

Subject State Government

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Overview

This is the 2023 agriculture and broadband development finance and policy bill. 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, S.F. 1955, as amended by the conference committee, would also establish a beginning farmer equipment and infrastructure grant program, modify a beekeeper compensation program, repeal the Dairy Trade Practices Act, create a grain indemnity program, expand and modify membership of the board that oversees the BAH, authorize MDA to set the fertilizer inspection fee, authorize MDA to impose an information technology surcharge, regulate pesticides and fertilizers that contain a perfluoroalkyl or polyfluoroalkyl substance (PFAS), 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 conference committee report 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 |
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| 2 | <p>Department of Agriculture. Appropriates general fund and remediation fund dollars to MDA for specified purposes.</p> <p>Subd. 1. Total appropriation. Denotes the total amount of money, by fund, appropriated to MDA in this bill.</p> <p>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>Subd. 3. Agricultural marketing and development. Appropriates general fund dollars for MDA’s Agricultural Marketing and Development Division.</p> <p>Subd. 4. Agriculture, bioenergy, and bioproduct advancement. Appropriates general fund dollars for specific programs and purposes within this budget category.</p> <p>Subd. 5. Administration and financial assistance. Appropriates general fund dollars for specified pass-through grants and agency administration.</p> |
| 3 | <p>Board of Animal Health. Appropriates general fund dollars to the Board of Animal Health. Specifies the amounts appropriated for certain purposes.</p> |
| 4 | <p>Agricultural Utilization Research Institute. Appropriates general fund dollars to the Agricultural Utilization Research Institute. Specifies the amounts appropriated for certain purposes.</p> |
| 5 | <p>Grants for meat processing training and retention incentives. Establishes a temporary MDA program for fiscal years 2024 and 2025 to award grants to certain 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, modify nursery certificate requirements, create a grain indemnity program, expand and modify membership of

the board that oversees the BAH, regulate pesticides and fertilizers that contain a perfluoroalkyl or polyfluoroalkyl substance, and authorize MDA to impose an information technology surcharge.

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- 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 cooperative is controlled by its farmer members and nonpatron members do not have voting rights.

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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 Grants.

Modifies MDA’s down payment assistance grant program. Eliminates a dollar-for-dollar match requirement, inserting instead a requirement that grantees provide at least an \$8,000 match. Authorizes MDA to award grants by random after accepting applications for at least 30 days.

9 Report to legislature.

Requires MDA to report disaggregated data regarding the gender, race, and ethnicity of the farmers that receive down payment assistance grants.

10 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. Requires MDA to prioritize landowners and lessees who have not previously implemented an eligible project. Requires MDA to report specified information to the legislature annually.

11 Restricted species.

Requires a person to notify a Department of Natural Resources (DNR) conservation officer and the BAH within 24 hours of any intentional or accidental release of a Eurasian wild pig or Eurasian-domestic hybrid pig. Eliminates an existing permit exemption for those who possess a Eurasian wild pig or hybrid for up to two days before slaughtering the animal for human consumption. Modifies insurance/bonding requirements for permit holders. Grants the MDA authority to determine whether to charge a fee for Eurasian wild pig permits. Authorizes MDA (in addition to the DNR) to enforce these requirements.

12 Agricultural contracts.

Regulates carbon storage contracts between farmers and other parties. Specifically, for any carbon storage contract entered into, renewed, or amended after June 30, 2023, this section would prohibit language that prevents the farmer from disclosing any of the contract’s terms, conditions, or prices to others.

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13 Administrative penalties; citation.

Removes MDA’s authority to issue administrative citations for state dairy law violations under Minnesota Statutes, chapter 17.

14 Control of purple loosestrife and nonnative Phragmites.

Authorizes the Department of Natural Resources (DNR) to control or eradicate nonnative Phragmites in the same manner that the agency manages purple loosestrife under the Minnesota Noxious Weed Law. In part, this means that the DNR would be responsible for the control and eradication of nonnative Phragmites in most public waters and wetlands and could cross private land to investigate, control, or eradicate nonnative Phragmites after notifying the owner or occupant of the land. The DNR’s responsibility to manage nonnative Phragmites and authority to enter private lands would end ten days after a landowner assumes full responsibility for controlling and eradicating these weeds.

