

Subject Commerce, Agriculture, and Climate and Energy Policy and Finance

Authors Acomb

Analyst Larie Pampuch (Articles 1 to 4)
Colbey Sullivan (Articles 5 to 8)
Bob Eleff (Articles 9 to 14)

Date May 7, 2024

Article 1: Appropriations

Section Article 1: Appropriations

1 Appropriations.

Establishes that appropriations shown in the section are for the year indicated.

2 Office of Cannabis Management.

Appropriates \$2,727,000 in fiscal year 2025 to the Office of Cannabis Management. Appropriations are to enforce the temporary regulations of products with hemp-derived cannabinoids, test those products, and establish a reference laboratory.

3 Department of Health.

Appropriates \$5,500,000 in fiscal year 2025 to the Department of Health for substance use treatment, recovery, and prevention grants.

4 Attorney general.

Establishes base funding for the Office of the Attorney General for costs associated with the Minnesota Consumer Data Privacy Act. The base funding is \$988,000 in fiscal year 2026 and \$748,000 in fiscal year 2027.

5 Health.

Reduces appropriations to the Department of Health made in 2023 and establishes specific amounts that the department can use to administer grant programs.

6 Appropriation and base reduction.

Eliminates base reductions to the Department of Health related to the transfer of the medical cannabis program. The elimination conforms to a change in the date of transfer of the program.

7 Transfers.

Eliminates an annual transfer of \$5,500,000 to the substance use treatment, recovery, and prevention grant account.

Article 2: Cannabis and Health-Related Responsibilities

Section Article 2: Cannabis and Health-Related Responsibilities

- 1 **Cannabis and substance misuse prevention and education programs.**

Amends the statutory guidance for education programs related to cannabis use to focus on prevention for youth and pregnant or breastfeeding individuals. Specifically includes Tribal health departments in some programs. Eliminates the training required to be provided to home visiting programs and child welfare workers regarding safe and unsafe use of cannabis and related products.
- 2 **Transmission of fees.**

Establishes a cannabis business background check account in the special revenue fund. Directs the Office of Cannabis Management to deposit any fees received for an applicant's background check into the account and authorizes the office to use the account to transmit the fees to the Bureau of Criminal Apprehension.
- 3 **Substance use treatment, recovery, and prevention grants.**

Eliminates an account in the special revenue fund that was to be used for money dedicated to providing substance use treatment, recovery, and prevention grants and replaces that with a grant program. Shifts responsibility for the grants from the Office of Cannabis Management to the commissioner of health.
- 4 **Contingent appropriation for Minnesota public option health care plan.**

Amends Laws 2023, chapter 70, article 20, section 2, subdivision 5. Requires the commissioner of human services to transfer, from a 2023 appropriation to the commissioner of commerce, an amount sufficient for that commissioner to develop and submit to the federal government a 1332 waiver request to implement a Minnesota public option health plan.
- 5 **Request for federal waiver to implement a public option.**

Subd. 1. Waiver submittal. (a) Requires the commissioner of commerce to submit to the Secretary of Health and Human Services a 1332 waiver request, to obtain approval to implement a public option. Allows the commissioner to contract for any analyses, certification, data, or other information required to complete the waiver application. Provides the commissioner with an exemption from the contracting requirements of chapter 16C.

(b) Requires the commissioner, as part of the waiver request, to seek federal approval for the state to continue to receive federal Medicaid payments and federal basic health program payments, and to receive federal pass-through funding.

Section Article 2: Cannabis and Health-Related Responsibilities

(c) Requires the commissioner to consult with the commissioner of human services and the MNsure board, in developing the waiver request.

Subd. 2. Public option requirements; waiver development; reports to legislature. (a) Requires the public option proposal to be consistent with, but not necessarily identical to, the public option framework specified in this section.

(b) Allows the commissioner of commerce to modify the public option framework, based on consultation with the commissioner of human services and MNsure board, and any information provided as part of the waiver development process. Requires the commissioner of commerce to incorporate into the public option proposal recommendations made by the commissioner of human services on the provisions of MinnesotaCare law that would apply to the public option.

(c) Requires the commissioner of commerce to present to the legislature an interim report on the public option proposal and waiver process by December 15, 2024, and a final report by April 15, 2024. Specifies report criteria.

Subd. 3. Access through MNsure. (a) Requires the commissioner of human services to offer the public option through the MNsure website. Specifies website requirements and requires the MNsure board to extend special enrollment provisions to the public option.

(b) Requires the MNsure board to provide specified administrative functions to facilitate the offering of the public option.

(c) Allows individuals to apply for and enroll in the public option, using the application for a qualified health plan with premium tax credits or cost-sharing reductions. Specifies related requirements.

(d) Requires the MNsure board to process all public option applications and make all eligibility determinations. Provides that eligibility decisions may be appealed to the MNsure board.

Subd. 4. Insurance producers. (a) Allows the MNsure board to establish certification requirements for insurance producers who assist in public option enrollment.

(b) Requires health carriers to provide to insurance producers the same compensation or other incentives for successful public option enrollments that it offers for qualified health plan enrollments.

(c) Specifies insurance producer disclosure requirements related to the public option.

Section Article 2: Cannabis and Health-Related Responsibilities

Subd. 5. Eligibility for the public option. (a) Provides that families and individuals with incomes above the MinnesotaCare program limits, who meet all other program requirements, are eligible for the public option, subject to the income limit phase-in and other requirements. States that persons enrolled in the public option shall be considered MinnesotaCare enrollees, and that all MinnesotaCare provisions apply, unless otherwise specified in this section, and unless the commissioner of human services determines departures from MinnesotaCare provisions are necessary to obtain federal funding and communicates this decision to the commissioner of commerce.

(b) Sets an income limit of 400 percent of the federal poverty guidelines (FPG) for the first plan year and 550 percent of FPG for the second plan year, with no income limit for subsequent plan years.

(c) Allows enrollment in the public option only during an annual open enrollment period or a special enrollment period.

Subd. 6. Premium scale. Specifies the sliding scale premiums that apply to public option enrollment.

Subd. 7. Cost-sharing. (a) Provides the public option enrollees are subject to MinnesotaCare cost-sharing, except that: (1) cost-sharing applies to all enrollees; (2) deductibles apply; (3) the actuarial value for public option enrollees with incomes above 400 percent of FPG may be lower than 94 percent; and (4) out-of-pocket maximums may not exceed those specified in federal law for essential health benefit coverage.

(b) Sets annual deductibles for public option enrollees with incomes over 400 percent of FPG.

(c) Directs the commissioner of human services to require managed care and county-based purchasing plans to reimburse health care providers for services provided to public option enrollees at payment rates equal to or greater than the Medicare payment rate.

