedicated account in the agricultural fund and appropriates any money in the account to MDA to award grants to the University of Minnesota or others to research uses of, and alternatives to, pesticide-treated seed.
- 19 **Compensation for bees killed by pesticide; appropriation.**
Modifies the statute that governs MDA’s bee kill compensation program. Limits a bee owner’s compensation to \$10,000 per incident and \$20,000 per fiscal year. Specifies that to be eligible for compensation, a bee owner and their apiary must be registered with an MDA-designated pesticide registry program before the incident occurs. Eliminates a provision that prohibits MDA from awarding compensation when the pesticide applicator responsible for the kill did not follow the directions and warnings on the pesticide product’s label. Eliminates MDA’s authority to collect a penalty from the pesticide applicator and award this money to the bee owner as compensation for their loss, but authorizes MDA to add the amount of the bee owner’s claim to any penalty amount otherwise assessed by MDA against the pesticide applicator. Requires the bee owner to file a claim no later than three months after MDA determines that the bee death or colony loss was caused by acute pesticide poisoning.

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20 Pesticide-treated seed.

Prohibits using, storing, handling, distributing, or disposing of pesticide-treated seed in a manner that endangers humans, food, or animals, or that will cause unreasonable environmental harm.

21 Registration prohibited.

Prohibits MDA from approving (i.e., registering) pesticide products that contain a perfluoroalkyl or polyfluoroalkyl substance (i.e., PFAS). Under current law and this bill, it is unlawful to use or distribute a pesticide in Minnesota unless the pesticide is registered with MDA (Minnesota Statutes, section 18B.26).

Effective date: This section would take effect on July 1, 2024.

22 Payment of inspection fee.

Increases the annual fertilizer inspection fee from 39 cents to 64 cents per ton. Under current law and this bill, this fee is paid by those who register specialty fertilizers, soil amendments products, or plant amendments for use in Minnesota (i.e., “registrants”) and those who sell or distribute bulk fertilizers for use on agricultural lands, custom apply fertilizers, or manufacture, blend, or otherwise manipulate fertilizers (i.e., “licensees”).

23 Live plant dealer.

This is the first in a series of sections that would modify certificate requirements for those who raise and/or sell plants, trees, or other nursery stock. Defines “live plant dealer” for purposes of Minnesota Statutes, chapter 18H (Nursery Law). Combined with subsequent sections of this article – including the repealer section at the end of the article – the term “live plant dealer” as defined in this section would replace the existing terms “nursery stock broker,” “nursery stock dealer,” and “nursery stock grower” wherever they appear in chapter 18H.

24 Dissemination of information.

Modifies terminology and authorizes MDA to disseminate information to plant dealers.

25 Nursery certificate requirements.

Modifies terminology and prohibits the sale and distribution of certified nursery stock, the collection of wild nursery stock, and other specified acts unless the person possesses a live plant dealer certificate issued by MDA.

Section Description – Article 2: Agriculture Statutory Changes

- 26 **New live plant dealer certificate.**
Requires new live plant dealers to obtain a certificate from MDA for each retail sales location and to pay a certificate fee of \$50 per retail location and an additional inspection fee of \$100 plus \$10/acre up to 200 acres.
- 27 **Live plant dealer renewal certificate.**
Establishes certificate renewal fees for live plant dealers of \$50 per retail location plus a fee based on gross annual purchases of certain certified nursery stock. Establishes inspection and late fees for live plant dealers.
- 28 **Virus disease-free certification.**
Modifies terminology and allows MDA to collect reasonable fees from live plant dealers for certain optional MDA services.
- 29 **Nursery stock certification requirements.**
Modifies terminology and nursery stock certification requirements for live plant dealers.
- 30 **Reciprocal agreements.**
Modifies terminology and authorizes MDA to prevent live plant dealers from distributing nursery stock that does not meet state standards.
- 31 **Violations.**
Modifies terminology and provides that it is unlawful to sell nursery stock to an uncertified live plant dealer.
- 32 **Requirement; issuance; presumption.**
Modifies MDA’s hemp program by specifying that a license is required to grow or process hemp for any purpose, and that a license is required to research industrial hemp regardless of whether the researcher grows the hemp themselves.
- 33 **Background check; data classification.**
Expands background check requirements for hemp licensees to include any first-time authorized representative of a license applicant.
- 34 **Rulemaking.**
Extends MDA’s existing temporary industrial hemp rules until the earlier of August 16, 2025, or the date that MDA’s permanent hemp rules are adopted.

