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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 1524

- 02/25/2021 Authored by Sundin; Anderson; Greenman; Hanson, J.; Ecklund and others
- 04/12/2021 The bill was read for the first time and referred to the Committee on Agriculture Finance and Policy
- Adoption of Report: Amended and re-referred to the Committee on Ways and Means

1.1 A bill for an act

1.2 relating to agriculture; establishing a budget for the Department of Agriculture,

1.3 the Board of Animal Health, and the Agricultural Utilization Research Institute;

1.4 making policy and technical changes to various agriculture provisions; modifying

1.5 fees; creating accounts; creating a biofuels program and advisory committee;

1.6 extending and modifying the Farmer-Lender Mediation Act; appropriating money;

1.7 amending Minnesota Statutes 2020, sections 15.057; 17.055, subdivision 1, by

1.8 adding a subdivision; 17.1017, subdivisions 5, 6; 17.116, subdivision 2; 18B.26,

1.9 subdivision 3; 21.82, subdivision 3; 21.86, subdivision 2; 28A.08, by adding a

1.10 subdivision; 28A.09, by adding a subdivision; 28A.152, subdivisions 1, 3, 4, 5;

1.11 35.02, subdivision 1; 41A.16, subdivisions 2, 5, 6; 41A.17, subdivisions 2, 4, 5;

1.12 41A.18, subdivisions 2, 5; 41A.19; 41B.048, subdivisions 2, 4, 6; 583.215; 583.26,

1.13 subdivisions 4, 5, 8; 583.27, subdivision 3; Laws 2020, chapter 71, article 2, section

1.14 19; proposing coding for new law in Minnesota Statutes, chapters 17; 21; 28A;

1.15 41A; repealing Minnesota Statutes 2020, section 41B.048, subdivision 8.

1.16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.17 **ARTICLE 1**

1.18 **AGRICULTURE APPROPRIATIONS**

1.19 Section 1. AGRICULTURE APPROPRIATIONS.

1.20 The sums shown in the columns marked "Appropriations" are appropriated to agencies

1.21 for the purposes specified in this article. The appropriations are from the general fund, or

1.22 another named fund, and are available for the fiscal years indicated for each purpose. The

1.23 figures "2022" and "2023" used in this article mean that the appropriations listed under them

1.24 are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The

1.25 first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is

1.26 fiscal years 2022 and 2023.

1.27 **APPROPRIATIONS**

1.28 **Available for the Year**

|     |  |           |   |
|-----|--|-----------|---|
| 2.1 |  |           | <u>Ending June 30</u>                                       |
| 2.2 |  |           | <u>2022</u> <u>2023</u>                                     |
| 2.3 | <b>Sec. 2. <u>DEPARTMENT OF AGRICULTURE</u></b>  |           |   |
| 2.4 | <b><u>Subdivision 1. Total Appropriation</u></b> | <b>\$</b> | <b><u>56,977,000</u></b> <b>\$</b> <b><u>56,610,000</u></b> |

|     |                               |                   |                   |
|-----|-------------------------------|-------------------|-------------------|
| 2.5 | <u>Appropriations by Fund</u> |                   |                   |
| 2.6 |                               | <u>2022</u>       | <u>2023</u>       |
| 2.7 | <u>General</u>                | <u>56,578,000</u> | <u>56,211,000</u> |
| 2.8 | <u>Remediation</u>            | <u>399,000</u>    | <u>399,000</u>    |

2.9 The amounts that may be spent for each  
 2.10 purpose are specified in the following  
 2.11 subdivisions.

2.12 **Subd. 2. Protection Services**

|      |                               |                   |                   |
|------|-------------------------------|-------------------|-------------------|
| 2.13 | <u>Appropriations by Fund</u> |                   |                   |
| 2.14 |                               | <u>2022</u>       | <u>2023</u>       |
| 2.15 | <u>General</u>                | <u>15,750,000</u> | <u>15,476,000</u> |
| 2.16 | <u>Remediation</u>            | <u>399,000</u>    | <u>399,000</u>    |

2.17 (a) \$399,000 the first year and \$399,000 the  
 2.18 second year are from the remediation fund for  
 2.19 administrative funding for the voluntary  
 2.20 cleanup program.

2.21 (b) \$175,000 the first year and \$175,000 the  
 2.22 second year are for compensation for  
 2.23 destroyed or crippled livestock under  
 2.24 Minnesota Statutes, section 3.737. The first  
 2.25 year appropriation may be spent to compensate  
 2.26 for livestock that were destroyed or crippled  
 2.27 during fiscal year 2021. If the amount in the  
 2.28 first year is insufficient, the amount in the  
 2.29 second year is available in the first year. The  
 2.30 commissioner may use up to \$5,000 each year  
 2.31 to reimburse expenses incurred by university  
 2.32 extension educators to provide fair market  
 2.33 values of destroyed or crippled livestock. If  
 2.34 the commissioner receives federal dollars to  
 2.35 pay claims for destroyed or crippled livestock,

3.1 an equivalent amount of this appropriation  
3.2 may be used to reimburse nonlethal prevention  
3.3 methods performed by federal wildlife services  
3.4 staff.

3.5 (c) \$155,000 the first year and \$155,000 the  
3.6 second year are for compensation for crop  
3.7 damage under Minnesota Statutes, section  
3.8 3.7371. If the amount in the first year is  
3.9 insufficient, the amount in the second year is  
3.10 available in the first year. The commissioner  
3.11 may use up to \$10,000 of the appropriation  
3.12 each year to reimburse expenses incurred by  
3.13 the commissioner or the commissioner's  
3.14 approved agent to investigate and resolve  
3.15 claims as well as for costs associated with  
3.16 training for approved agents. The  
3.17 commissioner may use up to \$20,000 of the  
3.18 appropriation each year to make grants to  
3.19 producers for measures to protect stored crops  
3.20 from elk damage.

3.21 If the commissioner determines that claims  
3.22 made under Minnesota Statutes, section 3.737  
3.23 or 3.7371, are unusually high, amounts  
3.24 appropriated for either program may be  
3.25 transferred to the appropriation for the other  
3.26 program.

3.27 (d) \$225,000 the first year and \$225,000 the  
3.28 second year are for additional funding for the  
3.29 noxious weed and invasive plant program.

3.30 (e) \$50,000 the first year is for additional  
3.31 funding for the industrial hemp program for  
3.32 IT development. This is a onetime  
3.33 appropriation and is available until June 30,  
3.34 2023.

4.1 (f) \$110,000 the first year and \$110,000 the  
 4.2 second year are for additional funding for meat  
 4.3 and poultry inspection services.

4.4 (g) \$66,000 the first year and \$66,000 the  
 4.5 second year are for additional funding to  
 4.6 replace capital equipment in the Department  
 4.7 of Agriculture's analytical laboratory.

4.8 (h) \$500,000 the first year is to establish a  
 4.9 climate smart farm endorsement for the  
 4.10 Minnesota Agricultural Water Quality  
 4.11 Certification Program that incentivizes and  
 4.12 quantifies climate-supportive farming  
 4.13 practices. This is a onetime appropriation and  
 4.14 is available until June 30, 2026.

4.15 (i) \$274,000 the first year and \$550,000 the  
 4.16 second year are to maintain the current level  
 4.17 of service delivery.

4.18 **Subd. 3. Agricultural Marketing and**  
 4.19 **Development**

4,510,000

4,415,000

4.20 (a) \$186,000 the first year and \$186,000 the  
 4.21 second year are for transfer to the Minnesota  
 4.22 grown account and may be used as grants for  
 4.23 Minnesota grown promotion under Minnesota  
 4.24 Statutes, section 17.102. Grants may be made  
 4.25 for one year. Notwithstanding Minnesota  
 4.26 Statutes, section 16A.28, the appropriations  
 4.27 encumbered under contract on or before June  
 4.28 30, 2023, for Minnesota grown grants in this  
 4.29 paragraph are available until June 30, 2025.

4.30 (b) \$100,000 the first year is to expand  
 4.31 international marketing opportunities for  
 4.32 farmers and value-added processors, including  
 4.33 in-market representation in Taiwan. This is a

5.1 onetime appropriation and is available until  
5.2 June 30, 2023.

5.3 (c) \$634,000 the first year and \$634,000 the  
5.4 second year are for continuation of the dairy  
5.5 development and profitability enhancement  
5.6 programs including dairy profitability teams  
5.7 and dairy business planning grants. The dairy  
5.8 profitability enhancement teams shall provide  
5.9 one-on-one assistance to all sizes of dairy  
5.10 farms to enhance the financial success and  
5.11 long-term sustainability of dairy farms in the  
5.12 state. The teams may consist of farm business  
5.13 management instructors, dairy extension  
5.14 specialists, and other dairy industry partners  
5.15 to deliver the informational and technical  
5.16 assistance. Activities of the dairy teams must  
5.17 be spread throughout the dairy producing  
5.18 regions of the state. The commissioner must  
5.19 make grants to regional or statewide  
5.20 organizations qualified to manage the various  
5.21 components of the teams. Each regional or  
5.22 statewide organization must designate a  
5.23 coordinator responsible for overseeing the  
5.24 program and making required reports to the  
5.25 commissioner. Dairy development and  
5.26 profitability enhancement teams are  
5.27 encouraged to engage in activities including  
5.28 but not limited to comprehensive financial  
5.29 analysis, risk management education,  
5.30 enhanced milk marketing tools and  
5.31 technologies, and production systems  
5.32 including rotational grazing and other  
5.33 sustainable agriculture methods. The regional  
5.34 and statewide organizations that deliver the  
5.35 dairy development and profitability  
5.36 enhancement program must submit periodic

6.1 reports to the commissioner on the aggregate  
6.2 changes in producer financial stability,  
6.3 productivity, product quality, animal health,  
6.4 environmental protection, and other  
6.5 performance measures attributable to the  
6.6 program in a format that maintains the  
6.7 confidentiality of business information related  
6.8 to any single dairy producer.

6.9 The commissioner may award dairy planning  
6.10 grants of up to \$5,000 per producer to develop  
6.11 comprehensive business plans. Grants must  
6.12 not be used for capital improvements.

6.13 The commissioner may allocate the available  
6.14 sums among permissible activities, including  
6.15 efforts to improve the quality of milk produced  
6.16 in the state, in the proportions that the  
6.17 commissioner deems most beneficial to  
6.18 Minnesota's dairy farmers. The commissioner  
6.19 must submit a detailed accomplishment report  
6.20 and a work plan detailing future plans for, and  
6.21 anticipated accomplishments from,  
6.22 expenditures under this program to the chairs  
6.23 and ranking minority members of the  
6.24 legislative committees and divisions with  
6.25 jurisdiction over agriculture policy and finance  
6.26 on or before the start of each fiscal year. If  
6.27 significant changes are made to the plans in  
6.28 the course of the year, the commissioner must  
6.29 notify the chairs and ranking minority  
6.30 members.

6.31 (d) \$50,000 the first year and \$50,000 the  
6.32 second year are for additional funding for  
6.33 mental health outreach and support to farmers  
6.34 and others in the agricultural community,  
6.35 including a 24-hour hotline, stigma reduction,

7.1 and educational offerings. These are onetime  
7.2 appropriations.

7.3 (e) \$100,000 the first year and \$50,000 the  
7.4 second year are for a pilot project creating  
7.5 farmland access teams to provide technical  
7.6 assistance to potential beginning farmers. The  
7.7 farmland access teams must assist existing  
7.8 farmers and beginning farmers on transitioning  
7.9 farm ownership and operation. Teams may  
7.10 include but are not limited to providing  
7.11 mediation assistance, designing contracts,  
7.12 financial planning, tax preparation, estate  
7.13 planning, and housing assistance. Of this  
7.14 amount, up to \$50,000 the first year may be  
7.15 used to upgrade the Minnesota FarmLink web  
7.16 application that connects farmers looking for  
7.17 land with farmers looking to transition their  
7.18 land. These are onetime appropriations.