Subd. 8. Provider reimbursement. (a) Directs the commissioner of human services to require managed care and county-based purchasing plans to reimburse providers for services delivered to public option enrollees, at payment rates equal to or greater than the Medicare payment rate.

(b) States that the requirement in current law setting MinnesotaCare provider reimbursement rates at the medical assistance rate does not apply to services delivered to public option enrollees.

Section Article 2: Cannabis and Health-Related Responsibilities

Subd. 9. Contracting and service delivery. (a) Requires the commissioner of human services to contract with managed care and county-based purchasing plans to deliver services to public option enrollees, and allows the commissioner to use a procurement process that is separate and unique from that used for nonpublic option MinnesotaCare enrollees.

(b) Requires the commissioner of human services to establish public option participation requirements for managed care and county-based purchasing plans and health care providers. Provides that public option enrollees are not considered MinnesotaCare enrollees for purposes of the state health care program provider participation requirement.

States that this section is effective the day following final enactment.

6 Report by the commissioner of commerce.

Directs the commissioner of commerce to report to the chairs and ranking minority members of the committees with jurisdiction over commerce, health, and human services on the balance of the premium security plan account, the estimated cost to continue the premium security plan, and the plan's future interactions with public health programs. Requires that the report include an assessment of potential alternatives that would be available upon expiration of the current waiver.

Article 3: Insurance Assessments and Fees

Section Article 3: Insurance Assessments and Fees

1 Assessment.

Changes the assessment amount to be deposited in the insurance fraud prevention account by insurers.

Effective date. This section is effective the day following final enactment.

2 Right to external review.

Removes filing fee enrollees must pay to have an external review of an adverse determination by a health insurer.

Article 4: Consumer Data Privacy

The provisions in this article originated in H.F. 2309. This article regulates businesses' use of personal data on individuals. It also gives Minnesotans various rights regarding their personal

data. These sections are modeled closely after similar comprehensive data privacy laws that have passed in 11 other states.

Section Article 4: Consumer Data Privacy

1 **Attorney general data coded elsewhere.**

Creates a cross-reference in the Minnesota Government Data Practices Act regarding the classification of “data privacy and protection assessments” that may be maintained by the Minnesota attorney general under section 9 of the article. That section classifies these assessments as nonpublic data.

2 **Citation.**

Codifies a new chapter of statute, chapter 3250, that may be referred to as the “Minnesota Consumer Data Privacy Act.”

3 **Definitions.**

Defines key terms for the act, the following of which may be especially noteworthy.

- “Personal data” means information that can be linked to a particular natural person. In addition, “sensitive personal” data is a defined term including certain forms of personal data in which individuals may have a heightened privacy interest.
- “Processing” means any action performed on personal data: its collection, storage, disclosure, analysis, etc.
- “Profiling” means automated processing of a person’s data—through the application of algorithms or artificial intelligence, for example—to predict, evaluate, or analyze the person.
- A “controller” is an entity that determines how personal data is processed, while a “processor” is an entity that processes personal data on behalf of a controller.
- A “consumer” means a natural person residing in Minnesota. It does not include a natural person acting in a commercial or employment context.
- “Sale” means exchange of personal data for money or other consideration. Certain kinds of disclosures of personal data are exempted from the definition of sale.

4 **Scope; exclusions.**

Subd. 1. Scope. Specifies what kind of legal entities are subject to the act. Includes entities that conduct business in Minnesota or offer products/services to Minnesota residents. Sets a threshold based upon an entity’s level of involvement with the personal data of consumers (i.e. Minnesota residents).

Subd. 2. Exclusions. Excludes certain types of entities and data from the act. Government entities and Indian Tribes are excluded. Also, in general, processing

Section Article 4: Consumer Data Privacy

of personal data that is already subject to heightened privacy regulation at the federal level (e.g. health data, certain financial data, etc.) is excluded.

5 Responsibility according to role.

Places certain obligations on controllers and processors, regarding their relationship to each other and regarding individuals whose personal data is being processed. This includes implementing data security measures and ensuring compliance with the act. How to determine whether a person is a controller or a processor with respect to certain data is addressed in paragraph (g).

6 Consumer personal data rights.

Subd. 1. Consumer rights provided. Gives consumers six rights regarding their personal data:

- 1) a right to know and access personal data processed by a controller;
- 2) a right to correct inaccurate personal data;
- 3) a right to delete personal data;
- 4) a right to obtain a copy of the consumer's personal data;
- 5) a right to opt out of:
 - i) the processing of personal data for purposes of targeted advertising;
 - ii) the sale of personal data; or
 - iii) profiling that has certain significant consequences;
- 6) a right to review, understand, question, and correct how personal data has been profiled; and
- 7) a right to obtain a list of third parties to which the consumer's personal data has been disclosed.

Subd. 2. Exercising consumer rights. Allows the consumer to exercise rights provided under subdivision 1 by sending a request to controller.

Subd. 3. Universal opt-out mechanisms. Requires controllers to honor consumer requests sent via an external "universal" platform, technology, or mechanism.

Subd. 4. Controller response to consumer requests. Requires controllers to provide a reliable, accessible way for consumers to exercise their rights under subdivision 1. Sets a 45-day time limit for complying with a request to exercise consumer rights. Allows controllers to deny fraudulent requests and charge fees before responding to certain unfounded or excessive requests.

Subd. 5. Appeal process required. Requires a controller to establish an internal appeal process if a consumer's request to exercise a right is denied. Sets a 45-to-

Section Article 4: Consumer Data Privacy

105-day time limit for appeals. If a consumer appeal is denied, the controller must provide information on how to file a complaint with the Minnesota attorney general.

7 Processing deidentified or pseudonymous data.

“Deidentified data” and “pseudonymous data” are defined terms in the act. This section essentially allows a controller to create and utilize deidentified or pseudonymous data derived from personal data, and limits consumer’s ability to exercise rights over such truly deidentified or pseudonymous data.

8 Responsibilities of controllers.

Subd. 1. Transparency obligations. Requires a controller to provide consumers with a privacy notice explaining: what personal data are processed, sold, shared, or profiled by the controller; how long personal data is retained by the controller; and the consumer’s rights over their personal data. Sets other requirements for the privacy notice.

Subd. 2. Use of data. Limits a controller’s ability to collect and use personal data. Requires appropriate data security practices. Prohibits the processing of sensitive data (a defined term) without consumer consent, which may be revoked. For children between 13 and 16, prohibits targeted advertising and prohibits the sale of personal data without consent.