Section Description – Article 2: Agriculture Statutory Changes

35 Hemp fiber processing equipment grants.

Establishes a hemp fiber processing equipment cost-share grant program. MDA would award grants of up to \$200,000 per location to licensed hemp processors to purchase and install processing equipment.

36 Amount of fee.

Modifies commercial animal feed requirements. Eliminates a requirement that pet food distributors submit the current label for each pet food product to MDA annually, and requires instead that these distributors submit a label to MDA only upon request.

37 Food handler license account; appropriation.

Creates a new dedicated account in the agricultural fund. Requires MDA to deposit food handler license fees in this new account and appropriates account dollars to MDA to pay for the agency's food handler licensing and inspection duties. Under current law, MDA deposits this revenue in the general fund.

38 Fees; application.

Modifies and increases fees for food handler facility floor plan review under the Minnesota Food Code. Specifies that the plan review fee for a remodeled food establishment would be based on the total square footage of the remodeled food preparation, service, display, and storage area, unless the retail food handler is applying for a new license that includes the conversion of an existing building or structure previously licensed as a food establishment.

39 Vending machine inspection account; appropriation.

Creates a new dedicated account in the agricultural fund. Requires MDA to deposit vending machine inspection fee revenue in this new account and appropriates account dollars to MDA to pay for the agency's vending machine identification and inspection duties. Under current law, MDA deposits this revenue in the general fund.

40 Members; officers.

Increases the BAH from six to 11 members, modifies board member qualifications, moves responsibility for appointing the executive director from the board to the governor, and eliminates the existing Senate confirmation requirement for board members.

Effective date: This section would take effect July 1, 2023, and apply to board members appointed by the governor on or after that date.

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41 Authority of state board.

Technical – this section eliminates a reference to a statute (Minn. Stat. § 35.156, subd. 2) that would be repealed at the end of this article.

42 Sunset.

Extends the expiration date for the Agricultural Growth, Research, and Innovation program by ten years, to June 30, 2035.

43 Eligibility.

This is the first in a series of sections that modify MDA’s Bioincentive Program. In conjunction with the repealer at the end of this article, this section reestablishes uniform eligibility criteria for advanced biofuel producers regardless of when these producers begin eligible production. Closes the program to producers that begin eligible production after June 30, 2023. Under current law, as amended in 2022, eligible producers effectively have until June 30, 2025, to begin production.

Effective date: This section would retroactively take effect on March 31st of this year.

44 Payment amounts; limits.

Retroactively authorizes advanced biofuel producers to apply to MDA for deficiency payments until MDA has paid the producer’s original claim(s) in full, subject to the availability of funding appropriated by the legislature for unpaid claims.

Effective date: This section would be effective retroactive to January 1, 2020, and would apply to claims filed with MDA after that date.

45 Eligibility.

In conjunction with the repealer at the end of this article, this section reestablishes uniform eligibility criteria for renewable chemical producers regardless of when these producers begin eligible production. Closes the program to producers that begin eligible production by June 30, 2023. Under current law, as amended in 2022, eligible producers effectively have until June 30, 2025, to begin production.

Effective date: This section would retroactively take effect on March 31st of this year.

46 Payment amounts; bonus; limits.

Retroactively authorizes renewable chemical producers to apply to MDA for deficiency payments until MDA has paid the producer’s original claim(s) in full, subject to the availability of funding appropriated by the legislature for unpaid claims.

Section Description – Article 2: Agriculture Statutory Changes

Effective date: This section would be effective retroactive to January 1, 2020, and would apply to claims filed with MDA after that date.