7.19 (f) \$10,000 the first year and \$10,000 the  
7.20 second year are for transfer to the emerging  
7.21 farmer account under Minnesota Statutes,  
7.22 section 17.055, subdivision 1a.

7.23 (g) \$150,000 the first year and \$150,000 the  
7.24 second year are to establish an emerging  
7.25 farmer office and hire a full-time emerging  
7.26 farmer outreach coordinator. The emerging  
7.27 farmer outreach coordinator must engage and  
7.28 support emerging farmers regarding resources  
7.29 and opportunities available throughout the  
7.30 Department of Agriculture and the state. For  
7.31 purposes of this paragraph, "emerging farmer"  
7.32 has the meaning provided in Minnesota  
7.33 Statutes, section 17.055, subdivision 1. Of the  
7.34 amount appropriated each year, \$25,000 is for  
7.35 translation services.

8.1 (h) \$100,000 the first year and \$100,000 the  
 8.2 second year are for the farm safety grant and  
 8.3 outreach programs under Minnesota Statutes,  
 8.4 section 17.1195. These are onetime  
 8.5 appropriations.

8.6 (i) \$54,000 the first year and \$109,000 the  
 8.7 second year are to maintain the current level  
 8.8 of service delivery.

8.9 (j) The commissioner may use funds  
 8.10 appropriated in this subdivision for annual  
 8.11 cost-share payments to resident farmers or  
 8.12 entities that sell, process, or package  
 8.13 agricultural products in this state for the costs  
 8.14 of organic certification. The commissioner  
 8.15 may allocate these funds for assistance to  
 8.16 persons transitioning from conventional to  
 8.17 organic agriculture.

8.18 **Subd. 4. Agriculture, Bioenergy, and Bioproduct**  
 8.19 **Advancement**

26,904,000

26,917,000

8.20 (a) \$9,300,000 the first year and \$9,300,000  
 8.21 the second year are for transfer to the  
 8.22 agriculture research, education, extension, and  
 8.23 technology transfer account under Minnesota  
 8.24 Statutes, section 41A.14, subdivision 3. Of  
 8.25 these amounts: at least \$600,000 the first year  
 8.26 and \$600,000 the second year are for the  
 8.27 Minnesota Agricultural Experiment Station's  
 8.28 agriculture rapid response under Minnesota  
 8.29 Statutes, section 41A.14, subdivision 1, clause  
 8.30 (2); \$2,000,000 the first year and \$2,000,000  
 8.31 the second year are for grants to the Minnesota  
 8.32 Agriculture Education Leadership Council to  
 8.33 enhance agricultural education with priority  
 8.34 given to Farm Business Management  
 8.35 challenge grants; \$350,000 the first year and



9.1 \$350,000 the second year are for potato  
9.2 breeding; and \$450,000 the first year and  
9.3 \$450,000 the second year are for the cultivated  
9.4 wild rice breeding project at the North Central  
9.5 Research and Outreach Center to include a  
9.6 tenure track/research associate plant breeder.  
9.7 The commissioner shall transfer the remaining  
9.8 funds in this appropriation each year to the  
9.9 Board of Regents of the University of  
9.10 Minnesota for purposes of Minnesota Statutes,  
9.11 section 41A.14. Of the amount transferred to  
9.12 the Board of Regents, up to \$1,000,000 each  
9.13 year is for research on avian influenza,  
9.14 salmonella, and other turkey-related diseases.

9.15 To the extent practicable, money expended  
9.16 under Minnesota Statutes, section 41A.14,  
9.17 subdivision 1, clauses (1) and (2), must  
9.18 supplement and not supplant existing sources  
9.19 and levels of funding. The commissioner may  
9.20 use up to one percent of this appropriation for  
9.21 costs incurred to administer the program.

9.22 (b) \$15,589,000 the first year and \$15,588,000  
9.23 the second year are for the agricultural growth,  
9.24 research, and innovation program in  
9.25 Minnesota Statutes, section 41A.12. Except  
9.26 as provided below, the commissioner may  
9.27 allocate the appropriation each year among  
9.28 the following areas: facilitating the start-up,  
9.29 modernization, improvement, or expansion of  
9.30 livestock operations including beginning and  
9.31 transitioning livestock operations with  
9.32 preference given to robotic dairy-milking  
9.33 equipment; providing funding not to exceed  
9.34 \$800,000 each year to develop and enhance  
9.35 farm-to-school markets for Minnesota farmers

10.1 by providing more fruits, vegetables, meat,  
10.2 grain, and dairy for Minnesota children in  
10.3 school and child care settings including, at the  
10.4 commissioner's discretion, reimbursing  
10.5 schools for purchases from local farmers;  
10.6 assisting value-added agricultural businesses  
10.7 to begin or expand, to access new markets, or  
10.8 to diversify, including aquaponics systems;  
10.9 providing funding not to exceed \$600,000  
10.10 each year for urban youth agricultural  
10.11 education or urban agriculture community  
10.12 development; providing funding not to exceed  
10.13 \$600,000 each year for the good food access  
10.14 program under Minnesota Statutes, section  
10.15 17.1017; facilitating the start-up,  
10.16 modernization, or expansion of other  
10.17 beginning and transitioning farms including  
10.18 by providing loans under Minnesota Statutes,  
10.19 section 41B.056; sustainable agriculture  
10.20 on-farm research and demonstration;  
10.21 development or expansion of food hubs and  
10.22 other alternative community-based food  
10.23 distribution systems; enhancing renewable  
10.24 energy infrastructure and use; crop research;  
10.25 Farm Business Management tuition assistance;  
10.26 and good agricultural practices and good  
10.27 handling practices certification assistance. The  
10.28 commissioner may use up to 6.5 percent of  
10.29 this appropriation for costs incurred to  
10.30 administer the program.

10.31 Of the amount appropriated for the agricultural  
10.32 growth, research, and innovation program in  
10.33 Minnesota Statutes, section 41A.12:

10.34 (1) \$1,000,000 the first year and \$1,000,000  
10.35 the second year are for distribution in equal

11.1 amounts to each of the state's county fairs to  
11.2 preserve and promote Minnesota agriculture;  
11.3 (2) \$4,000,000 the first year and \$4,000,000  
11.4 the second year are for incentive payments  
11.5 under Minnesota Statutes, sections 41A.16,  
11.6 41A.17, and 41A.18. Notwithstanding  
11.7 Minnesota Statutes, section 16A.28, the first  
11.8 year appropriation is available until June 30,  
11.9 2023, and the second year appropriation is  
11.10 available until June 30, 2024. If this  
11.11 appropriation exceeds the total amount for  
11.12 which all producers are eligible in a fiscal  
11.13 year, the balance of the appropriation is  
11.14 available for the agricultural growth, research,  
11.15 and innovation program. The base amount for  
11.16 the allocation under this clause is \$4,000,000  
11.17 in fiscal year 2024 and later; and  
11.18 (3) up to \$1,000,000 the first year is for grants  
11.19 to facilitate the start-up, modernization, or  
11.20 expansion of meat, poultry, egg, and milk  
11.21 processing facilities.  
11.22 Notwithstanding Minnesota Statutes, section  
11.23 16A.28, any unencumbered balance does not  
11.24 cancel at the end of the first year and is  
11.25 available for the second year, and  
11.26 appropriations encumbered under contract on  
11.27 or before June 30, 2023, for agricultural  
11.28 growth, research, and innovation grants are  
11.29 available until June 30, 2026.  
11.30 The base amount for the agricultural growth,  
11.31 research, and innovation program is  
11.32 \$15,584,000 in fiscal year 2024 and  
11.33 \$15,584,000 in fiscal year 2025, and includes  
11.34 funding for incentive payments under

12.1 Minnesota Statutes, sections 41A.16, 41A.17,  
 12.2 and 41A.18.

12.3 (c) \$2,000,000 the first year and \$2,000,000  
 12.4 the second year are for a biofuels infrastructure  
 12.5 financial assistance program. Notwithstanding  
 12.6 Minnesota Statutes, section 16A.28, the  
 12.7 appropriations encumbered under contract for  
 12.8 grants on or before June 30, 2023, are  
 12.9 available until June 30, 2027. Of this amount,  
 12.10 \$100,000 each year is for the administration  
 12.11 of the biofuels infrastructure financial  
 12.12 assistance program.

12.13 (d) \$15,000 the first year and \$29,000 the  
 12.14 second year are to maintain the current level  
 12.15 of service delivery.

12.16 (e) No later than February 1, 2023, the  
 12.17 commissioner must report equity data and  
 12.18 outcomes for the agriculture research,  
 12.19 education, extension, and technology transfer  
 12.20 program and the agricultural growth, research,  
 12.21 and innovation program to the legislative  
 12.22 committees with jurisdiction over agriculture  
 12.23 finance.

12.24 **Subd. 5. Administration and Financial**  
 12.25 **Assistance**

9,414,000

9,403,000

12.26 (a) \$474,000 the first year and \$474,000 the  
 12.27 second year are for payments to county and  
 12.28 district agricultural societies and associations  
 12.29 under Minnesota Statutes, section 38.02,  
 12.30 subdivision 1. Aid payments to county and  
 12.31 district agricultural societies and associations  
 12.32 shall be disbursed no later than July 15 of each  
 12.33 year. These payments are the amount of aid  
 12.34 from the state for an annual fair held in the  
 12.35 previous calendar year.

- 13.1 (b) \$287,000 the first year and \$287,000 the  
13.2 second year are for farm advocate services.
- 13.3 (c) \$238,000 the first year and \$238,000 the  
13.4 second year are for transfer to the Board of  
13.5 Trustees of the Minnesota State Colleges and  
13.6 Universities for statewide mental health  
13.7 counseling support to farm families and  
13.8 business operators through the Minnesota State  
13.9 Agricultural Centers of Excellence. South  
13.10 Central College and Central Lakes College  
13.11 shall serve as the fiscal agents.
- 13.12 (d) \$1,650,000 the first year and \$1,650,000  
13.13 the second year are for grants to Second  
13.14 Harvest Heartland on behalf of Minnesota's  
13.15 six Feeding America food banks for the  
13.16 following:
- 13.17 (1) to purchase milk for distribution to  
13.18 Minnesota's food shelves and other charitable  
13.19 organizations that are eligible to receive food  
13.20 from the food banks. Milk purchased under  
13.21 the grants must be acquired from Minnesota  
13.22 milk processors and based on low-cost bids.  
13.23 The milk must be allocated to each Feeding  
13.24 America food bank serving Minnesota  
13.25 according to the formula used in the  
13.26 distribution of United States Department of  
13.27 Agriculture commodities under The  
13.28 Emergency Food Assistance Program. Second  
13.29 Harvest Heartland may enter into contracts or  
13.30 agreements with food banks for shared funding  
13.31 or reimbursement of the direct purchase of  
13.32 milk. Each food bank that receives funding  
13.33 under this clause may use up to two percent  
13.34 for administrative expenses;

14.1 (2) to compensate agricultural producers and  
14.2 processors for costs incurred to harvest and  
14.3 package for transfer surplus fruits, vegetables,  
14.4 and other agricultural commodities that would  
14.5 otherwise go unharvested, be discarded, or  
14.6 sold in a secondary market. Surplus  
14.7 commodities must be distributed statewide to  
14.8 food shelves and other charitable organizations  
14.9 that are eligible to receive food from the food  
14.10 banks. Surplus food acquired under this clause  
14.11 must be from Minnesota producers and  
14.12 processors. Second Harvest Heartland may  
14.13 use up to 15 percent of each grant awarded  
14.14 under this clause for administrative and  
14.15 transportation expenses; and

14.16 (3) to purchase and distribute protein products,  
14.17 including but not limited to pork, poultry, beef,  
14.18 dry legumes, cheese, and eggs to Minnesota's  
14.19 food shelves and other charitable organizations  
14.20 that are eligible to receive food from the food  
14.21 banks. Second Harvest Heartland may use up  
14.22 to two percent of each grant awarded under  
14.23 this clause for administrative expenses. Protein  
14.24 products purchased under the grants must be  
14.25 acquired from Minnesota processors and  
14.26 producers.