Subd. 3. Nondiscrimination. Prohibits controllers from processing of personal data based on certain protected classifications (race, gender, etc.) in a way that discriminates against consumers of that class in certain significant areas (housing, employment, public accommodation, etc.). Prohibits controllers from discriminating against consumers for exercising their rights under this act. Limits the sale of personal data as part of a controller’s loyalty, rewards, and benefits program.

Subd. 4. Waiver of rights unenforceable. Prohibits contracts that seek to have consumers waive their rights under the act.

9 Requirements for a small business.

Prohibits a small business from selling a consumer’s “sensitive data,” a defined term under the act, without the consumer’s permission. Penalties and enforcement provisions of the act generally apply to a small business that violates this section.

Small businesses are exempt from the act generally under section 4, subdivision 2, but this section applies specifically to them.

Section Article 4: Consumer Data Privacy

- 10 **Data privacy and protection assessments.**
Requires controllers to create “data privacy and protection assessments” to describe policies and procedures that show compliance with the act. Sets requirements for the assessment. Allows the attorney general to request copies of the assessments that relate to ongoing investigations.
- 11 **Limitations and applicability.**
Limits the application of the act to avoid conflict with certain other laws or interference with certain appropriate business practices.
- 12 **Attorney general enforcement.**
Allows the attorney general to bring a civil lawsuit under its existing authority against a controller or processor that violates the act. Provides civil penalties of up to \$7,500 for each violation. Requires the attorney general to issue a warning letter and provide an opportunity to cure the violation before bringing the civil lawsuit.
- 13 **Preemption of local law; severability.**
Supersedes and preempts any local laws regarding the processing of personal data by controllers and processors. If a portion of the act is found invalid by the courts, allows the remainder of the act to stay in force.
- 14 **Effective date.**
Provides an effective date of July 31, 2025. Postsecondary institutions are not required to comply until July 31, 2029.

Article 5: Agriculture Appropriations

This article modifies certain appropriations that were enacted in last session’s agriculture and broadband finance and policy act (Laws 2023, chapter 43) and provides supplemental funding to MDA and the Agricultural Utilization Research Institute.

Section Description - Article 5: Agriculture Appropriations

- 1 **Department of Agriculture.**
Modifies existing appropriations to MDA for fiscal years 2024 and 2025 and provides supplemental funding in certain areas.
- Subd. 1. Total appropriation.** Lowers the total fiscal year 2024 general fund appropriation and increases the 2025 total general fund appropriation.

Section Description - Article 5: Agriculture Appropriations

Subd. 2. Protection services. Appropriates \$3 million onetime in fiscal year 2025 for nitrate treatment, increases funding for soil health equipment grants and pollinator research, and appropriates money for transfer to the Minnesota Department of Health for the private well drinking-water assistance program established in article 3.

Subd. 3. Agricultural marketing and development. Increases the general fund base for fiscal year 2026 and later, providing for a larger operating adjustment in the Agricultural Marketing and Development Division (a corresponding reduction is made to the operating adjustment for administration and financial assistance in subdivision 5). Modifies rider language that governs a farmers' market grant program.

Subd. 4. Agriculture, bioenergy, and bioproduct advancement. Deletes, then reappropriates, funding for the Agricultural Growth, Research, and Innovation (AGRI) Program in fiscal year 2025. The new appropriation language includes the following changes as compared to current law: moves the \$4 million DAIRI program funding from fiscal year 2024 to fiscal year 2025; expands eligible recipients of AGRI Farm to School grants to include all early childhood education and child care providers that participate in the federal National School Lunch Program or Child and Adult Care Food Program; increases funding for AGRI Biofuel Infrastructure and AGRI Farm to School grants; extends the availability of the fiscal year 2025 AGRI Bioincentive Program and AGRI Meat, Poultry, Egg, and Milk Processing funds by one year to June 30, 2027; and extends the availability of the entire fiscal year 2025 AGRI appropriation until June 30, 2027, with an additional three years of availability provided for any portion of the appropriation that is encumbered under contract by that date. Increases the AGRI base funding level in fiscal year 2026 and beyond.

Subd. 5. Administration and financial assistance. Decreases the general fund base amount in fiscal year 2026 and later for an operating adjustment in this area. Modifies prioritization for farm down payment assistance grants and eligibility criteria for grants to The Good Acre and community development financial institutions during fiscal year 2025. Appropriates onetime money for beginning farmer equipment and infrastructure grants in fiscal year 2025.

Effective date: This section would take effect the day following final enactment.

2 Agricultural Utilization Research Institute.

Appropriates an additional \$250,000 on a onetime basis to the Agricultural Utilization Research Institute for food business support.

Effective date: This section would take effect the day following final enactment.

Article 6: Pesticide Control

This article modifies or establishes various pesticide product registration and applicator licensing provisions administered by MDA under Minnesota Statutes, chapter 18B.

Section Description - Article 6: Pesticide Control

1 Application or use of a pesticide.

Specifies that for purposes of Minnesota Statutes, chapter 18B (Pesticide Control), application or use of a pesticide includes the dispersal of a pesticide, preapplication activities that involve the mixing or loading of a restricted-use pesticide (RUP), and other RUP-related activities including but not limited to transporting and storing opened containers, cleaning equipment, and disposing of excess pesticide and materials that contain pesticide.

2 Discontinuance or cancellation of registration.

Grants MDA authority to immediately cancel a pesticide product registration upon request. When requesting immediate cancellation, the registrant would be required to submit to MDA a statement that the product is no longer in distribution, along with certain supporting documentation.

3 Advisory panel.

Requires MDA to convene and consider the recommendations of a panel of outside experts before approving a pesticide registrant's application for an experimental use pesticide product. Specifies that the panel must include scientific and public health experts, including representatives of the Minnesota Department of Health, the Minnesota Department of Natural Resources, the Minnesota Pollution Control Agency, and the University of Minnesota.

4 Expert advice required for emergency exemptions.

Requires MDA to convene and consider the recommendations of a panel of outside experts within 30 days of submitting an emergency pesticide registration exemption application to the United States Environmental Protection Agency. Specifies that the panel must include scientific and public health experts, including representatives of the Minnesota Department of Health, the Minnesota Department of Natural Resources, the Minnesota Pollution Control Agency, and the University of Minnesota.

5 Training manual and examination development.

Requires MDA to revise and update applicator training materials and examinations to meet or exceed the competency standards established by the United States Environmental Protection Agency in federal regulations. Requires MDA to publish these competency standards on the agency's website.