15 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.”

16 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.

17 Cleaning product.

Defines this term for purposes of pesticide control law and the new PFAS prohibitions in section 29.

18 Currently unavoidable use.

Defines this term for purposes of pesticide control law and the new PFAS prohibitions in section 29.

19 Intentionally added.

Defines this term for purposes of pesticide control law and the new PFAS regulations in sections 28 and 29.

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- 20 **Minimum risk pesticide.**
Defines this term for purposes of pesticide control law, the new waste pesticide surcharge exemption in section 26, and the medical cannabis pesticide provision in section 27.
- 21 **Perfluoroalkyl and polyfluoroalkyl substances.**
Defines this term for purposes of pesticide control law and the new PFAS regulations in subsequent sections.
- 22 **Delegation and data sharing to approved agencies.**
Authorizes MDA to share pesticide registration data with other state agencies to help assess the potential for unreasonable adverse effects.
- 23 **Perfluoroalkyl and polyfluoroalkyl substances.**
Provides MDA sole regulatory authority over the terrestrial application of pesticides that contain PFAS. Provides that those who register pesticides with MDA are not required to provide the same technical data to other state agencies if MDA makes the data available to said agencies.
- 24 **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.
- 25 **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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- 26 **Waste pesticide program surcharge.**
Exempts those who register a minimum-risk pesticide with MDA from the waste pesticide program surcharge.
- 27 **Pesticides on medical cannabis.**
Authorizes state-approved medical cannabis manufacturers to apply minimum-risk pesticides subject to certain conditions.
- 28 **Notification required; waivers and extensions.**
Requires pesticide registrants, beginning January 1, 2026, to submit a statement to MDA that the pesticide does not contain intentionally added PFAS, or if the pesticide does contain intentionally added PFAS, the name, purpose, and amount of each PFAS. Authorizes MDA to waive these requirements or extend the deadline in certain circumstances.
- 29 **PFAS prohibitions.**
Prohibits MDA, beginning January 1, 2026, from registering a pesticide cleaning product that contains intentionally added PFAS unless MDA determines that the PFAS use is unavoidable.

Prohibits MDA, beginning January 1, 2032, from registering any pesticide that contains intentionally added PFAS unless MDA determines that the PFAS use is unavoidable.
- 30 **Application.**
Requires experimental-use pesticide registrants to submit information regarding any intentionally added PFAS.
- 31 **Currently unavoidable use.**
Defines this term for purposes of fertilizer law and the new PFAS regulations in sections 37 and 38.
- 32 **Intentionally added.**
Defines this term for purposes of fertilizer law and the new PFAS regulations in section 38.
- 33 **Manufacturer.**
Defines this term for purposes of fertilizer law and the new PFAS requirements in section 38.

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- 34 Perfluoroalkyl and polyfluoroalkyl substances.**
Defines this term for purposes of fertilizer law and the new PFAS regulations in sections 37 and 38.
- 35 Product.**
Defines this term for purposes of fertilizer law and the new PFAS regulations in section 38.
- 36 Delegation and data sharing to approved agencies.**
Authorizes MDA to share fertilizer data with other state agencies to help assess the potential for unreasonable adverse effects.
- 37 Perfluoroalkyl and polyfluoroalkyl substances.**
Designates MDA as the lead state agency for the regulation of fertilizers that contain PFAS. Provides that those who provide fertilizer product information to MDA are not required to provide the same technical data to other state agencies if MDA makes the data available to said agencies.
- 38 Perfluoroalkyl and polyfluoroalkyl substances.**
Requires fertilizer product manufacturers, beginning January 1, 2026, to submit a statement to MDA that the product does not contain intentionally added PFAS, or if the product does contain intentionally added PFAS, the name, purpose, and amount of each PFAS. Authorizes MDA to waive these requirements or extend the deadline in certain circumstances.