14.27 Of the amount appropriated under this  
14.28 paragraph, at least \$600,000 each year must  
14.29 be allocated under clause (1). Notwithstanding  
14.30 Minnesota Statutes, section 16A.28, any  
14.31 unencumbered balance the first year does not  
14.32 cancel and is available in the second year.  
14.33 Second Harvest Heartland must submit  
14.34 quarterly reports to the commissioner and the  
14.35 chairs and ranking minority members of the

15.1 legislative committees with jurisdiction over  
15.2 agriculture finance in the form prescribed by  
15.3 the commissioner. The reports must include  
15.4 but are not limited to information on the  
15.5 expenditure of funds, the amount of milk or  
15.6 other commodities purchased, and the  
15.7 organizations to which this food was  
15.8 distributed.

15.9 (e) \$250,000 the first year and \$250,000 the  
15.10 second year are for grants to the Minnesota  
15.11 Agricultural Education and Leadership  
15.12 Council for programs of the council under  
15.13 Minnesota Statutes, chapter 41D.

15.14 (f) The commissioner shall continue to  
15.15 increase connections with ethnic minority and  
15.16 immigrant farmers to farming opportunities  
15.17 and farming programs throughout the state.

15.18 (g) \$1,000,000 the first year and \$1,000,000  
15.19 the second year are for transfer to the  
15.20 agricultural and environmental revolving loan  
15.21 account established under Minnesota Statutes,  
15.22 section 17.117, subdivision 5a, for low-interest  
15.23 loans under Minnesota Statutes, section  
15.24 17.117. These are onetime transfers.

15.25 (h) \$150,000 the first year and \$150,000 the  
15.26 second year are for grants to the Center for  
15.27 Rural Policy and Development. These are  
15.28 onetime appropriations.

15.29 (i) \$47,000 the first year and \$47,000 the  
15.30 second year are for grants to the Northern  
15.31 Crops Institute that may be used to purchase  
15.32 equipment. These are onetime appropriations.

15.33 (j) \$75,000 the first year and \$75,000 the  
15.34 second year are for grants to the Minnesota

16.1 Turf Seed Council for basic and applied  
16.2 research on: (1) the improved production of  
16.3 forage and turf seed related to new and  
16.4 improved varieties; and (2) native plants,  
16.5 including plant breeding, nutrient  
16.6 management, pest management, disease  
16.7 management, yield, and viability. The  
16.8 Minnesota Turf Seed Council may subcontract  
16.9 with a qualified third party for some or all of  
16.10 the basic or applied research. Any  
16.11 unencumbered balance does not cancel at the  
16.12 end of the first year and is available for the  
16.13 second year. These are onetime appropriations.  
16.14 (k) \$1,000 the first year and \$1,000 the second  
16.15 year are for grants to the Minnesota State  
16.16 Poultry Association. These are onetime  
16.17 appropriations.  
16.18 (l) \$17,000 the first year and \$17,000 the  
16.19 second year are for grants to the Minnesota  
16.20 State Horticultural Society. These are onetime  
16.21 appropriations.  
16.22 (m) \$18,000 the first year and \$18,000 the  
16.23 second year are for grants to the Minnesota  
16.24 Livestock Breeders Association. These are  
16.25 onetime appropriations.  
16.26 (n) \$325,000 the first year and \$325,000 the  
16.27 second year are for transfer to the Minnesota  
16.28 Humanities Center for the healthy eating, here  
16.29 at home program under Minnesota Statutes,  
16.30 section 138.912. Participating nonprofit  
16.31 organizations may receive up to three percent  
16.32 of the amount transferred each year for  
16.33 program administration costs.



17.1 (o) \$75,000 the first year is for a grant to  
 17.2 Greater Mankato Growth, Inc., for assistance  
 17.3 to agriculture-related businesses to promote  
 17.4 jobs, innovation, and synergy development.  
 17.5 This is a onetime appropriation.

17.6 (p) \$25,000 the first year and \$25,000 the  
 17.7 second year are for grants to the Southern  
 17.8 Minnesota Initiative Foundation to promote  
 17.9 local foods through an annual event that raises  
 17.10 public awareness of local foods and connects  
 17.11 local food producers and processors with  
 17.12 potential buyers.

17.13 (q) \$222,000 the first year and \$286,000 the  
 17.14 second year are to maintain the current level  
 17.15 of service delivery.

17.16 **Sec. 3. BOARD OF ANIMAL HEALTH**                    **\$            5,980,000 \$            6,081,000**

17.17 (a) \$200,000 the first year and \$200,000 the  
 17.18 second year are for agricultural emergency  
 17.19 preparedness and response.

17.20 (b) \$103,000 the first year and \$204,000 the  
 17.21 second year are to maintain the current level  
 17.22 of service delivery.

17.23 **Sec. 4. AGRICULTURAL UTILIZATION**  
 17.24 **RESEARCH INSTITUTE**    **\$            4,043,000 \$            4,043,000**

17.25 \$150,000 the first year and \$150,000 the  
 17.26 second year are for a meat scientist.

17.27 **Sec. 5. CANCELLATIONS.**

17.28 (a) \$916,553 of the fiscal year 2021 general fund appropriation for protection services  
 17.29 under Laws 2019, First Special Session chapter 1, article 1, section 2, subdivision 2, is  
 17.30 canceled.

17.31 (b) \$136,000 of the fiscal year 2021 general fund appropriation for agricultural marketing  
 17.32 and development under Laws 2019, First Special Session chapter 1, article 1, section 2,  
 17.33 subdivision 3, is canceled.

18.1 (c) \$120,000 of the fiscal year 2021 general fund appropriation for agriculture, bioenergy,  
18.2 and bioproduct advancement under Laws 2019, First Special Session chapter 1, article 1,  
18.3 section 2, subdivision 4, is canceled.

18.4 (d) \$157,500 of the fiscal year 2021 general fund appropriation for administration and  
18.5 financial assistance under Laws 2019, First Special Session chapter 1, article 1, section 2,  
18.6 subdivision 5, is canceled.

18.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

18.8 Sec. 6. **FEDERAL FUNDS REPLACEMENT; APPROPRIATION.**

18.9 Notwithstanding any law to the contrary, the commissioner of management and budget  
18.10 must determine whether the expenditures authorized under this act are eligible uses of federal  
18.11 funding received under the Coronavirus State Fiscal Recovery Fund or any other federal  
18.12 funds received by the state under the American Rescue Plan Act, Public Law 117-2. If the  
18.13 commissioner of management and budget determines an expenditure is eligible for funding  
18.14 under Public Law 117-2, the amount of the eligible expenditure is appropriated from the  
18.15 account or fund where those amounts have been deposited and the corresponding general  
18.16 fund amounts appropriated under this act are canceled to the general fund. No later than  
18.17 February 1, 2022, the commissioner of agriculture, in consultation with the commissioner  
18.18 of management and budget, must report all appropriations, cancellations, and expenditures  
18.19 under this section to the legislative committees with jurisdiction over agriculture finance.

## 18.20 **ARTICLE 2**

### 18.21 **AGRICULTURE STATUTORY CHANGES**

18.22 Section 1. Minnesota Statutes 2020, section 15.057, is amended to read:

#### 18.23 **15.057 PUBLICITY REPRESENTATIVES.**

18.24 No state department, bureau, or division, whether the same operates on funds appropriated  
18.25 or receipts or fees of any nature whatsoever, except the Department of Transportation, the  
18.26 Department of Employment and Economic Development, the Department of Agriculture,  
18.27 the Game and Fish Division, State Agricultural Society, and Explore Minnesota Tourism  
18.28 shall use any of such funds for the payment of the salary or expenses of a publicity  
18.29 representative. The head of any such department, bureau, or division shall be personally  
18.30 liable for funds used contrary to this provision. This section shall not be construed, however,  
18.31 as preventing any such department, bureau, or division from sending out any bulletins or

19.1 other publicity required by any state law or necessary for the satisfactory conduct of the  
19.2 business for which such department, bureau, or division was created.

19.3 Sec. 2. Minnesota Statutes 2020, section 17.055, subdivision 1, is amended to read:

19.4 Subdivision 1. **Emerging farmer working group.** (a) To advise the commissioner and  
19.5 legislature regarding the development and implementation of programs and initiatives that  
19.6 support emerging farmers in this state, the commissioner must periodically convene a  
19.7 working group consisting, to the extent possible, of persons who are, and organizations that  
19.8 represent, farmers or aspiring farmers who are women, veterans, persons with disabilities,  
19.9 American Indian or Alaskan Natives, members of a community of color, young, and urban,  
19.10 and any other emerging farmers as determined by the commissioner. No later than January  
19.11 15 each year, the commissioner must update the chairs and ranking minority members of  
19.12 the legislative committees and divisions with jurisdiction over agriculture regarding the  
19.13 working group's activities and recommendations.

19.14 (b) The commissioner may accept on behalf of the state donations of money, services,  
19.15 or other assistance or gifts from public or private sources to further the objectives of the  
19.16 emerging farmer working group.

19.17 Sec. 3. Minnesota Statutes 2020, section 17.055, is amended by adding a subdivision to  
19.18 read:

19.19 Subd. 1a. **Emerging farmer account.** An emerging farmer account is established in the  
19.20 agricultural fund. The account consists of money appropriated by law and any other money  
19.21 donated, allotted, transferred, or otherwise provided to the account. Money in the account,  
19.22 including interest, is appropriated to the commissioner for the purposes of this section and  
19.23 must be used to further the objectives of the emerging farmer working group.

19.24 Sec. 4. [17.1016] COOPERATIVE GRANTS.

19.25 Subdivision 1. **Definitions.** For purposes of this section:

19.26 (1) "agricultural commodity" and "agricultural product processing facility" have the  
19.27 meanings given in section 17.101, subdivision 5; and

19.28 (2) "agricultural service" means an action made under the direction of a farmer that  
19.29 provides value to another entity. Agricultural service includes grazing to manage vegetation.

19.30 Subd. 2. **Grant program.** (a) The commissioner must establish and implement a grant  
19.31 program to help farmers finance new cooperatives that organize for purposes of operating

20.1 an agricultural product processing facility or marketing an agricultural product or agricultural  
20.2 service.

20.3 (b) To be eligible for this program, a grantee must:

20.4 (1) be a cooperative organized under chapter 308A;

20.5 (2) certify that all control and equity in the cooperative is from farmers, family farm  
20.6 partnerships, family farm limited liability companies, or family farm corporations as defined  
20.7 in section 500.24, subdivision 2, who are actively engaged in agricultural commodity  
20.8 production;

20.9 (3) be operated primarily to process agricultural commodities or market agricultural  
20.10 products or services produced in Minnesota; and

20.11 (4) receive agricultural commodities produced primarily by shareholders or members  
20.12 of the cooperative.

20.13 (c) The commissioner may receive applications and make grants up to \$50,000 to eligible  
20.14 grantees for feasibility, marketing analysis, assistance with organizational development,  
20.15 financing and managing new cooperatives, product development, development of business  
20.16 and marketing plans, and predesign of facilities including site analysis, development of bid  
20.17 specifications, preliminary blueprints and schematics, and completion of purchase agreements  
20.18 and other necessary legal documents.

