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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. **2278**

02/27/2023 Authored by Vang
The bill was read for the first time and referred to the Committee on Agriculture Finance and Policy
04/11/2023 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 state government; establishing a budget for the Department of

1.3 Agriculture, the Board of Animal Health, the Agricultural Utilization Research

1.4 Institute, and the Office of Broadband Development; transferring money to the

1.5 border-to-border broadband fund account; making policy and technical changes

1.6 to agriculture provisions; modifying fees; creating accounts; requiring reports;

1.7 providing civil penalties; appropriating money; amending Minnesota Statutes

1.8 2022, sections 17.055, subdivision 1, by adding subdivisions; 17.1016, subdivision

1.9 2; 17.116, subdivision 3; 17.133, subdivision 3; 18B.01, subdivision 2b, by adding

1.10 a subdivision; 18B.051; 18B.055; 18C.425, subdivision 6; 18H.02, by adding a

1.11 subdivision; 18H.03, subdivision 6; 18H.05; 18H.07, by adding subdivisions;

1.12 18H.08, subdivision 2; 18H.09; 18H.13, subdivision 3; 18H.15; 18K.04,

1.13 subdivisions 1, 2; 18K.06; 25.39, subdivision 1; 28A.08, by adding a subdivision;

1.14 28A.082, subdivision 1; 28A.09, by adding a subdivision; 35.02, subdivision 1;

1.15 35.05; 41A.12, subdivision 4; 41A.16, subdivisions 1, 2; 41A.17, subdivisions 1,

1.16 2; 41A.18, subdivisions 1, 2; 41A.19; 116J.395, subdivision 7; 116J.396,

1.17 subdivision 2; 223.16, by adding a subdivision; 223.17, subdivisions 7, 7a; 223.175;

1.18 223.19; 232.22, subdivision 5; Laws 2021, First Special Session chapter 3, article

1.19 1, section 2, subdivision 5, as amended; Laws 2022, chapter 95, article 2, section

1.20 29, subdivision 6; article 4, section 2; proposing coding for new law in Minnesota

1.21 Statutes, chapters 17; 18B; 18K; 116J; 223; repealing Minnesota Statutes 2022,

1.22 sections 17.055, subdivision 2; 18H.02, subdivisions 21, 22, 23; 18H.07,

1.23 subdivisions 2, 3; 18K.05; 18K.09; 35.156, subdivision 2; 41A.16, subdivision 7;

1.24 41A.17, subdivision 6; 41A.18, subdivision 6; 41A.21, subdivision 6; 223.17,

1.25 subdivisions 4, 8; 232.22, subdivisions 4, 6, 6a, 7.

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

1.27 **ARTICLE 1**

1.28 **APPROPRIATIONS**

1.29 Section 1. **AGRICULTURE APPROPRIATIONS.**

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

1.31 and for the purposes specified in this article. The appropriations are from the general fund,

1.32 or another named fund, and are available for the fiscal years indicated for each purpose.

2.1 The figures "2024" and "2025" used in this article mean that the appropriations listed under
 2.2 them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively.
 2.3 "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium"
 2.4 is fiscal years 2024 and 2025.

2.5		<u>APPROPRIATIONS</u>	
2.6		<u>Available for the Year</u>	
2.7		<u>Ending June 30</u>	
2.8		<u>2024</u>	<u>2025</u>

2.9 **Sec. 2. DEPARTMENT OF AGRICULTURE**

2.10	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>90,969,000</u>	<u>\$</u>	<u>73,029,000</u>
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2.11	<u>Appropriations by Fund</u>			
2.12		<u>2024</u>		<u>2025</u>
2.13	<u>General</u>	<u>90,570,000</u>		<u>72,630,000</u>
2.14	<u>Remediation</u>	<u>399,000</u>		<u>399,000</u>

2.15 The amounts that may be spent for each
 2.16 purpose are specified in the following
 2.17 subdivisions.

2.18 **Subd. 2. Protection Services**

2.19	<u>Appropriations by Fund</u>			
2.20		<u>2024</u>		<u>2025</u>
2.21	<u>General</u>	<u>29,666,000</u>		<u>17,610,000</u>
2.22	<u>Remediation</u>	<u>399,000</u>		<u>399,000</u>

2.23 (a) \$399,000 the first year and \$399,000 the
 2.24 second year are from the remediation fund for
 2.25 administrative funding for the voluntary
 2.26 cleanup program.

2.27 (b) \$250,000 the first year and \$250,000 the
 2.28 second year are for the soil health financial
 2.29 assistance program. The commissioner may
 2.30 use up to 6.5 percent of this appropriation for
 2.31 costs incurred to administer the program. This
 2.32 is a onetime appropriation. Any unencumbered
 2.33 balance does not cancel at the end of the first
 2.34 year and is available in the second year.

2.35 Appropriations encumbered under contract on

3.1 or before June 30, 2025, for soil health
3.2 financial assistance grants are available until
3.3 June 30, 2027.

3.4 (c) \$2,500,000 the first year is for transfer to
3.5 the pollinator research account established
3.6 under Minnesota Statutes, section 18B.051.

3.7 (d) \$400,000 the first year and \$400,000 the
3.8 second year are for transfer to the noxious
3.9 weed and invasive plant species assistance
3.10 account established under Minnesota Statutes,
3.11 section 18.89, to award grants to local units
3.12 of government and Tribal Nations under
3.13 Minnesota Statutes, section 18.90.