Section Description - Article 6: Pesticide Control

- 6 **Requirement.**
Requires licensed structural pest control applicators to be at least 18 years old.
- 7 **Application.**
Revokes MDA's ability to require structural pest control applicator license applicants to perform a practical demonstration.
- 8 **Renewal.**
Requires MDA's recertification workshops for structural pest control applicators to meet or exceed the competency standards established by the United States Environmental Protection Agency in federal regulations. Requires MDA to publish these competency standards on the agency's website. Authorizes MDA to require a structural pest control applicator to pass a reexamination test if the applicator does not attend an MDA-required recertification workshop.
- 9 **Financial responsibility.**
Eliminates language prohibiting MDA from issuing a structural pest control applicator's license if the applicant fails to furnish proof of financial responsibility (i.e., net worth of at least \$50,000, or a performance bond or insurance in the amount required by MDA). Authorizes MDA to instead suspend or revoke a structural pest control applicator's license if the applicator fails to provide proof of financial responsibility upon request.
- 10 **Requirement.**
Prohibits MDA from issuing a commercial applicator license to someone younger than 18 years of age.
- 11 **Renewal application.**
Allows MDA to require commercial applicators seeking license renewal to complete a recertification workshop annually, biennially, or once every three years depending upon the applicator's license category. Authorizes MDA to require the licensee to pass a reexamination test if the licensee does not attend an MDA-required recertification workshop. Requires MDA's recertification workshops for commercial applicators to meet or exceed the competency standards established by the United States Environmental Protection Agency in federal regulations. Requires MDA to publish these competency standards on the agency's website.
- 12 **Financial responsibility.**
Eliminates language that prohibits MDA from issuing a commercial applicator's license if the applicant fails to furnish proof of financial responsibility. Authorizes

Section Description - Article 6: Pesticide Control

- MDA to instead suspend or revoke a commercial applicator's license if the applicator fails to provide adequate proof of financial responsibility upon request.
- 13 **Requirement.**
Prohibits MDA from issuing a noncommercial applicator license to someone younger than 18 years of age.
- 14 **Renewal.**
Allows MDA to require noncommercial applicator licensees seeking license renewal to complete a recertification workshop annually, biennially, or once every three years depending upon the applicator's license category. Authorizes MDA to require a licensee to pass a reexamination test if the licensee does not attend an MDA required recertification workshop. Requires MDA's recertification workshops for noncommercial applicators to meet or exceed the competency standards established by the United States Environmental Protection Agency in federal regulations. Requires MDA to publish these competency standards on the agency's website.
- 15 **Establishment.**
Requires MDA's pesticide applicator license and certification categories to be consistent with and to meet or exceed the competency standards established by the United States Environmental Protection Agency in federal regulations. Requires MDA to publish these competency standards on the agency's website.
- 16 **Requirement.**
Prohibits MDA from issuing a private applicator certification to someone younger than 18 years of age.
- 17 **Certification.**
Requires MDA's private applicator certification requirements and training to meet or exceed the competency standards established by the United States Environmental Protection Agency in federal regulations. Requires MDA to publish these competency standards on the agency's website.
- 18 **Commercial and noncommercial applicators.**
Requires licensed commercial and noncommercial applicators to create and maintain application records that meet or exceed requirements established by the United States Environmental Protection Agency in federal regulations.

Section Description - Article 6: Pesticide Control

19 Structural pest control applicators.

Requires licensed structural pest control applicators to create and maintain application records that meet or exceed requirements established by the United States Environmental Protection Agency in federal regulations.

20 Commercial applicator license examination language requirements.

Requires MDA to make commercial pesticide applicator license exams available in Spanish no later than January 1, 2025, and requires MDA to notify applicants that the exams may be taken in Spanish. Specifies that MDA's costs must be paid from the pesticide regulatory account in the agricultural fund.

Article 7: Other Agriculture Statutory Changes

This article modifies or establishes various programs administered by MDA or the Rural Finance Authority (RFA). Among other things, this article modifies a program that provides compensation for damage caused by wild elk; extends a fertilizer research program and associated 40 cent/ton fertilizer fee for one additional year before allowing the program to expire and repurposing the fee revenue to fund safe drinking water for citizens whose private well water exceeds the health risk limit for nitrate; authorizes expedited permanent rulemaking for industrial hemp licensing and oversight; modifies financial statement requirements for licensed grain buyers and storers; and allows RFA to participate in Disaster Recovery Loans that help farmers impacted by drought purchase feed for their livestock.

Section Description - Article 7: Other Agriculture Statutory Changes

1 Definitions.

Defines key terms for purposes of an existing MDA program that provides compensation to farmers when wild elk damage or destroy crops and/or fencing.

2 Claim form and reporting.

Eliminates a requirement that elk damage claim forms be filed with MDA. Requires owners to promptly notify an approved agent of suspected elk damage. Requires claimants to complete the required portions of the claim form and provide an approved agent with all information required to investigate the damage.

3 Investigation and crop valuation.

Requires approved agents to promptly investigate damage reports and make written findings regarding whether the damage was caused by elk. Specifies the physical and circumstantial evidence upon which an approved agent must base their findings. Allows the owner to choose between two methods (claim submission at time of damage, or claim submission at time of harvest) when elk damaged the owner's

Section Description - Article 7: Other Agriculture Statutory Changes

- standing crop. Specifies information an approved agent must record on a claim form when elk cause damage to stored crops or fencing.
- 4 **Claim form.**
Requires the owner and approved agent to sign a completed claim form. Requires the agent to submit the form to MDA and specifies how MDA must handle incomplete forms.
- 5 **Compensation.**
Provides that the owner is entitled to the estimated value of the damaged or destroyed crop or fence. Under current law, the owner is entitled to the larger of a crop's target or market price plus yield loss adjustments. Eliminates the option for owners to verify fence damage by, in part, submitting a statement from an independent witness. Eliminates the requirement that eligible owners must have followed normal harvest procedures in their area. Lowers maximum compensation for damaged fencing from \$20,000 to \$1,800 per year, per owner.
- 6 **Beginning farmer equipment and infrastructure grants.**
Replaces existing grant preference for emerging farmers with preference for farmers experiencing limited land access or limited market access, as defined in the next section.
- 7 **Definitions.**
Modifies eligibility criteria for Farm Down Payment Assistance Grants by disqualifying any applicant who is related to the person from whom the applicant intends to purchase farmland. This change would take effect on July 1, 2024, and applies to the FY 2025 round of grants. Defines the terms "incubator farm," "limited land access," and "limited market access." The latter two terms appear in multiple places in this bill.
- 8 **Report to legislature.**
Requires MDA to report to the legislature the number of Farm Down Payment Assistance grant recipients who were experiencing limited land access or limited market access.
- 9 **Grant requirements.**
Adds new requirements and restrictions for those who receive soil health equipment grants from MDA, to include certification under MDA's Minnesota Agricultural Water Quality Certification Program, a prohibition against leasing or renting the equipment to another for economic gain, and a prohibition against profiting from the sale of the equipment.