20.19 Sec. 5. Minnesota Statutes 2020, section 17.1017, subdivision 5, is amended to read:

20.20 Subd. 5. **Eligible projects.** (a) The commissioner, in cooperation with the program  
20.21 partners and advisers, shall establish project eligibility guidelines and application processes  
20.22 to be used to review and select project applicants for financing or other financial or technical  
20.23 assistance. ~~All projects must be located in an underserved community or must serve primarily~~  
20.24 ~~underserved communities in low-income and moderate-income areas.~~

20.25 (b) Projects eligible for financing include, but are not limited to, new construction,  
20.26 renovations, expansions of operations, and infrastructure upgrades of grocery stores and  
20.27 small food retailers to improve the availability of and access to affordable, nutritious food,  
20.28 including fresh fruits and vegetables, and build capacity in areas of greatest need.

20.29 (c) Projects eligible for other types of financial assistance such as grants or technical  
20.30 assistance are primarily projects throughout the state, including, but not limited to, feasibility  
20.31 studies, new construction, renovations, expansion of operations, and infrastructure upgrades  
20.32 of small food retailers.

21.1 Sec. 6. Minnesota Statutes 2020, section 17.1017, subdivision 6, is amended to read:

21.2 Subd. 6. **Qualifications for receipt of financing and other financial or technical**  
21.3 **assistance.** (a) An applicant for receipt of financing through an economic or community  
21.4 development financial institution, or an applicant for a grant or other financial or technical  
21.5 assistance, may be a for-profit or not-for-profit entity, including, but not limited to, a sole  
21.6 proprietorship, limited liability company, corporation, cooperative, nonprofit organization,  
21.7 or nonprofit community development organization. Each applicant must:

21.8 (1) demonstrate community engagement in and support for the project;

21.9 (2) demonstrate the capacity to successfully implement the project;

21.10 (3) demonstrate a viable plan for long-term sustainability, including the ability to increase  
21.11 the availability of and access to affordable, nutritious, and culturally appropriate food,  
21.12 including fresh fruits and vegetables, for underserved communities in low-income and  
21.13 moderate-income areas; and

21.14 (4) demonstrate the ability to repay the debt, to the extent that the financing requires  
21.15 repayment.

21.16 (b) Each applicant must also agree to comply with the following conditions for a period  
21.17 of at least five years, except as otherwise specified in this section:

21.18 (1) accept Supplemental Nutrition Assistance Program (SNAP) benefits;

21.19 ~~(2) apply to accept Special Supplemental Nutrition Program for Women, Infants, and~~  
21.20 ~~Children (WIC) benefits and, if approved, accept WIC benefits;~~

21.21 ~~(3)~~ (2) allocate at least 30 percent of retail space for the sale of affordable, nutritious,  
21.22 and culturally appropriate foods, including fruits and vegetables, low-fat and nonfat dairy,  
21.23 fortified dairy substitute beverages such as soy-based or nut-based dairy substitute beverages,  
21.24 whole grain-rich staple foods, meats, poultry, fish, seafood, and other proteins, consistent  
21.25 with nutrition standards in national guidelines described in the current United States  
21.26 Department of Agriculture Dietary Guidelines for Americans;

21.27 ~~(4)~~ (3) comply with all data collection and reporting requirements established by the  
21.28 commissioner; and

21.29 ~~(5)~~ (4) promote the hiring, training, and retention of local or regional residents from  
21.30 low-income and moderate-income areas that reflect area demographics, including  
21.31 communities of color.

22.1 (c) A selected project that is a small food retailer is not subject to the allocation agreement  
22.2 under paragraph (b), clause ~~(3)~~ (2), and may use financing, grants, or other financial or  
22.3 technical assistance for refrigeration, displays, or onetime capital expenditures for the  
22.4 promotion and sale of perishable foods, including a combination of affordable, nutritious,  
22.5 and culturally appropriate fresh or frozen dairy, dairy substitute products, produce, meats,  
22.6 poultry, and fish, consistent with nutrition standards in national guidelines described in the  
22.7 current United States Department of Agriculture Dietary Guidelines for Americans.

22.8 Sec. 7. Minnesota Statutes 2020, section 17.116, subdivision 2, is amended to read:

22.9 Subd. 2. **Eligibility.** (a) Grants may only be made to farmers, educational institutions,  
22.10 individuals at educational institutions, or nonprofit organizations residing or located in the  
22.11 state for research or demonstrations on farms in the state.

22.12 (b) Grants may only be made for projects that show:

22.13 (1) the ability to maximize direct or indirect energy savings or production;

22.14 (2) a positive effect or reduced adverse effect on the environment; ~~and~~ or

22.15 (3) increased profitability for the individual farm by reducing costs or improving  
22.16 marketing opportunities.

22.17 Sec. 8. Minnesota Statutes 2020, section 18B.26, subdivision 3, is amended to read:

22.18 Subd. 3. **Registration application and gross sales fee.** (a) For an agricultural pesticide,  
22.19 a registrant shall pay an annual registration application fee for each agricultural pesticide  
22.20 of \$350. The fee is due by December 31 preceding the year for which the application for  
22.21 registration is made. The fee is nonrefundable.

22.22 (b) For a nonagricultural pesticide, a registrant shall pay a minimum annual registration  
22.23 application fee for each nonagricultural pesticide of \$350. The fee is due by December 31  
22.24 preceding the year for which the application for registration is made. The fee is  
22.25 nonrefundable. If the registrant's annual gross sales of the nonagricultural pesticide exceeded  
22.26 \$70,000 in the previous calendar year, the registrant shall pay, in addition to the \$350  
22.27 minimum fee, a fee equal to ~~0.5~~ 0.9 percent of that portion of the annual gross sales over  
22.28 \$70,000. For purposes of this subdivision, gross sales includes both nonagricultural pesticide  
22.29 sold in the state and nonagricultural pesticide sold into the state for use in this state. No  
22.30 additional fee is required if the fee due amount based on percent of annual gross sales of a  
22.31 nonagricultural pesticide is less than \$10. The registrant shall secure sufficient sales  
22.32 information of nonagricultural pesticides distributed into this state from distributors and

23.1 dealers, regardless of distributor location, to make a determination. Sales of nonagricultural  
23.2 pesticides in this state and sales of nonagricultural pesticides for use in this state by  
23.3 out-of-state distributors are not exempt and must be included in the registrant's annual report,  
23.4 as required under paragraph (g), and fees shall be paid by the registrant based upon those  
23.5 reported sales. Sales of nonagricultural pesticides in the state for use outside of the state are  
23.6 exempt from the gross sales fee in this paragraph if the registrant properly documents the  
23.7 sale location and distributors. A registrant paying more than the minimum fee shall pay the  
23.8 balance due by March 1 based on the gross sales of the nonagricultural pesticide by the  
23.9 registrant for the preceding calendar year. A pesticide determined by the commissioner to  
23.10 be a sanitizer or disinfectant is exempt from the gross sales fee.

23.11 (c) For agricultural pesticides, a licensed agricultural pesticide dealer or licensed pesticide  
23.12 dealer shall pay a gross sales fee of ~~0.55~~ 0.9 percent of annual gross sales of the agricultural  
23.13 pesticide in the state and the annual gross sales of the agricultural pesticide sold into the  
23.14 state for use in this state.

23.15 (d) In those cases where a registrant first sells an agricultural pesticide in or into the  
23.16 state to a pesticide end user, the registrant must first obtain an agricultural pesticide dealer  
23.17 license and is responsible for payment of the annual gross sales fee under paragraph (c),  
23.18 record keeping under paragraph (i), and all other requirements of section 18B.316.

23.19 ~~(e) If the total annual revenue from fees collected in fiscal year 2011, 2012, or 2013, by~~  
23.20 ~~the commissioner on the registration and sale of pesticides is less than \$6,600,000, the~~  
23.21 ~~commissioner, after a public hearing, may increase proportionally the pesticide sales and~~  
23.22 ~~product registration fees under this chapter by the amount necessary to ensure this level of~~  
23.23 ~~revenue is achieved. The authority under this section expires on June 30, 2014. The~~  
23.24 ~~commissioner shall report any fee increases under this paragraph 60 days before the fee~~  
23.25 ~~change is effective to the senate and house of representatives agriculture budget divisions.~~

23.26 ~~(f)~~ (e) An additional fee of 50 percent of the registration application fee must be paid  
23.27 by the applicant for each pesticide to be registered if the application is a renewal application  
23.28 that is submitted after December 31.

23.29 ~~(g)~~ (f) A registrant must annually report to the commissioner the amount, type and annual  
23.30 gross sales of each registered nonagricultural pesticide sold, offered for sale, or otherwise  
23.31 distributed in the state. The report shall be filed by March 1 for the previous year's  
23.32 registration. The commissioner shall specify the form of the report or approve the method  
23.33 for submittal of the report and may require additional information deemed necessary to  
23.34 determine the amount and type of nonagricultural pesticide annually distributed in the state.

24.1 The information required shall include the brand name, United States Environmental  
24.2 Protection Agency registration number, and amount of each nonagricultural pesticide sold,  
24.3 offered for sale, or otherwise distributed in the state, but the information collected, if made  
24.4 public, shall be reported in a manner which does not identify a specific brand name in the  
24.5 report.

24.6 ~~(h)~~ (g) A licensed agricultural pesticide dealer or licensed pesticide dealer must annually  
24.7 report to the commissioner the amount, type, and annual gross sales of each registered  
24.8 agricultural pesticide sold, offered for sale, or otherwise distributed in the state or into the  
24.9 state for use in the state. The report must be filed by January 31 for the previous year's sales.  
24.10 The commissioner shall specify the form, contents, and approved electronic method for  
24.11 submittal of the report and may require additional information deemed necessary to determine  
24.12 the amount and type of agricultural pesticide annually distributed within the state or into  
24.13 the state. The information required must include the brand name, United States Environmental  
24.14 Protection Agency registration number, and amount of each agricultural pesticide sold,  
24.15 offered for sale, or otherwise distributed in the state or into the state.

24.16 ~~(i)~~ (h) A person who registers a pesticide with the commissioner under paragraph (b),  
24.17 or a registrant under paragraph (d), shall keep accurate records for five years detailing all  
24.18 distribution or sales transactions into the state or in the state and subject to a fee and surcharge  
24.19 under this section.

24.20 ~~(j)~~ (i) The records are subject to inspection, copying, and audit by the commissioner and  
24.21 must clearly demonstrate proof of payment of all applicable fees and surcharges for each  
24.22 registered pesticide product sold for use in this state. A person who is located outside of  
24.23 this state must maintain and make available records required by this subdivision in this state  
24.24 or pay all costs incurred by the commissioner in the inspecting, copying, or auditing of the  
24.25 records.

24.26 ~~(k)~~ (j) The commissioner may adopt by rule regulations that require persons subject to  
24.27 audit under this section to provide information determined by the commissioner to be  
24.28 necessary to enable the commissioner to perform the audit.

24.29 ~~(l)~~ (k) A registrant who is required to pay more than the minimum fee for any pesticide  
24.30 under paragraph (b) must pay a late fee penalty of \$100 for each pesticide application fee  
24.31 paid after March 1 in the year for which the license is to be issued.