Prohibits MDA, beginning January 1, 2032, from registering or approving a fertilizer that contains intentionally added PFAS unless MDA determines that the PFAS use is unavoidable.
- 39 Annual tonnage report.**
Technical; this change conforms to the fertilizer inspection fee modification included in the next section.
- 40 Payment of inspection fee.**
Authorizes MDA to set the fertilizer inspection fee within the range of 39 to 70 cents per ton. Requires MDA to hold a public meeting before increasing the fee more than five 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”).

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41 Notice of appeal.

Decreases from 45 to 20 days the period in which a person may contest an order issued by MDA's Pesticide and Fertilizer Management Division.

42 Purpose.

Collectively, sections 42 to 46 eliminate MDA's existing duty to oversee and issue state permits for any release of a new genetically engineered crop or other genetically engineered agricultural organism in Minnesota. Instead, MDA would accept, or review and add additional requirements to, a permit issued by a federal agency that is part of the federal government's Coordinated Framework for the Regulation of Biotechnology (i.e., the United States Department of Agriculture or the United States Environmental Protection Agency). MDA could request that a federal agency not issue a permit if MDA believes the proposed release would create a hazard to the state's general environmental quality or its agricultural, forest, or horticultural interests.

43 Coordinated framework.

Defines this term for purposes of MDA's oversight of genetically engineered agricultural organisms.

44 Regulated organism.

Defines this term for purposes of MDA's oversight of genetically engineered agricultural organisms.

45 Genetically engineered agriculturally related organism.

See section 42 above.

46 Exemptions.

Requires MDA to recognize federal permit exemptions for genetically engineered agricultural organisms and to allow the commercial use of federally deregulated genetically engineered agricultural organisms, pesticides, fertilizers, soil amendments, and plant amendments.

47-110 Nurseries, plant dealers, and plant protection.

Collectively, these sections: modify various definitions and other provisions in Minnesota Statutes, chapters 18G (Plant Protection and Export Certification) and 18H (Nursery Law); require certain nonprofit organizations, individuals, and municipalities that sell certified plants, trees, shrubs, or other nursery stock to obtain a free nursery stock certificate or live plant dealer certificate from the MDA; modify under what circumstances plants and other nursery stock treated with a systemic pesticide may

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- be labeled or advertised as pollinator-friendly; and modify and streamline certificate requirements and related fees for sellers of live plants, trees, or other nursery stock.
- 111 **Requirement; issuance; presumption.**
Modifies MDA’s industrial 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.
- 112 **Background check; data classification.**
Expands background check requirements for hemp licensees to include any first-time authorized representative of a license applicant.
- 113 **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.
- 114 **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.
- 115 **Direct sales to consumers.**
Allows cottage food producers who make and sell pet treats to have these products delivered to the consumer by mail or commercial delivery.
- 116 **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.
- 117 **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.

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- 118 **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.
- 119 **Power and authority.**
Provides MDA authority to enforce the state’s chapter 32D dairy laws using the same powers and authority granted to MDA under chapter 34A, which governs MDA’s enforcement of state food laws generally.
- 120 **Permitting.**
Removes MDA’s authority to revoke a dairy plant permit for due cause pursuant to MDA’s general food law administrative actions statute.
- 121 **Enforcement period.**
Provides that violations of chapter 32D dairy law or corresponding MDA administrative rules are violations of MDA’s standard food law enforcement statutes and may be enforced thereunder.
- 122 **Members; officers.**
Increases the BAH from six to seven members, adding an additional veterinarian who specializes in companion animals. Modifies qualifications for the member of a federally recognized Tribe located in Minnesota. Requires the governor to achieve gender and geographic balance, to the extent practicable, when appointing members to the board.
- 123 **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.
- 124 **Advisory panel.**
Adds an additional member to the advisory panel for the Agriculture Research, Education, Extension, and Technology Transfer Grant Program. The new member would represent the interests of Minnesota Tribal governments and may be appointed by the Minnesota Indian Affairs Council at the council’s discretion.
- 125 **Report; incentive programs.**
Technical – this section eliminates a reference to a statute (Minn. Stat. § 41A.21) that would be repealed at the end of this article.