47 Eligibility.

In conjunction with the repealer at the end of this article, this section reestablishes uniform eligibility criteria for biomass thermal energy producers regardless of when these producers begin production. Limits eligibility to producers that begin production by June 30, 2023. Under current law, as amended in 2022, eligible producers effectively have until June 30, 2025, to begin production.

Effective date: This section would take effect on March 31st of this year.

48 Payment amounts; bonus; limits; blending.

Retroactively authorizes biomass thermal energy producers to apply to MDA for deficiency payments until MDA has paid the producer's original claim(s) in full, subject to the availability of funding appropriated by the legislature for unpaid claims.

Effective date: This section would be effective retroactive to January 1, 2020, and would apply to claims filed with MDA after that date.

49 Report; incentive programs.

Requires MDA to collect and report to the legislature specified information for each producer of advanced biofuels, renewable chemical, and biomass thermal energy that receives a payment under the department's Bioincentive Program. This information includes the entity's business structure, equity hiring goals and progress in achieving them, and evidence of compliance with environmental permits (e.g., air emissions or water discharge permits).

50 Failure.

This is the first in a series of sections that would establish an indemnity program for grain producers. Defines "failure" for purposes of establishing when grain farmers (i.e., "producers") would be eligible for payment under the new grain indemnity program. A failure would include a grain buyer or grain warehouse operator's breach of contract, failure to pay, or failure to redeliver stored grain.

51 Breach of contract.

Eliminates a requirement that producers damaged by a grain buyer's breach of contract must file a claim with MDA against the buyer's surety bond no later than 180 days after the breach. The producer would now have up to three years to file a claim under the new grain indemnity program.

Section Description – Article 2: Agriculture Statutory Changes

52 Bond requirements.

Provides that requirements for, and actions against, grain buyer and grain warehouse operator surety bonds would now be governed by the new requirements and procedures of this bill.

53 Written voluntary extension of credit contracts; form.

Modifies language that must be included in the contract between a grain producer and grain buyer when the producer voluntarily defers payment for their grain until a later date. Instead of stating that this arrangement is not covered by the grain buyer's surety bond, the contract would include language notifying the producer that their full deferred payment amount may not be covered by the new grain indemnity program.

54 Rules.

Authorizes MDA to promulgate administrative rules governing the new grain indemnity program.

55 Grain indemnity account.

Establishes the grain indemnity program, as specified in the following subdivisions.

Subd 1. Establishment. Establishes the grain indemnity program under MDA's direction and control.

Subd. 2. Account; appropriation. Establishes a grain indemnity account in the agricultural fund and appropriates money in the account, including any interest earned on money in the account, to MDA to pay claims, issue refunds, and otherwise administer the new indemnity program.

Subd. 3. Eligibility. Provides that a producer is eligible for an indemnity payment if the producer sold grain to a grain buyer (whether licensed or not) or stored grain with a grain warehouse operator (whether licensed or not) and the grain buyer fails to pay or the grain warehouse operator fails to redeliver grain.

Subd. 4. Application. Requires producers seeking indemnity payments to file a claim with MDA. Requires MDA to promptly evaluate each claim and notify the producer whether their claim is approved or denied. Allows producers to appeal MDA's decision to the Office of Administrative Hearings, the state's administrative law court.

Subd. 5. Payment limitation. Establishes indemnity payment rates that vary based on the type of grain sale or storage agreement, the amount of money involved, and when the contract originated or a claim is filed. Requires MDA to deny claims for stored grain submitted by a seller that holds a state grain buyer's

Section Description – Article 2: Agriculture Statutory Changes

license and a license from the United States Department of Agriculture under the United States Warehouse Act. Requires MDA to pay claims in the order received; if sufficient money is not available in the grain indemnity account, once sufficient money becomes available MDA would first award any pending refunds then issue full payment to each eligible claimant.

Subd. 6. Court order. Authorizes MDA to petition a district court to appoint a trustee or receiver to manage and supervise a grain buyer or public grain warehouse operator in default. Authorizes MDA to recover the cost of a court-appointed trustee from the grain indemnity account.