25.1 Sec. 9. Minnesota Statutes 2020, section 21.82, subdivision 3, is amended to read:

25.2 Subd. 3. **Treated seed.** For all named agricultural, vegetable, flower, or wildflower  
25.3 seeds which are treated, for which a separate label may be used, the label must contain:

25.4 (1) a word or statement to indicate that the seed has been treated;

25.5 (2) the commonly accepted, coined, chemical, or abbreviated generic chemical name of  
25.6 the applied substance;

25.7 (3) the caution statement "Do not use for food, feed, or oil purposes" if the substance in  
25.8 the amount present with the seed is harmful to human or other vertebrate animals;

25.9 (4) in the case of mercurials or similarly toxic substances, a poison statement and symbol;

25.10 (5) a word or statement describing the process used when the treatment is not of pesticide  
25.11 origin; ~~and~~

25.12 (6) the date beyond which the inoculant is considered ineffective if the seed is treated  
25.13 with an inoculant. It must be listed on the label as "inoculant: expires (month and year)" or  
25.14 wording that conveys the same meaning; and

25.15 (7) for corn or soybean seed treated with neonicotinoid pesticide, the following caution  
25.16 statement framed in a box and including a bee icon approved by the commissioner: "Planting  
25.17 seed treated with a neonicotinoid pesticide may negatively impact pollinator health. Please  
25.18 use care when handling and planting this seed. Do not use for food, feed, or oil purposes,  
25.19 or ethanol production."

25.20 Sec. 10. Minnesota Statutes 2020, section 21.86, subdivision 2, is amended to read:

25.21 Subd. 2. **Miscellaneous violations.** No person may:

25.22 (a) detach, alter, deface, or destroy any label required in sections 21.82 and 21.83, alter  
25.23 or substitute seed in a manner that may defeat the purposes of sections 21.82 and 21.83, or  
25.24 alter or falsify any seed tests, laboratory reports, records, or other documents to create a  
25.25 misleading impression as to kind, variety, history, quality, or origin of the seed;

25.26 (b) hinder or obstruct in any way any authorized person in the performance of duties  
25.27 under sections 21.80 to 21.92;

25.28 (c) fail to comply with a "stop sale" order or to move or otherwise handle or dispose of  
25.29 any lot of seed held under a stop sale order or attached tags, except with express permission  
25.30 of the enforcing officer for the purpose specified;

26.1 (d) use the word "type" in any labeling in connection with the name of any agricultural  
26.2 seed variety;

26.3 (e) use the word "trace" as a substitute for any statement which is required;

26.4 (f) plant any agricultural seed which the person knows contains weed seeds or noxious  
26.5 weed seeds in excess of the limits for that seed; ~~or~~

26.6 (g) advertise or sell seed containing patented, protected, or proprietary varieties used  
26.7 without permission of the patent or certificate holder of the intellectual property associated  
26.8 with the variety of seed; or

26.9 (h) use or sell as food, feed, oil, or ethanol feedstock any seed treated or coated with  
26.10 neonicotinoid pesticide.

26.11 Sec. 11. **[21.915] PROHIBITED DISPOSAL METHODS.**

26.12 A person must not dispose of seed treated or coated with neonicotinoid pesticide in a  
26.13 manner inconsistent with the product label, where applicable, or by:

26.14 (1) burial near a drinking water source or any creek, stream, river, lake, or other surface  
26.15 water;

26.16 (2) composting; or

26.17 (3) incinerating within a home or other dwelling.

26.18 Sec. 12. Minnesota Statutes 2020, section 28A.08, is amended by adding a subdivision to  
26.19 read:

26.20 Subd. 4. **Food handler license account; appropriation.** A food handler license account  
26.21 is established in the agricultural fund. Fees paid under subdivision 3 must be deposited in  
26.22 the account. Money in the account, including interest, is appropriated to the commissioner  
26.23 for expenses relating to licensing and inspecting food handlers under chapters 28 to 34A or  
26.24 rules adopted under one of those chapters.

26.25 Sec. 13. Minnesota Statutes 2020, section 28A.09, is amended by adding a subdivision to  
26.26 read:

26.27 Subd. 3. **Vending machine inspection account; appropriation.** A vending machine  
26.28 inspection account is established in the agricultural fund. Fees paid under subdivision 1  
26.29 must be deposited in the account. Money in the account, including interest, is appropriated

27.1 to the commissioner for expenses relating to identifying and inspecting food vending  
27.2 machines under chapters 28 to 34A or rules adopted under one of those chapters.

27.3 Sec. 14. Minnesota Statutes 2020, section 28A.152, subdivision 1, is amended to read:

27.4 Subdivision 1. **Licensing provisions applicability.** (a) The licensing provisions of  
27.5 sections 28A.01 to 28A.16 do not apply to the following:

27.6 (1) an individual who prepares and sells food that is not potentially hazardous food, as  
27.7 defined in Minnesota Rules, part 4626.0020, subpart 62, if the following requirements are  
27.8 met:

27.9 (i) the prepared food offered for sale under this clause is labeled to accurately reflect  
27.10 the name and the registration number or address of the individual preparing and selling the  
27.11 food, the date on which the food was prepared, and the ingredients and any possible allergens;  
27.12 and

27.13 (ii) the individual displays at the point of sale a clearly legible sign or placard stating:  
27.14 "These products are homemade and not subject to state inspection."; and

27.15 (2) an individual who prepares and sells home-processed and home-canned food products  
27.16 if the following requirements are met:

27.17 (i) the products are pickles, vegetables, or fruits having an equilibrium pH value of 4.6  
27.18 or lower, or a water activity value of .85 or less;

27.19 (ii) the products are home-processed and home-canned in Minnesota;

27.20 (iii) the individual displays at the point of sale a clearly legible sign or placard stating:  
27.21 "These canned goods are homemade and not subject to state inspection."; and

27.22 (iv) each container of the product sold or offered for sale under this clause is accurately  
27.23 labeled to provide the name and the registration number or address of the individual who  
27.24 processed and canned the goods, the date on which the goods were processed and canned,  
27.25 and ingredients and any possible allergens.

27.26 (b) An individual who qualifies for an exemption under paragraph (a), clause (2), is also  
27.27 exempt from the provisions of sections 31.31 and 31.392.

27.28 (c) An individual who qualifies for an exemption under paragraph (a) may organize the  
27.29 individual's cottage food business as a business entity recognized by state law.

28.1 Sec. 15. Minnesota Statutes 2020, section 28A.152, subdivision 3, is amended to read:

28.2 Subd. 3. **Limitation on sales.** An individual selling exempt foods under this section is  
28.3 limited to total sales with gross receipts of ~~\$18,000~~ \$78,000 or less in a calendar year.

28.4 Sec. 16. Minnesota Statutes 2020, section 28A.152, subdivision 4, is amended to read:

28.5 Subd. 4. **Registration.** An individual who prepares and sells exempt food under  
28.6 subdivision 1 must register annually with the commissioner. The commissioner shall register  
28.7 an individual within 30 days of submitting a complete registration to the commissioner. A  
28.8 registration shall be deemed accepted after 30 days following an individual's complete  
28.9 registration to the commissioner. The annual registration fee is ~~\$50~~ \$25. An individual with  
28.10 \$5,000 or less in annual gross receipts from the sale of exempt food under this section is  
28.11 not required to pay the registration fee. Beginning January 1, 2022, and every five years  
28.12 thereafter, the commissioner shall adjust the gross receipts amount of this fee exemption  
28.13 based on the consumer price index using 2015 as the index year for the \$5,000 gross receipts  
28.14 exemption.

28.15 Sec. 17. Minnesota Statutes 2020, section 28A.152, subdivision 5, is amended to read:

28.16 Subd. 5. **Training.** ~~(a) An individual with gross receipts between \$5,000 and \$18,000~~  
28.17 ~~in a calendar year from the sale of exempt food~~ under this section must complete a safe  
28.18 food handling training course that is approved by the commissioner before registering under  
28.19 subdivision 4. The training shall not exceed eight hours and must be completed every three  
28.20 years while the individual is registered under subdivision 4.

28.21 ~~(b) An individual with gross receipts of less than \$5,000 in a calendar year from the sale~~  
28.22 ~~of exempt food under this section must satisfactorily complete an online course and exam~~  
28.23 ~~as approved by the commissioner before registering under subdivision 4. The commissioner~~  
28.24 ~~shall offer the online course and exam under this paragraph at no cost to the individual.~~

28.25 Sec. 18. **[28A.153] WILD GAME PROCESSOR EXEMPTION.**

28.26 Subdivision 1. Licensing provisions applicability. The licensing provisions of sections  
28.27 28A.01 to 28A.16 do not apply to an individual who processes wild game or fowl as  
28.28 described in section 31A.15, subdivision 1, clause (2), if the following requirements are  
28.29 met:

28.30 (1) the individual does not conduct another operation subject to the licensing provisions  
28.31 of sections 28A.01 to 28A.16;

29.1 (2) the individual's operation is limited to the handling of raw products, to include cutting,  
 29.2 grinding, and packaging, and without further preparation of the wild game or fowl products;

29.3 (3) the individual does not add any additional ingredients to the wild game or fowl  
 29.4 products;

29.5 (4) the wild game or fowl products are not donated; and

29.6 (5) all wild game or fowl products are packaged and labeled as "Not for Sale."

29.7 Subd. 2. **Sales limitation.** An individual processing wild game or fowl under this section  
 29.8 is limited to total services with gross receipts of \$20,000 or less in a calendar year.

29.9 Subd. 3. **Registration.** An individual processing wild game under this section must  
 29.10 register annually with the commissioner. The commissioner must not assess a registration  
 29.11 fee.

29.12 Subd. 4. **Permit exemption.** An individual processing wild game under this section is  
 29.13 not required to obtain a custom processing permit under section 28A.04, subdivision 2.

29.14 Subd. 5. **Local ordinances.** This section does not preempt the application of any business  
 29.15 licensing requirement or sanitation, public health, or zoning ordinance of a political  
 29.16 subdivision.

29.17 Subd. 6. **Chronic wasting disease.** An individual processing wild game under this  
 29.18 section must:

29.19 (1) ensure that each white-tailed deer processed by the individual and harvested from a  
 29.20 chronic wasting disease management zone established by the commissioner of natural  
 29.21 resources is tested for chronic wasting disease; and

29.22 (2) dispose of the carcass of each white-tailed deer under clause (1) through a chronic  
 29.23 wasting disease adopt-a-dumpster program administered by the commissioner of natural  
 29.24 resources.

29.25 Sec. 19. Minnesota Statutes 2020, section 35.02, subdivision 1, is amended to read:

29.26 Subdivision 1. **Members; officers.** The board has ~~five~~ seven members appointed by the  
 29.27 governor ~~with the advice and consent of the senate~~, three of whom are producers of livestock  
 29.28 in the state, ~~and two~~ three of whom are practicing veterinarians licensed in Minnesota at  
 29.29 least one of whom is a small-animal veterinarian, and one of whom is a member of a federally  
 29.30 recognized Tribe located in Minnesota with knowledge of animal health. The commissioners  
 29.31 of agriculture, natural resources, and health, the dean of the College of Veterinary Medicine,  
 29.32 and the director of the Veterinary Diagnostic Laboratory of the University of Minnesota

30.1 ~~may~~ shall serve as consultants to the board without vote. Appointments to fill unexpired  
30.2 terms must be made from the classes to which the retiring members belong. The board shall  
30.3 elect a president and a vice-president from among its members ~~and~~. The governor shall  
30.4 appoint a veterinarian licensed in Minnesota who is not a member to be its executive director  
30.5 for a term of one year and until a successor qualifies. The board shall set the duties of the  
30.6 director.

30.7 **EFFECTIVE DATE.** This section is effective July 1, 2021, and the governor's duty to  
30.8 appoint the executive director of the Board of Animal Health begins with the appointment  
30.9 for state fiscal year 2023.

30.10 Sec. 20. Minnesota Statutes 2020, section 41A.16, subdivision 2, is amended to read:

30.11 Subd. 2. **Payment amounts; limits.** (a) The commissioner shall make payments to  
30.12 eligible producers of advanced biofuel. The amount of the payment for each eligible  
30.13 producer's annual production is \$2.1053 per MMbtu for advanced biofuel production from  
30.14 cellulosic biomass, and \$1.053 per MMbtu for advanced biofuel production from sugar,  
30.15 starch, oil, or animal fat at a specific location for ten years after the start of production.