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- 126 **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.
- 127 **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.
- 128 **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.
- 129 **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.
- 130 **Rules.**
Authorizes MDA to promulgate administrative rules governing the new grain indemnity program.
- 131 **Grain indemnity account.**
Establishes the grain indemnity program, as specified in the following subdivisions.
- Subd 1. Establishment.** Establishes the dedicated grain indemnity account in the state treasury.
- Subd. 2. Account; appropriation.** 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

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buyer fails to pay or the grain warehouse operator fails to pay for or 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 the claim is filed. 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 to transfer an equivalent amount of their interest in a claim 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.

132 **Grain indemnity premiums.**

Subd. 1. Charges. 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. 2. Collection and submission of grain indemnity premium. 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

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private or nonpublic data. Requires grain buyers to remit premium dollars to MDA biannually.

Subd. 3. 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 below \$8 million. Authorizes MDA to suspend premiums in the event of economic hardship if the account balance is at least \$8 million. If MDA resumes collections, it would be required to announce its intention in advance through publication in the State Register and by notifying all licensed grain buyers.

133 Grain indemnity 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.

134 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.

135 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.

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- 136 **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 article.
- 137 **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.
- 138 **Report required; PFAS in pesticides.**
Requires MDA to conduct a review of published literature and other available information concerning the presence of PFAS in pesticides used in Minnesota. Specifies required review elements and requires MDA to submit an interim report by February 1, 2024, with a final report due February 1, 2025.
- 139 **Wolf-livestock conflict-prevention program.**
Specifies how MDA is to award the money appropriated for these grants in article 1.
- 140 **Wild rice research report.**
Directs MDA to convene stakeholders and make report recommendations to the legislature by January 15, 2024, regarding the future of the University of Minnesota’s wild rice breeding program.
- 141 **Report required; grain advisory group.**
Requires MDA to convene a grain advisory group and develop recommendations regarding financial statement and 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.
- 142 **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.

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- 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. Financial assistance programs. Repeals the expiration date for the Agricultural Growth, Research, and Innovation Program (section 41A.12, subd. 4) and the Oriented Strand Board Production Incentive Program (section 41A.21).

Subd. 3. Plants and nurseries. Repeals the following statutes effective January 1, 2025:

- 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.

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.

Subd. 6. Genetically engineered organisms. Repeals the following statutes:

- Section 18F.02, subds. 2 and 9: Under current law, these subdivisions define “agency” and “unreasonable adverse effects on the environment” for purposes of MDA’s regulation of genetically engineered agricultural organisms, pesticides, fertilizers, soil amendments, and plant amendments.
- Section 18F.07: Under current law, this section requires MDA to adopt rules governing the agency’s issuance of permits for the release of genetically engineered agricultural organisms, pesticides, fertilizers, soil amendments, and plant amendments.

Subd. 7. Plant protection and nurseries. Repeals existing definitions of “harmful plant pest,” “nursery stock,” “pest,” “preclearance,” “regulated nonquarantine pest,” “container-grown,” “dormant,” “public nuisance,” “regulated

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nonquarantine pest,” “sold,” and “tree spade,” and an existing nursery-stock-dealer-certificate exemption that applies to certain nonprofits and individuals who use the sale proceeds for charitable, educational, or religious purposes.

Subd. 8. Hemp. Repeals 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 sale or distribution of hemp within 30 days, and authorize an industrial hemp pilot program.

Subd. 9. Dairy law. Repeals the following statutes:

- Sections 17.984 and 32D.03, subdivision 5: Under current law, these provisions govern the methods by which MDA regulates the dairy industry.
- Sections 32D.24 to 32D.28: Under current law, these sections constitute the Dairy Trade Practices Act and generally prohibit below-cost retail sales of certain dairy products.

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

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section 4, this section also authorizes DEED to award up to \$10,000,000 per project under the permanent Lower Population Density Grant Program.

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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