Subd. 7. Debt obligation; subrogated claim. Provides that indemnity claim payments constitute a debt obligation for the grain buyer or public grain warehouse operator in default and authorizes MDA to take legal action against the buyer or operator to recover the claim amount plus reasonable costs, attorney fees, and interest. Requires producers who receive indemnity payments for voluntary extension of credit contracts to transfer an equivalent amount of their interest in the contract to MDA. Authorizes MDA to recover any debt to the grain indemnity account from the management of a grain buyer or grain warehouse operator if the person acted negligently or fraudulently.

Subd. 8. Grain indemnity premiums. Limits grain indemnity premiums to two-tenths of a percent of the price of the grain sold to a grain buyer, with the actual premium amount determined by MDA.

Subd. 9. Collection and submission of grain indemnity premiums. Requires producers to pay the indemnity premium to MDA for all grain sold to a grain buyer in Minnesota. Requires grain buyers to deduct the premium from the sale proceeds, notify the producer of the premium amount in writing, and remit the premium to MDA on behalf of the producer. Requires grain buyers to document premiums collected in the buyer's books and records, to retain these books and records for at least three years, and to make them available to MDA for inspection. Classifies records or portions thereof seized or copied by MDA as private or nonpublic data. Requires grain buyers to remit premium dollars to MDA biannually.

Subd. 10. Amount in grain indemnity account; basis for suspension and reinstatement of grain indemnity premium collection. Requires producers to pay grain indemnity premiums until the balance in the grain indemnity account reaches \$15 million as of June 30th of any year. At that point, MDA could not require additional premium collections until the account balance falls to \$9 million or less. If MDA resumes collections, it would be required to announce its

Section Description – Article 2: Agriculture Statutory Changes

intention in advance through publication in the State Register and by notifying all licensed grain buyers.

Subd. 11. Grain indemnity refund; opt out. Allows producers that pay the grain indemnity premium to apply to MDA for a refund. Requires MDA to refund an eligible producer's grain indemnity premiums within 90 days unless insufficient funds are available in the grain indemnity account. Provides that a producer who receives a refund is ineligible for indemnity payments unless the producer successfully reenters the program and pays MDA all premium dollars previously refunded to the producer plus interest. A producer who reenters the program would not be eligible for indemnity payments for any breach of contract that occurs within 120 days of the producer's reentry. Prohibits refunds to any producer that received an indemnity payment within the preceding three years.

Subd. 12. Penalties; enforcement action; costs and expenses. Establishes civil penalties, in addition to any penalty or remedy otherwise provided by law, for any person who knowingly or intentionally refuses or fails to collect or pay grain indemnity premiums, makes a false statement/representation/certification, fails to make a required statement/representation/certification, or interferes with MDA's duties under this section. Requires MDA, in addition to the penalties previously described, to order the grain buyer to pay any premiums owed to the program and authorizes MDA to assess interest.

Subd. 13. Grain bonds; new license holders. Requires newly-licensed grain buyers and public grain warehouse operators to obtain a \$100,000 surety bond effective for the first three years of the license. Exempts certain grain buyers that purchase no more than \$1 million of grain per year solely with cash or cash-equivalents. Authorizes MDA to require a supplemental bond based on financial statements submitted to MDA by the grain buyer under current law. Prescribes certain terms of the surety bond.

Effective date: This section would take effect July 1 of this year.

56 Statement of grain in storage; reports.

Eliminates existing language requiring licensed public grain warehouse operators to file annual reports with MDA for purposes of determining the operator's surety bond amount. These bonds would now be governed under the previous section in this bill.

57 Expiration.

Extends the Soil Health Financial Assistance Pilot Program through December 31, 2024, the day the final soil health plan is due to the legislature.

Section Description – Article 2: Agriculture Statutory Changes

58 Report required; feral pigs and mink.

Requires the Minnesota Department of Natural Resources, in consultation with BAH, MDA, and the Minnesota Department of Health, to develop and submit a report on feral pig and mink management that addresses specified issues.