30.16 (b) Total payments under this section to an eligible biofuel producer in a fiscal year may  
30.17 not exceed the amount necessary for 2,850,000 MMbtu of biofuel production. Total payments  
30.18 under this section to all eligible biofuel producers in a fiscal year may not exceed the amount  
30.19 necessary for 17,100,000 MMbtu of biofuel production. If the total amount for which all  
30.20 producers are eligible in a quarter exceeds the amount available for payments, the  
30.21 commissioner shall make the payments on a pro rata basis. An eligible producer may reapply  
30.22 for payment of the amount of the difference between the claim for payment filed under  
30.23 subdivision 6 and the pro rata amount received until the full amount of the original claim  
30.24 is paid.

30.25 (c) For purposes of this section, an entity that holds a controlling interest in more than  
30.26 one advanced biofuel facility is considered a single eligible producer.

30.27 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2020, and  
30.28 applies to claims filed after January 1, 2020.

30.29 Sec. 21. Minnesota Statutes 2020, section 41A.16, subdivision 5, is amended to read:

30.30 Subd. 5. **Agricultural cellulosic biomass sourcing plan.** (a) An eligible producer who  
30.31 utilizes agricultural cellulosic biomass other than corn kernel fiber or biogas must submit  
30.32 a responsible biomass sourcing plan for approval by the commissioner prior to applying for

31.1 payments under this section. The commissioner shall make the plan publicly available. The  
31.2 plan must:

31.3 (1) provide a detailed explanation of how agricultural cellulosic biomass will be produced  
31.4 and managed in a way that preserves soil quality, does not increase soil and nutrient runoff,  
31.5 avoids introduction of harmful invasive species, limits negative impacts on wildlife habitat,  
31.6 and reduces greenhouse gas emissions;

31.7 (2) include the producer's approach to verifying that biomass suppliers are following  
31.8 the plan;

31.9 (3) discuss how new technologies and practices that are not yet commercially viable  
31.10 may be encouraged and adopted during the life of the facility, and how the producer will  
31.11 encourage continuous improvement during the life of the project;

31.12 (4) include specific numeric goals and timelines for making progress;

31.13 (5) require agronomic practices that result in a positive Natural Resources Conservation  
31.14 Service Soil Conditioning Index score for acres from which biomass from corn stover will  
31.15 be harvested; and

31.16 (6) include biennial soil sampling to verify maintained or increased levels of soil organic  
31.17 matter.

31.18 (b) An eligible producer who utilizes agricultural cellulosic biomass and receives  
31.19 payments under this section shall submit an annual report on the producer's responsible  
31.20 biomass sourcing plan to the commissioner by January 15 each year. The report must include  
31.21 data on progress made by the producer in meeting specific goals laid out in the plan. The  
31.22 commissioner shall make the report publicly available. The commissioner shall perform an  
31.23 annual review of submitted reports and may make a determination that the producer is not  
31.24 following the plan based on the reports submitted. The commissioner may take appropriate  
31.25 steps, including reducing or ceasing payments, until the producer is in compliance with the  
31.26 plan.

31.27 Sec. 22. Minnesota Statutes 2020, section 41A.16, subdivision 6, is amended to read:

31.28 Subd. 6. **Claims.** (a) By the last day of October, January, April, and July, each eligible  
31.29 biofuel producer shall file a claim for payment for advanced biofuel production during the  
31.30 preceding three calendar months. An eligible biofuel producer that files a claim under this  
31.31 subdivision shall include a statement of the eligible biofuel producer's total advanced biofuel  
31.32 production in Minnesota during the quarter covered by the claim and certify that the eligible  
31.33 producer will not use payments received under this section to compensate a lobbyist who

32.1 is required to register with the Campaign Finance and Public Disclosure Board under section  
32.2 10A.03. For each claim and statement of total advanced biofuel production filed under this  
32.3 subdivision, the volume of advanced biofuel production must be examined by a CPA firm  
32.4 with a valid permit to practice under chapter 326A, in accordance with Statements on  
32.5 Standards for Attestation Engagements established by the American Institute of Certified  
32.6 Public Accountants.

32.7 (b) The commissioner must issue payments by November 15, February 15, May 15, and  
32.8 August 15. A separate payment must be made for each claim filed.

32.9 Sec. 23. Minnesota Statutes 2020, section 41A.17, subdivision 2, is amended to read:

32.10 Subd. 2. **Payment amounts; bonus; limits.** (a) The commissioner shall make payments  
32.11 to eligible producers of renewable chemicals located in the state. The amount of the payment  
32.12 for each producer's annual production is \$0.03 per pound of sugar-derived renewable  
32.13 chemical, \$0.03 per pound of cellulosic sugar, starch, oil, or animal fat, and \$0.06 per pound  
32.14 of cellulosic-derived renewable chemical produced at a specific location for ten years after  
32.15 the start of production.

32.16 (b) An eligible facility producing renewable chemicals using agricultural cellulosic  
32.17 biomass is eligible for a 20 percent bonus payment for each pound produced from agricultural  
32.18 biomass that is derived from perennial crop or cover crop biomass.

32.19 (c) Total payments under this section to an eligible renewable chemical producer in a  
32.20 fiscal year may not exceed the amount necessary for 99,999,999 pounds of renewable  
32.21 chemical production. Total payments under this section to all eligible renewable chemical  
32.22 producers in a fiscal year may not exceed the amount necessary for 599,999,999 pounds of  
32.23 renewable chemical production. If the total amount for which all producers are eligible in  
32.24 a quarter exceeds the amount available for payments, the commissioner shall make the  
32.25 payments on a pro rata basis. An eligible producer may reapply for payment of the amount  
32.26 of the difference between the claim for payment filed under subdivision 5 and the pro rata  
32.27 amount received until the full amount of the original claim is paid.

32.28 (d) An eligible facility may blend renewable chemicals with other chemicals that are  
32.29 not renewable chemicals, but only the percentage attributable to renewable chemicals in  
32.30 the blended product is eligible to receive payment.

32.31 (e) For purposes of this section, an entity that holds a controlling interest in more than  
32.32 one renewable chemical production facility is considered a single eligible producer.



33.1 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2020, and  
33.2 applies to claims filed after January 1, 2020.

33.3 Sec. 24. Minnesota Statutes 2020, section 41A.17, subdivision 4, is amended to read:

33.4 Subd. 4. **Agricultural cellulosic biomass sourcing plan.** (a) An eligible producer who  
33.5 utilizes agricultural cellulosic biomass other than corn kernel fiber or biogas must submit  
33.6 a responsible biomass sourcing plan to the commissioner prior to applying for payments  
33.7 under this section. The plan must:

33.8 (1) provide a detailed explanation of how agricultural cellulosic biomass will be produced  
33.9 and managed in a way that preserves soil quality, does not increase soil and nutrient runoff,  
33.10 avoids introduction of harmful invasive species, limits negative impacts on wildlife habitat,  
33.11 and reduces greenhouse gas emissions;

33.12 (2) include the producer's approach to verifying that biomass suppliers are following  
33.13 the plan;

33.14 (3) discuss how new technologies and practices that are not yet commercially viable  
33.15 may be encouraged and adopted during the life of the facility, and how the producer will  
33.16 encourage continuous improvement during the life of the project; and

33.17 (4) include specific numeric goals and timelines for making progress.

33.18 (b) An eligible producer who utilizes agricultural cellulosic biomass and receives  
33.19 payments under this section shall submit an annual report on the producer's responsible  
33.20 biomass sourcing plan to the commissioner by January 15 each year. The report must include  
33.21 data on progress made by the producer in meeting specific goals laid out in the plan. The  
33.22 commissioner shall make the report publicly available. The commissioner shall perform an  
33.23 annual review of submitted reports and may make a determination that the producer is not  
33.24 following the plan based on the reports submitted. The commissioner may take appropriate  
33.25 steps, including reducing or ceasing payments, until the producer is in compliance with the  
33.26 plan.

33.27 Sec. 25. Minnesota Statutes 2020, section 41A.17, subdivision 5, is amended to read:

33.28 Subd. 5. **Claims.** (a) By the last day of October, January, April, and July, each eligible  
33.29 renewable chemical producer shall file a claim for payment for renewable chemical  
33.30 production during the preceding three calendar months. An eligible renewable chemical  
33.31 producer that files a claim under this subdivision shall include a statement of the eligible  
33.32 producer's total renewable chemical production in Minnesota during the quarter covered by

34.1 the claim and certify that the eligible producer will not use payments received under this  
34.2 section to compensate a lobbyist who is required to register with the Campaign Finance and  
34.3 Public Disclosure Board under section 10A.03. For each claim and statement of total  
34.4 renewable chemical production filed under this paragraph, the volume of renewable chemical  
34.5 production must be examined by a CPA firm with a valid permit to practice under chapter  
34.6 326A, in accordance with Statements on Standards for Attestation Engagements established  
34.7 by the American Institute of Certified Public Accountants.

34.8 (b) The commissioner must issue payments by November 15, February 15, May 15, and  
34.9 August 15. A separate payment must be made for each claim filed.

34.10 Sec. 26. Minnesota Statutes 2020, section 41A.18, subdivision 2, is amended to read:

34.11 **Subd. 2. Payment amounts; bonus; limits; blending.** (a) The commissioner shall make  
34.12 payments to eligible producers of biomass thermal located in the state. The amount of the  
34.13 payment for each producer's annual production is \$5.00 per MMbtu of biomass thermal  
34.14 production produced at a specific location for ten years after the start of production.

34.15 (b) An eligible facility producing biomass thermal using agricultural cellulosic biomass  
34.16 is eligible for a 20 percent bonus payment for each MMbtu produced from agricultural  
34.17 biomass that is derived from perennial crop or cover crop biomass.

34.18 (c) Total payments under this section to an eligible thermal producer in a fiscal year  
34.19 may not exceed the amount necessary for 30,000 MMbtu of thermal production. Total  
34.20 payments under this section to all eligible thermal producers in a fiscal year may not exceed  
34.21 the amount necessary for 150,000 MMbtu of total thermal production. If the total amount  
34.22 for which all producers are eligible in a quarter exceeds the amount available for payments,  
34.23 the commissioner shall make the payments on a pro rata basis. An eligible producer may  
34.24 reapply for payment of the amount of the difference between the claim for payment filed  
34.25 under subdivision 5 and the pro rata amount received until the full amount of the original  
34.26 claim is paid.

34.27 (d) An eligible facility may blend a cellulosic feedstock with other fuels in the biomass  
34.28 thermal production facility, but only the percentage attributable to biomass meeting the  
34.29 cellulosic forestry biomass requirements or agricultural cellulosic biomass sourcing plan is  
34.30 eligible to receive payment.

34.31 (e) When a facility is eligible due to adding production capacity or retrofitting existing  
34.32 capacity, the entire amount of biomass meeting the cellulosic forestry biomass requirements

35.1 or agricultural cellulosic biomass sourcing plan is assumed to have been used for the biomass  
35.2 thermal production from the added or retrofitted production capacity.

35.3 (f) For purposes of this section, an entity that holds a controlling interest in more than  
35.4 one biomass thermal production facility is considered a single eligible producer.

35.5 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2020, and  
35.6 applies to claims filed after January 1, 2020.

35.7 Sec. 27. Minnesota Statutes 2020, section 41A.18, subdivision 5, is amended to read:

35.8 Subd. 5. **Claims.** (a) By the last day of October, January, April, and July, each producer  
35.9 shall file a claim for payment for biomass thermal production during the preceding three  
35.10 calendar months. A producer that files a claim under this subdivision shall include a statement  
35.11 of the producer's total biomass thermal production in Minnesota during the quarter covered  
35.12 by the claim and certify that the eligible producer will not use payments received under this  
35.13 section to compensate a lobbyist who is required to register with the Campaign Finance and  
35.14 Public Disclosure Board under section 10A.03. For each claim and statement of total biomass  
35.15 thermal production filed under this paragraph, the volume of biomass thermal production  
35.16 must be examined by a CPA firm with a valid permit to practice under chapter 326A, in  
35.17 accordance with Statements on Standards for Attestation Engagements established by the  
35.18 American Institute of Certified Public Accountants.