Section Description - Article 7: Other Agriculture Statutory Changes

- 10 **Beneficial substance.**
Defines this term for purposes of fertilizer law as certain substances or compounds capable of being demonstrated by scientific research as beneficial to plants, soil, or media.
- 11 **Diammonium phosphate.**
Defines this term for purposes of state fertilizer law as a fertilizer that contains 18 percent total nitrogen and 46 percent available phosphorous.
- 12 **Finished sewage sludge product.**
Defines this term for purposes of state fertilizer law as a fertilizer product derived from disinfected sewage sludge and sold to the public.
- 13 **Liquid 28.**
Defines this term for purposes of state fertilizer law as a liquid nitrogen solution that contains 28 percent total nitrogen.
- 14 **Liquid 32.**
Defines this term for purposes of state fertilizer law as a liquid nitrogen solution that contains 32 percent total nitrogen.
- 15 **Monoammonium phosphate.**
Defines this term for purposes of state fertilizer law as a fertilizer that contains 10-11 percent total nitrogen and 48-55 percent available phosphorous.
- 16 **Nitrogen fertilizer.**
Defines this term for purposes of state fertilizer law as any fertilizer, soil amendment, or plant amendment comprised partially or totally of nitrogen, including but not limited to anhydrous ammonia (which is currently defined in chapter 18C), urea, liquid 28, liquid 32, diammonium phosphate, and monoammonium phosphate.
- 17 **Soil amendment.**
Modifies the definition of “soil amendment” for purposes of fertilizer law to include substances intended to improve the chemical or biochemical characteristics of soil.
- 18 **Urea.**
Defines this term for purposes of state fertilizer law as a white crystalline solid that contains 46 percent nitrogen.
- 19 **Adoption of national standards.**
Authorizes MDA to adopt applicable national standards contained in the latest official publication of the Association of American Plant Food Control Officials. Under current

Section Description - Article 7: Other Agriculture Statutory Changes

- law, these state standards are pegged to the 1996 version of the Association's official publication.
- 20 **Packaged fertilizers.**
Modifies labeling requirements for packaged fertilizers to require, where applicable, the product's volume.
- 21 **Fertilizer plant food content.**
Specifies that when determining the commercial index value for a fertilizer that is deficient in plant food content, MDA must determine the amount of available phosphate, not the amount of available phosphoric acid.
- 22 **Annual tonnage report.**
Requires fertilizer registrants and licensees to use uniform fertilizer tonnage reporting system codes when submitting required annual tonnage reports. Requires MDA to produce an annual fertilizer sales report and post it on MDA's website.
- 23 **Payment of inspection fee.**
Extends an expiring 40 cent/ton fertilizer fee. Specifies that until June 30, 2025, MDA must continue depositing this fee revenue in the Agricultural Fertilizer Research and Education Council (AFREC) account. After that date, this section would require MDA to deposit the 40 cent/ton fertilizer fee revenue in a new private drinking water assistance account created in a subsequent section.
- Effective date:** This section would take effect the day following final enactment.
- 24 **Expiration.**
Coinciding with the one-year AFREC fee extension in the previous section, this section would extend by one year the statute governing AFREC.
- 25 **Expiration.**
Coinciding with the one-year AFREC fee extension, this section would extend by one year the statute governing the AFREC fertilizer research grant program.
- 26 **Expiration.**
Coinciding with the one-year AFREC fee extension, this section would extend by one year the statute establishing the dedicated AFREC account and appropriation.
- 27 **Private well drinking-water assistance program.**
Beginning in fiscal year 2026, appropriates proceeds from the 40 cent/ton fertilizer fee to MDA to award aid payments to community health boards. MDA would award each health board a share of the total available funding, based on each board's share

Section Description - Article 7: Other Agriculture Statutory Changes

- of private drinking-water wells with nitrate in excess of 10 mg/L. (Under current law and this bill, 10 mg/L is the health risk limit for nitrate-nitrogen in drinking water, as promulgated by the Minnesota Department of Health). Requires community health boards to use this new state aid to assist area residents in obtaining safe drinking water (defined as water for drinking, cooking, and oral hygiene that has no more than 10 mg/L nitrate), prioritizing pregnant women and children under the age of 1. Requires MDA to report annual outcomes and any corresponding recommendations to the legislature.
- 28 **Enforcement required.**
Specifies that MDA may use the administrative, civil, and criminal enforcement authorities provided under Minnesota Statutes, chapter 18D, to enforce MDA's Groundwater Protection Rule. Adopted in 2019, the Groundwater Protection Rule restricts the application of nitrogen fertilizer in the fall and on frozen soils in vulnerable groundwater areas and establishes a process to address elevated nitrate levels in public water supply wells.
- 29 **Rulemaking.**
Authorizes MDA to adopt or amend permanent rules for the industrial hemp licensing program without undergoing the full rulemaking process typically required by Minnesota Statutes, chapter 14. Under this section, MDA's rules would have the force and effect of law if the Revisor of Statutes approves the form of the rules, the commissioner of agriculture signs an order adopting them, the Office of Administrative Hearings approves their legality within 14 days, and MDA publishes the rules in the State Register.
- 30 **Posting of license; rules.**
Eliminates language requiring MDA to deposit food handler license fee and penalty revenue in the general fund.
- 31 **Expiration.**
Extends the expiration date for the Food Safety and Defense Task Force by ten years. Under current law, the Task Force will expire on June 30, 2027.
- 32 **Honey.**
Specifies certain label requirements for food sold in Minnesota that looks like honey but contains both honey and another sweetener. Specifies that consistent with the Federal Food, Drug, and Cosmetic Act and state prohibitions against deceptive food labeling, the label for such products must include a statement that accurately identifies or describes the food, and an ingredient statement that includes the

Section Description - Article 7: Other Agriculture Statutory Changes

common or usual name of each ingredient listed in descending order of predominance by weight.

33 Organic agriculture; commissioner duties.

Extends the expiring Organic Advisory Task Force by 10 years, to June 30, 2034. By law, this task force must advise MDA and the University of Minnesota regarding policies and programs that will improve organic agriculture in the state.

34 Dairy development and profitability enhancement.

Modifies MDA's Dairy Development and Profitability Enhancement Program. Removes references to profitability enhancement teams. Authorizes MDA to provide assistance to the dairy industry beyond profitability enhancement and dairy business planning grants. Eliminates a requirement that the program provide one-on-one assistance to dairy farms and authorizes instead that the program may provide assistance individually, via teams, or through other specified methods. Authorizes MDA to award dairy business planning grants to dairy processors and expands the eligible uses for which a dairy producer or processor may use these grants.