59 Report required; grain advisory group.

Requires MDA to convene a grain advisory group and develop recommendations regarding surety bond requirements for licensed grain buyers and public grain warehouse operators to better protect Minnesota grain farmers. Requires MDA to report to the legislature by February 1, 2024, and give stakeholders an opportunity to submit written testimony for inclusion in MDA's report.

60 Repealer.

Repeals the statutes identified below.

Subd. 1. Grain buyers and warehouses. Repeals the following statutes:

- Section 223.17, subdivisions 4 and 8: These subdivisions currently establish the surety bond requirements for licensed grain buyers. Under this bill, these existing bond requirements would effectively be replaced by the new grain indemnity program and surety bond requirements that would apply only to new licensees.
- Section 232.22, subdivisions 4, 6, 6a, and 7: These subdivisions currently establish the surety bond requirements for licensed public grain warehouse operators. Under this bill, these existing bond requirements would effectively be replaced by the new grain indemnity program and surety bond requirements that would apply only to new licensees.

Subd. 2. Bioincentive payments. Repeals statutes enacted in 2022 that established separate eligibility criteria for advanced biofuel, renewable chemical, and biomass thermal energy producers that begin production between April 1, 2023, and June 30, 2025.

Subd. 3. Plants, nurseries; and hemp. Repeals the following statutes:

- Section 18H.02, subdivisions 21, 22, and 23: Under current law, these subdivisions define the terms “nursery stock broker,” “nursery stock dealer,” and “nursery stock grower” for purposes of state nursery law.
- Section 18H.07, subdivisions 2 and 3: Under current law, these subdivisions establish nursery stock grower and dealer certificate fees.
- Sections 18K.05 and 18K.09. Under current law, these sections require hemp licensees to file certain reports with MDA and notify MDA of each

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sale or distribution of hemp within 30 days, and authorize an industrial hemp pilot program.

Subd. 4. Emerging farmers. Repeals Section 17.055, subdivision 2, which under current law would sunset the Emerging Farmer Working Group on August 1, 2025.

Subd. 5. Federal funds. Repeals Section 35.156, subdivision 2. Under current law, this subdivision requires federal aid received by the state for chronic wasting disease to be deposited in a separate account in the federal fund and appropriated to MDA for the purposes for which the federal money was received.

Effective date: Provides that the elimination of existing surety bond requirements for grain licensees does not take effect until July 1, 2024.

Article 3: Broadband

This article funds the Department of Employment and Economic Development’s Office of Broadband Development and transfers money to the border-to-border broadband fund account. This article also makes a pilot low-density grant program permanent and increases the maximum grant amount for Border-to-Border Broadband Development projects.

Section Description – Article 3: Broadband

- 1 Broadband development appropriations.**
Inserts boilerplate language regarding the appropriation format and terminology used in this article.
- 2 Department of Employment and Economic Development.**
Appropriates general fund dollars to DEED to operate the Office of Broadband Development and to award grants via the dedicated border-to-border broadband fund account.
- 3 Limitation.**
Doubles the maximum award per project under DEED’s Border-to-Border Broadband Development Grant Program from \$5,000,000 to \$10,000,000. Combined with section 4, this section also authorizes DEED to award up to \$10,000,000 per project under the permanent Lower Population Density Grant Program.

Section Description – Article 3: Broadband

4 Lower population density grant program.

Establishes a permanent program that, like the 2022 pilot program, would be administered by DEED. Also like the pilot program, the permanent program would fund up to 75 percent of a project’s total cost in unserved and underserved areas of the state where a 50 percent state share is not adequate to make a business case for the extension of broadband facilities. Under current law and this bill, unserved areas are those where households or businesses lack access to wire-line broadband service; underserved areas are those where households or businesses lack access to wire-line broadband service at speeds of at least 100 mbps download and at least 20 mbps upload.

5 Expenditures.

Authorizes DEED to use money in the existing border-to-border broadband fund account for the permanent Lower Population Density Grant Program.

6 Lower population density pilot program.

Sunsets the 2022 Lower Population Density Pilot Program effective December 31, 2026.



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