35.19 (b) The commissioner must issue payments by November 15, February 15, May 15, and  
35.20 August 15. A separate payment shall be made for each claim filed.

35.21 Sec. 28. Minnesota Statutes 2020, section 41A.19, is amended to read:

35.22 **41A.19 REPORT; INCENTIVE PROGRAMS.**

35.23 By January 15 each year, the commissioner shall report on the incentive programs under  
35.24 sections 41A.16, 41A.17, and 41A.18 to the legislative committees with jurisdiction over  
35.25 environment policy and finance and agriculture policy and finance. The report shall include  
35.26 information on production and incentive expenditures under the programs-, as well as the  
35.27 following information that the commissioner must require of each producer who receives  
35.28 a payment during the reporting period:

35.29 (1) business structure of the producer;

35.30 (2) the name and address of the parent company of the producer, if any;

35.31 (3) a cumulative list of all financial assistance received from all grantors for the project;

36.1 (4) goals for the number of jobs created and progress in achieving these goals, which  
36.2 may include separate goals for the number of part-time or full-time jobs, or, in cases where  
36.3 job loss is specific and demonstrable, goals for the number of jobs retained;

36.4 (5) equity hiring goals and progress in achieving these goals;

36.5 (6) wage goals and progress in achieving these goals for all jobs created or maintained  
36.6 by the producer;

36.7 (7) board member and executive compensation;

36.8 (8) evidence of compliance with environmental permits;

36.9 (9) the producer's intended and actual use of payments received from the commissioner;  
36.10 and

36.11 (10) if applicable, the latest financial audit opinion statement produced by a certified  
36.12 public accountant in accordance with standards established by the American Institute of  
36.13 Certified Public Accountants.

36.14 Sec. 29. **[41A.25] BIOFUELS INFRASTRUCTURE FINANCIAL ASSISTANCE**  
36.15 **PROGRAM.**

36.16 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have  
36.17 the meanings given.

36.18 (b) "Account" means the biofuels infrastructure financial assistance account established  
36.19 in subdivision 3.

36.20 (c) "Biofuel" has the meaning given in section 239.051.

36.21 (d) "Biodiesel blend" has the meaning given in section 239.77.

36.22 (e) "Biodiesel fuel" has the meaning given in section 239.77.

36.23 (f) "Biofuels Infrastructure Financial Assistance Program Advisory Committee" or  
36.24 "advisory committee" means the Biofuels Infrastructure Financial Assistance Program  
36.25 Advisory Committee under section 41A.26.

36.26 (g) "Commissioner" means the commissioner of agriculture.

36.27 (h) "Financing" means loans, including low-interest loans, zero-interest loans, forgivable  
36.28 loans, and other types of financial assistance other than grants.

36.29 (i) "Program" means the biofuels infrastructure financial assistance program established  
36.30 in this section.

37.1 (j) "Technical assistance" means individualized guidance, presentations, workshops,  
37.2 trainings, printed materials, or other guidance and resources on relevant topics.

37.3 (k) "Transportation fuel storage and dispensing infrastructure" means an underground  
37.4 storage tank or above-ground storage tank, as those terms are defined in section 116.46 and  
37.5 any rules adopted under that section. Transportation fuel storage and dispensing infrastructure  
37.6 includes any structures or appurtenances to an underground storage tank or above-ground  
37.7 storage tank.

37.8 Subd. 2. **Program established.** (a) A biofuels infrastructure financial assistance program  
37.9 is established within the Department of Agriculture to provide financing and financial  
37.10 assistance to owners of transportation fuel storage and dispensing infrastructure for the  
37.11 purpose of upgrading infrastructure to become compatible with blends of gasoline containing  
37.12 greater than ten percent biofuel by volume or biodiesel blends containing greater than 20  
37.13 percent of biodiesel fuel by volume. The commissioner, in cooperation with public and  
37.14 private partners, must establish and implement the program as provided in this section.

37.15 (b) The biofuels infrastructure financial assistance program must be comprised of state  
37.16 or private grants, loans, or other types of financial and technical assistance for the purpose  
37.17 as provided in this subdivision.

37.18 (c) The commissioner's actions under this subdivision are not subject to chapter 14.

37.19 Subd. 3. **Biofuels infrastructure financial assistance account.** A biofuels infrastructure  
37.20 financial assistance account is established in the agricultural fund. The account consists of  
37.21 money appropriated to the commissioner and any other money donated, allotted, transferred,  
37.22 or otherwise provided to the account. Money in the account, including interest, is appropriated  
37.23 to the commissioner for the purposes of this section, and must be used, to the extent  
37.24 practicable, to leverage other forms of public and private financing or financial assistance  
37.25 for the projects.

37.26 Subd. 4. **Program administration.** (a) The commissioner is the administrator of the  
37.27 account for auditing purposes and must establish program requirements and a competitive  
37.28 process for projects applying for financial and technical assistance.

37.29 (b) The commissioner may receive money or other assets from any source, including  
37.30 but not limited to philanthropic foundations and financial investors, for deposit into the  
37.31 account.

37.32 (c) Through issuance of requests for proposals, the commissioner may contract with one  
37.33 or more qualified economic or community development financial institutions to manage

38.1 the financing component of the program and with one or more qualified organizations or  
38.2 public agencies with financial or other program-related expertise to manage the provision  
38.3 of technical assistance to project grantees.

38.4 (d) Money in the account at the close of each fiscal year does not cancel. In each  
38.5 biennium, the commissioner must determine the appropriate proportion of money to be  
38.6 allocated to loans, grants, technical assistance, and any other types of financial assistance.

38.7 (e) To encourage public-private, cross-sector collaboration and investment in the account  
38.8 and program and to ensure that the program intent is maintained throughout implementation,  
38.9 the commissioner must convene and maintain the Biofuels Infrastructure Financial Assistance  
38.10 Program Advisory Committee.

38.11 (f) The commissioner, in cooperation with the Biofuels Infrastructure Financial Assistance  
38.12 Program Advisory Committee, must manage the program, establish program criteria, facilitate  
38.13 leveraging of additional public and private investment, and promote the program statewide.

38.14 (g) The commissioner, in cooperation with the Biofuels Infrastructure Financial  
38.15 Assistance Program Advisory Committee must establish annual monitoring and accountability  
38.16 mechanisms for all projects receiving financing or other financial or technical assistance  
38.17 through this program.

38.18 Subd. 5. **Eligible projects.** (a) The commissioner, in cooperation with the Biofuels  
38.19 Infrastructure Financial Assistance Program Advisory Committee, must establish project  
38.20 eligibility guidelines and application processes to be used to review and select project  
38.21 applicants for financing or other financial or technical assistance.

38.22 (b) Projects eligible for financing, financial assistance such as grants, or technical  
38.23 assistance, must fulfill the purpose as provided in subdivision 2.

38.24 Subd. 6. **Legislative report.** The commissioner, in cooperation with any economic or  
38.25 community development financial institution and any other entity with which it contracts,  
38.26 must submit a report on the biofuels infrastructure financial assistance program by January  
38.27 15 of each year to the chairs and ranking minority members of the legislative committees  
38.28 and divisions with jurisdiction over agriculture policy and finance. The annual report must  
38.29 include but not be limited to a summary of the following metrics:

38.30 (1) the number and types of projects financed;

38.31 (2) the amount of dollars leveraged or matched per project;

38.32 (3) the geographic distribution of financed projects;

- 39.1 (4) the number and types of technical assistance recipients;  
39.2 (5) any market expansion associated with upgraded infrastructure;  
39.3 (6) the demographics of the areas served;  
39.4 (7) the costs of the program; and  
39.5 (8) the number of loans or grants to minority-owned or female-owned businesses.

39.6 Sec. 30. [41A.26] BIOFUELS INFRASTRUCTURE FINANCIAL ASSISTANCE  
39.7 PROGRAM ADVISORY COMMITTEE.

39.8 Subdivision 1. Definitions. As used in this section, the following terms have the meanings  
39.9 given:

39.10 (1) "commissioner" means the commissioner of agriculture; and

39.11 (2) "program" means the biofuels infrastructure financial assistance program under  
39.12 section 41A.25.

39.13 Subd. 2. Creation. The Biofuels Infrastructure Financial Assistance Program Advisory  
39.14 Committee consists of no more than 15 members appointed by the commissioner of  
39.15 agriculture, including but not limited to representatives of agriculture, the biofuels industry,  
39.16 and motor fuel retailers.

39.17 Subd. 3. Duties. The advisory committee must advise the commissioner of agriculture  
39.18 on managing the program, establishing program criteria, establishing project eligibility  
39.19 guidelines, establishing application processes and additional selection criteria, establishing  
39.20 annual monitoring and accountability mechanisms, facilitating leveraging of additional  
39.21 public and private investments, and promoting the program statewide.

39.22 Subd. 4. Meetings. The commissioner must convene the advisory committee at least  
39.23 two times per year to achieve the committee's duties.

39.24 Subd. 5. Administrative support. The commissioner of agriculture must provide staffing,  
39.25 meeting space, and administrative services for the advisory committee.

39.26 Subd. 6. Chair. The commissioner of agriculture or the commissioner's designee must  
39.27 serve as chair of the committee.

39.28 Subd. 7. Compensation. The public members of the advisory committee serve without  
39.29 compensation or payment of expenses.

40.1 Sec. 31. Minnesota Statutes 2020, section 41B.048, subdivision 2, is amended to read:

40.2 Subd. 2. **Establishment.** The authority shall establish and implement an agroforestry  
40.3 loan program to help finance the production of short rotation woody crops. ~~The authority~~  
40.4 ~~may contract with a fiscal agent to provide an efficient delivery system for this program.~~

40.5 Sec. 32. Minnesota Statutes 2020, section 41B.048, subdivision 4, is amended to read:

40.6 Subd. 4. **Definitions.** (a) The definitions in this subdivision apply to this section.

40.7 ~~(b) "Fiscal agent" means any lending institution or other organization of a for-profit or~~  
40.8 ~~nonprofit nature that is in good standing with the state of Minnesota that has the appropriate~~  
40.9 ~~business structure and trained personnel suitable to providing efficient disbursement of loan~~  
40.10 ~~funds and the servicing and collection of loans over an extended period of time.~~

40.11 ~~(e)~~ (b) "Growing cycle" means the number of years from planting to harvest.

40.12 ~~(d)~~ (c) "Harvest" means the day that the crop arrives at the scale of the buyer of the crop.

40.13 ~~(e)~~ (d) "Short rotation woody crops" or "crop" means hybrid poplar and other woody  
40.14 plants that are harvested for their fiber within 15 years of planting.

40.15 Sec. 33. Minnesota Statutes 2020, section 41B.048, subdivision 6, is amended to read:

40.16 Subd. 6. **Loans.** (a) The authority may ~~disburse loans through a fiscal agent~~ participate  
40.17 with eligible lenders in agroforestry loans to farmers and agricultural landowners who are  
40.18 eligible under subdivision 5. ~~The total accumulative loan principal must not exceed~~ The  
40.19 authority's participation is limited to 45 percent or \$75,000 of total accumulative principal  
40.20 per loan.

40.21 ~~(b) The fiscal agent may impose a loan origination fee in the amount of one percent of~~  
40.22 ~~the total approved loan. This fee is to be paid by the borrower to the fiscal agent at the time~~  
40.23 ~~of loan closing~~ The interest rates and repayment terms of the authority's participation interest  
40.24 may differ from those of the lender's retained portion of the loan.