35 Report; incentive programs.

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

36 State participation.

Increases the RFA's maximum participation in a beginning farmer real estate loan from \$400,000 to \$500,000.

37 State participation.

Increases the RFA's maximum participation in a restructure loan from \$525,000 to \$625,000.

38 Participation limit; interest.

Increases the RFA's maximum participation in a seller-sponsored loan from \$400,000 to \$500,000.

Section Description - Article 7: Other Agriculture Statutory Changes

39 Loan participation.

Increases the RFA's maximum participation in an agricultural improvement loan from \$400,000 to \$500,000.

40 Loan participation.

Increases the RFA's maximum participation in a livestock expansion and modernization loan from \$525,000 to \$625,000.

41 Establishment.

Expands loan-eligible purposes under the RFA's Disaster Recovery Loan Program to include feed purchased by a farmer when drought is the cause of the purchase.

42 Financial statements.

Modifies financial statement submission requirements for licensed grain buyers and licensed grain warehouse operators. Specifies that the statements must be prepared by either an independent accountant or a certified public accountant. Requires licensees to submit a cash flow statement instead of a statement of change in financial position. Allows licensees to submit financial statement reports that comply with international standards similar to those established by the American Institute of Certified Public Accountants. Eliminates the requirement that a licensee's executive(s) must certify, under penalty of perjury, that the entity's financial statements are accurate.

Eliminates the requirement that licensees with less than \$7.5 million of annual grain purchases must have their financial statements reviewed by a certified public account and shown to be free from material misstatements.

Eliminates the financial statement audit requirement for licensees purchasing between \$7.5 and \$20 million of grain per year. Instead, these licensees could choose between an audit or a review of their financial statements. Requires audits only for licensees that purchase at least \$20 million of grain annually.

Authorizes MDA to require exempt cash buyers to provide financial reporting based on an inspection, any report of nonpayment, or other documentation related to a violation of state grain law.

Requires MDA to review submitted financial statements to ensure compliance with state grain-buyer law.

Authorizes MDA to require any licensee to submit additional financial statements or reporting, including audited financials.

Section Description - Article 7: Other Agriculture Statutory Changes

- 43 **Commissioner.**
Specifies that “commissioner” means the MDA commissioner or the commissioner’s designee for purposes of the Grain Storage Act.
- 44 **Grain.**
Modifies the definition of “grain” for purposes of the Grain Storage Act to include specified crops as well as any other product that is commonly referred to as grain and ordinarily stored in a grain warehouse.
- 45 **Producer.**
Modifies the definition of “producer” for purposes of the Grain Storage Act to mean anyone who grows grain on land owned or leased by the person.
- 46 **Public grain warehouse operator.**
Modifies the definition of “public grain warehouse operator” for purposes of the Grain Storage Act to mean anyone operating a grain warehouse, whether licensed or not.
- 47 **Scale ticket.**
Modifies the definition of “scale ticket” for purposes of the Grain Storage Act to mean a memo issued by a grain elevator or warehouse operator at the time of grain delivery. Eliminates a provision that defines scale tickets under current law as those that show the weight, grade, and kind of grain deposited.
- 48 **Credit market report required.**
Requires MDA to convene stakeholders and develop a report regarding the potential establishment of a state credit market for Minnesota farmers. Requires MDA to submit the report to the legislature by February 1, 2025, and allow participating stakeholder to submit written testimony for inclusion in this report.
- 49 **Repealer.**
Repeals the following statutes and rules.
- Minnesota Statutes, section 3.7371, subdivision 7 – Under current law, this section requires MDA to adopt administrative rules for the elk damage compensation program.
 - Minnesota Statutes, section 34.07 – Under current law, this section creates a dedicated beverage inspection account in the Agricultural Fund, requires MDA to deposit into this account all fees and penalties collected from those who manufacture, mix, or compound soft drinks or other nonalcoholic beverages for sale, and appropriates this revenue to MDA for inspection and supervision of these same entities.

Section Description - Article 7: Other Agriculture Statutory Changes

- Minnesota Rules, chapter 1506 – These are the existing administrative rules promulgated by MDA for the elk damage compensation program.

Article 8: Broadband

This article provides the Department of Employment and Economic Development’s Office of Broadband Development limited authority to transfer appropriated dollars based on demand and requires the Office to apply for certain federal broadband dollars.

Section Description - Article 8: Broadband

1 Transfer.

Grants the Department of Employment and Economic Development (DEED) standing authority to transfer up to \$5 million of appropriated dollars each fiscal year between three programs administered by DEED’s Office of Broadband Development—the Border-to-Border Broadband Development Grant Program, the Low-Density Population Broadband Development Program, and the Broadband Line Extension Connection Program. DEED could transfer money as needed to meet demand.

Effective date: This section would be effective the day following final enactment.

2 Broadband development; application for federal funding; appropriation.

Requires DEED to apply to the federal government for State Digital Equity Capacity Grant Funding made available to the states in 2021’s federal Infrastructure Investment and Jobs Act. Appropriates any federal money received by the state via DEED’s application to DEED for purposes of the agency’s Minnesota Digital Opportunity Plan.

Articles 9 and 10: Appropriations

Appropriates money from the general fund and renewable development account.

Article 11: Geothermal Energy

Section Description - Article 11: Geothermal Energy

- 1-2 **[216B.2427] Natural gas utility innovation plans.**
Requires innovation plans filed after July 1, 2024, by a utility with more than 800,000 customers to spend at least 15 percent of its total incremental plan costs on thermal energy network projects.
- 3 **[216C.47] Geothermal planning grants.**
Establishes a program in the Department of Commerce to award grants to cities, counties, towns, and the Metropolitan Council to defray the cost of analysis to determine the feasibility of and design options for installing a geothermal energy system. A maximum grant award of \$150,000 may be applied to the cost of drilling test wells to analyze the geology of potential sites, determining heating and cooling demand, and conducting a financial analysis.
- 4 **Thermal energy network deployment group.**
Directs the Public Utilities Commission to establish a working group to examine how current state regulations affect the ability of natural gas utilities to deploy thermal energy networks. A report to the legislature is due by the end of 2025.
- 5 **Thermal energy network site suitability study.**
Directs the Department of Commerce to identify areas throughout the state that are suitable for the deployment of thermal energy networks. A report to the legislature is due by January 15, 2026.