40.25 (c) The loan may be disbursed over a period not to exceed 12 years.

40.26 (d) A borrower may receive loans, depending on the availability of funds, for planted  
40.27 areas up to 160 acres for up to:

40.28 (1) the total amount necessary for establishment of the crop;

40.29 (2) the total amount of maintenance costs, including weed control, during the first three  
40.30 years; and



41.1 (3) 70 percent of the estimated value of one year's growth of the crop for years four  
41.2 through 12.

41.3 (e) Security for the loan must be the crop, a personal note executed by the borrower, ~~an~~  
41.4 ~~interest in the land upon which the crop is growing,~~ and whatever other security is required  
41.5 by the ~~fiscal agent~~ eligible lender or the authority. ~~All recording fees must be paid by the~~  
41.6 ~~borrower.~~

41.7 (f) The authority may prescribe forms and establish an application process for applicants  
41.8 to apply for a loan.

41.9 (g) The authority may impose a reasonable, nonrefundable application fee for each  
41.10 application for a loan under this program. The application fee is initially \$50. Application  
41.11 fees received by the authority must be deposited in the Rural Finance Authority administrative  
41.12 account established in section 41B.03.

41.13 (h) Loans under the program must be made using money in the revolving loan account  
41.14 established under section 41B.06.

41.15 (i) All repayments of financial assistance granted under this section, including principal  
41.16 and interest, must be deposited into the revolving loan account established under section  
41.17 41B.06.

41.18 (j) ~~The interest payable on loans made by the authority for the agroforestry loan program~~  
41.19 ~~must, if funded by revenue bond proceeds, be at a rate not less than the rate on the revenue~~  
41.20 ~~bonds, and may be established at a higher rate necessary to pay costs associated with the~~  
41.21 ~~issuance of the revenue bonds and a proportionate share of the cost of administering the~~  
41.22 ~~program.~~ The interest payable on loans for the agroforestry loan program ~~funded from~~  
41.23 ~~sources other than revenue bond proceeds~~ must be at a rate determined by the authority.

41.24 (k) Loan principal balance outstanding plus all assessed interest must be repaid within  
41.25 120 days of harvest, but no later than 15 years from planting.

41.26 Sec. 34. Minnesota Statutes 2020, section 583.215, is amended to read:

41.27 **583.215 EXPIRATION.**

41.28 Sections 336.9-601, subsections (h) and (i); 550.365; 559.209; 582.039; and 583.20 to  
41.29 583.32, expire June 30, ~~2022~~ 2027.

41.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.

42.1 Sec. 35. Minnesota Statutes 2020, section 583.26, subdivision 4, is amended to read:

42.2 Subd. 4. **Mediation proceeding notice.** (a) By ten days after receiving a mediation  
42.3 request, the director shall send: (1) a mediation proceeding notice to the debtor; (2) a  
42.4 mediation proceeding notice to all creditors listed by the debtor in the mediation request  
42.5 and any additional secured creditors identified by the director from the credit report obtained  
42.6 with the debtor's permission under subdivision 2; and (3) a claim form to all secured creditors  
42.7 stated by the debtor or identified by the director.

42.8 (b) The mediation proceeding notice must state:

42.9 (1) the name and address of the debtor;

42.10 (2) that the debtor has requested mediation under the Farmer-Lender Mediation Act;

42.11 (3) the time and place for the orientation session;

42.12 (4) the time and place for the initial mediation meeting;

42.13 (5) a list of the names of three mediators that may be assigned to the proceeding, along  
42.14 with background information on those mediators including biographical information, a  
42.15 summary of previous mediation experience, and the number of agreements signed by parties  
42.16 to previous mediation;

42.17 (6) that the debtor and the initiating creditor may each request the director to exclude  
42.18 one mediator by notifying the director within three days after receiving the notice;

42.19 (7) that in lieu of having a mediator assigned by the director, the debtor and any one or  
42.20 more of the creditors may agree to select and pay for a professional mediator that is approved  
42.21 by the director;

42.22 (8) that the Farmer-Lender Mediation Act prohibits the creditor from beginning or  
42.23 continuing a proceeding to enforce the debt against agricultural property for ~~90~~ 120 days  
42.24 after the debtor files a mediation request with the director unless otherwise allowed; and

42.25 (9) that the creditor must provide the debtor by the initial mediation meeting with copies  
42.26 of notes and contracts for debts subject to the Farmer-Lender Mediation Act and provide a  
42.27 statement of interest rates on the debts, delinquent payments, unpaid principal and interest  
42.28 balances, the creditor's value of the collateral, and debt restructuring programs available by  
42.29 the creditor.

42.30 (c) An initial mediation meeting must be held within 20 days of the notice.

43.1 (d) The initiating creditor and the debtor may each request the director to exclude one  
43.2 mediator from the list by sending the director a notice to exclude the mediator within three  
43.3 days after receiving the mediation proceeding notice.

43.4 (e) In lieu of the director assigning a mediator, the debtor and any one or more of the  
43.5 creditors may agree to select and pay for a professional mediator for the mediation  
43.6 proceeding. The director must approve the professional mediator before the professional  
43.7 mediator may be assigned to the mediation proceeding. The professional mediator may not  
43.8 be approved unless the professional mediator prepares and signs an affidavit:

43.9 (1) disclosing any biases, relationships, or previous associations with the debtor or  
43.10 creditors subject to the mediation proceedings;

43.11 (2) stating certifications, training, or qualifications as a professional mediator;

43.12 (3) disclosing fees to be charged or a rate schedule of fees for the mediation proceeding;

43.13 and

43.14 (4) affirming to uphold the Farmer-Lender Mediation Act and faithfully discharge the  
43.15 duties of a mediator.

43.16 (f) After receiving a mediation proceeding notice, a secured creditor must return a claim  
43.17 form if the debt is not subject to the Farmer-Lender Mediation Act and specify why the debt  
43.18 is not subject to sections 583.20 to 583.32.

43.19 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
43.20 applies to mediation proceedings in progress on that date and mediation proceedings  
43.21 beginning after that date.

43.22 Sec. 36. Minnesota Statutes 2020, section 583.26, subdivision 5, is amended to read:

43.23 Subd. 5. **Effect of mediation proceeding notice.** (a) Except as provided in paragraphs  
43.24 (b), (c), and (d), if a creditor receives a mediation proceeding notice under subdivision 4  
43.25 the creditor and the creditor's successors in interest may not begin or continue proceedings  
43.26 to enforce a debt subject to the Farmer-Lender Mediation Act against agricultural property  
43.27 of the debtor under chapter 580 or 581 or sections 336.9-501 to 336.9-508, to terminate a  
43.28 contract for deed to purchase agricultural property under section 559.21, or to garnish, levy  
43.29 on, execute on, seize, or attach agricultural property until ~~90~~ 120 days after the date the  
43.30 debtor files a mediation request with the director.

43.31 (b) Except as provided in paragraph (c), if a creditor is an agency of the United States  
43.32 and receives a mediation proceeding notice under subdivision 4, the creditor and the creditor's

44.1 successors in interest may not begin or continue proceedings to enforce a debt against  
44.2 agricultural property of the debtor under chapter 580 or 581 or sections 336.9-501 to  
44.3 336.9-508, to terminate a contract for deed to purchase agricultural property under section  
44.4 559.21, or to garnish, levy on, execute on, seize, or attach agricultural property until ~~90~~ 120  
44.5 days after the date the debtor files a mediation request with the director.

44.6 (c) Notwithstanding paragraphs (a) and (b) or subdivision 1, a creditor receiving a  
44.7 mediation proceeding notice may begin proceedings to enforce a debt against agricultural  
44.8 property of the debtor:

44.9 (1) at the time the creditor receives a mediator's affidavit of the debtor's lack of good  
44.10 faith under section 583.27; or

44.11 (2) five days after the date the debtor and creditor sign an agreement allowing the creditor  
44.12 to proceed to enforce the debt against agricultural property if the debtor has not rescinded  
44.13 the agreement within the five days.

44.14 (d) A creditor receiving a mediation proceeding notice must provide the debtor by the  
44.15 initial mediation meeting with copies of notes and contracts for debts subject to the  
44.16 Farmer-Lender Mediation Act and provide a statement of interest rates on the debts,  
44.17 delinquent payments, unpaid principal balance, a list of all collateral securing debts, a  
44.18 creditor's estimate of the value of the collateral, and debt restructuring programs available  
44.19 by the creditor.

44.20 (e) The provisions of this subdivision are subject to section 583.27, relating to extension  
44.21 or reduction in the period before a creditor may begin to enforce a debt and court-supervised  
44.22 mediation.

44.23 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
44.24 applies to mediation proceedings in progress on that date and mediation proceedings  
44.25 beginning after that date.

44.26 Sec. 37. Minnesota Statutes 2020, section 583.26, subdivision 8, is amended to read:

44.27 Subd. 8. **Mediation period.** The mediator may call mediation meetings during the  
44.28 mediation period, which is up to ~~60~~ 90 days after the initial mediation meeting.

44.29 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
44.30 applies to mediation proceedings in progress on that date and mediation proceedings  
44.31 beginning after that date.

45.1 Sec. 38. Minnesota Statutes 2020, section 583.27, subdivision 3, is amended to read:

45.2 Subd. 3. **Creditor's bad faith; court supervision.** If the mediator finds the creditor has  
45.3 not participated in mediation in good faith, the debtor may require court supervised mandatory  
45.4 mediation by filing the affidavit with the district court of the county of the debtor's residence  
45.5 with a request for court supervision of mediation and serving a copy of the request on the  
45.6 creditor. Upon request the court shall require both parties to mediate under the supervision  
45.7 of the court in good faith for a period of not more than ~~60~~ 90 days. All creditor remedies  
45.8 must be suspended during this period. The court may issue orders necessary to effect good  
45.9 faith mediation. Following the mediation period, if the court finds the creditor has not  
45.10 participated in mediation in good faith, the court shall by order suspend the creditor's  
45.11 remedies for an additional period of 180 days. A creditor found by the mediator not to have  
45.12 participated in good faith shall pay attorneys' fees and costs of the debtor requesting  
45.13 court-supervision of mediation or additional suspension of creditor's remedies.

45.14 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
45.15 applies to mediation proceedings in progress on that date and mediation proceedings  
45.16 beginning after that date.

45.17 Sec. 39. Laws 2020, chapter 71, article 2, section 19, is amended to read:

45.18 Sec. 19. **USES OF GENERAL-USE SANITIZERS AND DISINFECTANTS FOR**  
45.19 **TREATMENT OF COVID-19.**

45.20 (a) A person who uses a general-use sanitizer or disinfectant for hire in response to  
45.21 COVID-19 is exempt from the commercial applicator license requirements under Minnesota  
45.22 Statutes, section 18B.33.

45.23 (b) This section expires April 1, ~~2021~~ 2022, or 60 days after the peacetime emergency  
45.24 declared in response to the infectious disease known as COVID-19 expires or is terminated  
45.25 by the proper authority, whichever is later.

45.26 **EFFECTIVE DATE.** This section is effective retroactively from March 31, 2021.

45.27 Sec. 40. **REPEALER.**

45.28 Minnesota Statutes 2020, section 41B.048, subdivision 8, is repealed.

APPENDIX  
Repealed Minnesota Statutes: H1524-1

**41B.048 AGROFORESTRY LOAN PROGRAM.**

Subd. 8. **Revenue bonds.** The authority may issue revenue bonds to finance the agroforestry loan program in accordance with sections 41B.08 to 41B.15, 41B.17, and 41B.18. Bonds may be refunded by the issuance of refunding bonds in the manner authorized by chapter 475.