Article 12: Electric Transmission

Section Description - Article 12: Electric Transmission

- 1 **[216B.2421] Definition of large energy facility.**
Restricts high-voltage transmission lines that are defined as large energy facilities (and hence require a certificate of need) to those with a capacity of 300 kilovolts or greater and a length of more than 30 miles.
- 2 **[216B.2425] State transmission and distribution plan.**
Directs the commission to maintain a list of certified grid enhancing technology projects.
- 3 **[216B.2425] State transmission and distribution plan.**
Defines grid enhancing technologies and other terms.

Section Description - Article 12: Electric Transmission

- 4 **[216B.2425] State transmission and distribution plan.**
Requires utilities and transmission owners to identify grid enhancing technologies that address transmission inadequacies in the biennial state transmission plan.
- 5 **[216B.243] Certificate of need for large energy facility.**
Restricts the commission’s analysis of alternative projects with respect to certain high-voltage transmission lines.
- 6 **[216B.243] Certificate of need for large energy facility.**
Exempts from the requirement to obtain a certificate of need: (1) transmission lines necessary to interconnect wind, solar, and energy storage systems with the electric grid; (2) an energy storage system; and (3) the relocation of a transmission line whose voltage is not increased.
- 7 **[216B.243] Certificate of need for large energy facility.**
Specifies that a certificate of need is not required for solar or wind projects used to meet the renewable energy standard or the carbon-free energy standard in section 216B.1691.
- 8 **[216B.246] Federally approved transmission lines; incumbent transmission lineowner rights.**
Shortens from 18 to 12 months the time an incumbent transmission line owner has to file a certificate of need application to construct a new transmission line after the line has been approved by the Midcontinent Independent System Operator.
- 9 **[216E.03] Designating sites and routes.**
Subd. 1. Site permit. Specifies that a large wind project (5 MW or greater) that has not received a site permit from a county must obtain one from the commission.
Subd. 2. Route permit. No change.
Subd. 2a. Preapplication coordination. Requires a permit applicant to provide notice to all affected local and Tribal governments and state agencies at least 30 days before filing a permit application with the commission.
Subd. 2b. Preapplication review. Requires an applicant to submit a draft application to the commissioner of commerce for completeness review prior to filing an application with the commission.
Subd. 3. Application. Requires an applicant to propose only a single site or route in its application.

Section Description - Article 12: Electric Transmission

Subd. 3a. Project notice. Stricken.

Subd. 3b. Preapplication consultation meetings. Stricken.

Subd. 4. Application notice. No change.

Subd. 5. Environmental review. Stricken.

Subd. 6. Public hearing. Stricken.

Subd. 5a. Public meeting. Directs the commission to hold at least one public meeting to explain the project and answer public questions.

Subd. 6a. Draft permit. Directs the commission to prepare a draft site or route permit within 30 days after the close of the public comment period, if practicable, and to identify issues that must be evaluated in an environmental review document.

Subd. 7. Consideration in designating sites and routes. No change.

Subd. 8. Recording of survey points. No change.

Subd. 9. Timing. Stricken.

Subd. 10. Final decision. Stricken.

Subd. 11. Department of Commerce to provide technical expertise and other assistance. Technical.

Subd. 12. Prevailing wage. Directs the commission to require as a condition of permit issuance that contractors and subcontractors on permitted projects pay no less than the prevailing wage rate.

10 **[216E.031] Applicability determination.**

Establishes procedures applicants must follow to determine under which permit process the project will be reviewed.

11 **[216E.035] Applications; major review.**

Subd. 1. Environmental review. Requires the commissioner of commerce to prepare an environmental impact statement on projects that qualify for major review.

Subd. 2. Public hearing. Requires a public hearing to be held on an application. The hearing is to be conducted by an administrative law judge only if commission

Section Description - Article 12: Electric Transmission

staff determines that a disputed matter exists that may require clarification through expert testimony.

Subd. 3. Timing. Directs the commission to make a final decision on a permit no later than one year after a complete application is filed.

Subd. 4. Final decision. Prohibits issuance of a site or route permit the commission finds is not in the public interest or that violates a state statute or rule.

12 **[216E.04] Applications; standard review.**

Subd. 1. Standard review. Technical.

Subd. 2. Applicable projects. Lists the types of projects eligible to be reviewed under this section.

Subd. 3. Application. No change.

Subd. 4. Notice of application. Technical.

Subd. 5. Environmental review. Directs the applicant to prepare an environmental assessment for the commission according to the procedures in section 216E.041.

Subd. 6. Public hearing. Directs the commission to accept written comments for at least 10 days following the public hearing.

Subd. 7. Timing. Directs the commission to establish timely deadlines for state agencies submitting comments on permits.

Subd. 8. Considerations. Stricken.

Subd. 9. Final decision. Prohibits issuance of a site or permit the commission finds is not in the public interest or that violates a state statute or rule.

13 **[216E.041] Environmental assessment; preparation.**

Specifies the content of and procedural requirements regarding an environmental assessment. Provides that any person, including the commissioner, may request the Department of Commerce to analyze additional environmental issues in an addendum, whose cost must be borne by the applicant.

14 **[216E. 042] Permit amendments.**

Specifies procedures that must be followed in seeking amendments to site or route permits. No amendment may be issued under this section that results in significant

Section Description - Article 12: Electric Transmission

- environmental impacts, increases the size of the developed area within the permit site, or increases the facility's nameplate capacity.
- 15 **[216E.051] Exempt projects.**
Lists projects that do not require a site or route permit: a wind project below 5 MW; a power plant or solar facility below 50 MW; an energy storage system below 10 MW; a transmission line below 100 kilovolts; and a transmission line above 100 kilovolts, but less than 1,500 feet in length.
- 16 **[216E.055] Cost and economic impact review.**
Requires the commission to analyze the cost and economic impact of a project that is not required to obtain a certificate of need. Authorizes the commission to reject a project solely because its costs are found not to be reasonable and prudent.
- 17 **[216E.10] Application to local regulation and other state permits.**
Requires the State Historic Preservation Office to comply with this section and provides that the commission's consideration of the office's comments satisfies the statutory requirement for consultation.
- 18 **[216F.02] Exemptions. Technical.**
- 19 **Grid enhancing technologies report; Public Utilities Commission order.**
Requires electric transmission line owners with more than 750 miles operating in Minnesota to include in the State Transmission Report due November 2025 information on (1) the extent and cost of congestion on its transmission lines; (2) the feasibility and cost of installing grid enhancing technologies to address congestion issues; and (3) a plan to implement cost-effective grid enhancing technologies. The commission is to review the plans and issue an order to implement those approved.
- 20 **Revisor instruction.**
Instructs the revisor to transfer certain portions of chapter 216F governing wind siting to chapter 216E.
- 21 **Repealer.**
Repeals statutes and rules superseded by the provisions of sections 9 to 18 regarding the commission's site and route permit process for electric generating facilities and transmission lines.

Article 13: Solar Energy

Section Description - Article 13: Solar Energy

- 1 **[216B.16] Rate change; procedure; hearing.**
Subd. 7b. Transmission cost adjustment. Allows for cost recovery of utility upgrades made to expand distribution line capacity under the cost-sharing program developed by the commission under section 3.
- 2 **[216C.48] Standardized solar plan review software; technical assistance; financial incentive.**
Establishes a program in the Department of Commerce to provide financial incentives to local permitting authorities to deploy federally developed software that automates and streamlines the permit reviewing and issuing process for residential solar projects. Incentives may range from \$5,000 to \$20,000.
- 3 **Interconnection docket; Public Utilities Commission.**
Directs the commission to open a proceeding before September 1, 2024, to develop a process that enables owners of distributed generation facilities (solar and storage) to share the cost of necessary upgrades to public utility distribution lines to allow those facilities to interconnect, and to issue an order implementing those procedures. Lists issues that such a process must address.
- 4 **Position established; Public Utilities Commission.**
Establishes the position of interconnection ombudsperson at the commission, whose duties are to facilitate the resolution of interconnection disputes and review utility interconnection policies to assess opportunities to reduce the number of disputes. The position is funded by a surcharge on interconnection applications.

Article 14: Miscellaneous Energy Policy

Section Description - Article 14: Miscellaneous Energy Policy

- 1 **[116C.779] Funding for renewable development.**
Strikes language requiring an annual report on fund balances and obligations.
- 2 **[216B.16] Rate change; procedure; hearing.**
Subd. 6c. Incentive plan for energy conservation and efficient fuel-switching. Authorizes the commission to order utilities to develop conservation incentive plans that include fuel-switching.

Section Description - Article 14: Miscellaneous Energy Policy

- 3 **[216B.2402] Definitions.**
 Subd. 3a. Data mining facility. Adds a definition of “data mining facility.”
- 4 **[216B.2402] Definitions.**
 Subd. 4. Efficient fuel-switching improvement. Strikes language to make this subdivision consistent with the requirement of section 216B.241, subdivision 11, that an efficient fuel-switching alternative must reduce greenhouse gas emissions.
- 5 **[216B.2402] Definitions.**
 Subd. 10. Gross annual retail energy sales. Excludes electricity sales to a data mining facility from the definition of gross annual retail energy sales (which is used as a base for calculating a utility’s energy savings goal) under certain conditions.
- 6 **[216B.2403] Consumer-owned utilities; energy conservation and optimization.**
Reduces the annual energy-savings goal required of a consumer-owned natural gas utility from 1.5 to 1.0 percent. Strikes language limiting, until July 1, 2026, spending by a consumer-owned utility on efficient fuel-switching improvements to 0.55 percent of its gross annual retail energy sales.
- 7 **[216B.2403] Consumer-owned utilities; energy conservation and optimization.**
 Subd. 3. Consumer-owned utility; energy conservation and optimization plans. Authorizes the commissioner of commerce to recommend a consumer-owned utility to implement an efficient fuel-switching program suggested by a political subdivision, nonprofit, or community organization. Allows a consumer-owned utility to allocate up to ten percent of its total conservation spending for research and development on efficient fuel-switching projects.
- 8 **[216B.2403] Consumer-owned utilities; energy conservation and optimization.**
 Subd. 5. Energy conservation programs for low-income households. Specifies that a consumer-owned electric utility’s conservation spending in a low-income household whose primary heat source is not provided by a public utility may be counted towards the consumer-owned utility’s annual low-income spending requirement.
- 9 **[216B.2403] Consumer-owned utilities; energy conservation and optimization.**
 Subd. 8. Criteria for efficient fuel-switching improvements. Amends the method used to measure whether a fuel-switching improvement is efficient, and hence, whether its energy savings may be counted towards the consumer-owned utility’s annual energy-savings goal. Strikes language requiring efficient fuel-

Section Description - Article 14: Miscellaneous Energy Policy

switching improvements to be installed and operated so as to improve the utility's load factor.

10 [216B.241] Public utilities; energy conservation and optimization.

Subd. 1c. Public utility; energy-saving goals. Strikes language limiting, until July 1, 2026, spending by a public utility on efficient fuel-switching improvements to 0.35 percent of its gross annual retail energy sales.

11 [216B.241] Public utilities; energy conservation and optimization.

Subd. 2. Public utility; energy conservation and optimization plans. Authorizes the commissioner of commerce to recommend a public utility to implement an efficient fuel-switching program suggested by a political subdivision, nonprofit, or community organization.

12 [216B.241] Public utilities; energy conservation and optimization.

Subd. 11. Programs for efficient fuel-switching improvements; electric utilities. Authorizes a public utility to include a goal for efficient fuel-switching improvements in its energy conservation and optimization plan. Strikes language requiring the department to consider, in deciding whether to approve fuel-switching improvement projects, whether the project facilitates the integration of variable renewable energy sources into the electric system. Allows net benefits from efficient fuel-switching improvements integrated with an energy efficiency program to be counted towards a public utility's overall net conservation benefits. Amends the method used to measure whether a fuel-switching improvement is efficient, and hence, whether its energy savings may be counted towards the utility's annual energy-savings goal.

13 [216B.241] Public Utilities; energy conservation and optimization.

Subd. 12. Programs for efficient fuel-switching improvements; natural gas utilities. Strikes language making a public utility ineligible for a financial incentive for efficient fuel-switching in a year in which it does not achieve energy savings of 1.0 percent of its gross annual retail energy sales.

14-16 [216C.08-216C.10]

Extends the commissioner of commerce's jurisdiction over the entirety of chapter 216C.

17-34 [216C.435-216C.436]

Broadens the scope of the commercial Property Assessed Clean Energy (PACE) loan program, which allows energy loans to be repaid over time as a surcharge on a property owner's property tax bill, to allow for loans to projects that improve a property's resilience (resistance to wind, fire, and flooding; improvements to indoor

Section Description - Article 14: Miscellaneous Energy Policy

air quality; mitigating stormwater runoff), conserve a property's water use, or improve its water quality.

The bill also extends the maximum loan term from 20 to 30 years; increases the maximum loan amount from 20 to 30 percent of a property's assessed value; removes the requirement that projects be cost-effective; allows the financing of energy projects that include fuel-switching; and no longer requires an energy project to lower net energy consumption, provided that greenhouse gas emissions are reduced.



**MN HOUSE
RESEARCH**

Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn.gov/hrd | 651-296-6753 | 155 State Office Building | St. Paul, MN 55155