3.14 (e) \$175,000 the first year and \$175,000 the
3.15 second year are for compensation for
3.16 destroyed or crippled livestock under
3.17 Minnesota Statutes, section 3.737. The first
3.18 year appropriation may be spent to compensate
3.19 for livestock that were destroyed or crippled
3.20 during fiscal year 2023. If the amount in the
3.21 first year is insufficient, the amount in the
3.22 second year is available in the first year. The
3.23 commissioner may use up to \$5,000 each year
3.24 to reimburse expenses incurred by university
3.25 extension educators to provide fair market
3.26 values of destroyed or crippled livestock. If
3.27 the commissioner receives federal dollars to
3.28 pay claims for destroyed or crippled livestock,
3.29 an equivalent amount of this appropriation
3.30 may be used to reimburse nonlethal prevention
3.31 methods performed by federal wildlife services
3.32 staff.

3.33 (f) \$155,000 the first year and \$155,000 the
3.34 second year are for compensation for crop
3.35 damage under Minnesota Statutes, section

4.1 3.7371. If the amount in the first year is
4.2 insufficient, the amount in the second year is
4.3 available in the first year. The commissioner
4.4 may use up to \$10,000 of the appropriation
4.5 each year to reimburse expenses incurred by
4.6 the commissioner or the commissioner's
4.7 approved agent to investigate and resolve
4.8 claims, as well as for costs associated with
4.9 training for approved agents. The
4.10 commissioner may use up to \$40,000 of the
4.11 appropriation each year to make grants to
4.12 producers for measures to protect stored crops
4.13 from elk damage. If the commissioner
4.14 determines that claims made under Minnesota
4.15 Statutes, section 3.737 or 3.7371, are
4.16 unusually high, amounts appropriated for
4.17 either program may be transferred to the
4.18 appropriation for the other program.

4.19 (g) \$5,000,000 the first year is for transfer to
4.20 the grain indemnity account established under
4.21 Minnesota Statutes, section 223.24.

4.22 (h) \$825,000 the first year and \$825,000 the
4.23 second year are to replace capital equipment
4.24 in the Department of Agriculture's analytical
4.25 laboratory.

4.26 (i) \$75,000 the first year and \$75,000 the
4.27 second year are to support a meat processing
4.28 liaison position to assist new or existing meat
4.29 and poultry processing operations in getting
4.30 started, expanding, growing, or transitioning
4.31 into new business models.

4.32 (j) \$500,000 the first year and \$500,000 the
4.33 second year are for grants to organizations in
4.34 Minnesota to develop enterprises, supply
4.35 chains, and markets for continuous living

5.1 cover crops and cropping systems in the early
 5.2 stages of commercial development. For the
 5.3 purposes of this paragraph, "continuous living
 5.4 cover crops and cropping systems" refers to
 5.5 agroforestry, perennial biomass, perennial
 5.6 forage, perennial grains, and winter annual
 5.7 cereal grains and oilseeds that have market
 5.8 value as harvested or grazed commodities.

5.9 The commissioner may use up to 6.5 percent
 5.10 of this appropriation for costs incurred to
 5.11 administer the program. This is a onetime
 5.12 appropriation.

5.13 (k) \$1,126,000 the first year and \$562,000 the
 5.14 second year are to identify and regulate
 5.15 pesticides containing perfluoroalkyl or
 5.16 polyfluoroalkyl substances.

5.17 (l) \$100,000 the first year is to regulate
 5.18 systemic pesticide-treated seed.

5.19 (m) \$65,000 the first year is for transfer to the
 5.20 commissioner of natural resources for a report
 5.21 on feral pigs and mink.

5.22 **Subd. 3. Agricultural Marketing and**
 5.23 **Development**

4,365,000

4,365,000

5.24 (a) \$150,000 the first year and \$150,000 the
 5.25 second year are to expand international trade
 5.26 opportunities and markets for Minnesota
 5.27 agricultural products. The base for this
 5.28 appropriation is \$75,000 in fiscal year 2026
 5.29 and \$75,000 in fiscal year 2027.

5.30 (b) \$186,000 the first year and \$186,000 the
 5.31 second year are for transfer to the Minnesota
 5.32 grown account and may be used as grants for
 5.33 Minnesota grown promotion established under
 5.34 Minnesota Statutes, section 17.102.

6.1 Notwithstanding Minnesota Statutes, section
 6.2 16A.28, the appropriations encumbered under
 6.3 contract on or before June 30, 2025, for
 6.4 Minnesota grown grants in this paragraph are
 6.5 available until June 30, 2027.

6.6 (c) \$634,000 the first year and \$634,000 the
 6.7 second year are for continuation of the dairy
 6.8 development and profitability enhancement
 6.9 programs including dairy profitability teams
 6.10 and dairy business planning grants under
 6.11 Minnesota Statutes, section 32D.30.

6.12 (d) \$200,000 the first year and \$200,000 the
 6.13 second year are to award cooperative grants
 6.14 under Minnesota Statutes, section 17.1016.

6.15 The commissioner may use up to six percent
 6.16 of the appropriation each year to administer
 6.17 the grant program.

6.18 (e) The commissioner may use funds
 6.19 appropriated in this subdivision for annual
 6.20 cost-share payments to resident farmers or
 6.21 entities that sell, process, or package
 6.22 agricultural products in this state for the costs
 6.23 of organic certification. The commissioner
 6.24 may allocate these funds for assistance to
 6.25 persons transitioning from conventional to
 6.26 organic agriculture.

6.27 **Subd. 4. Agriculture, Bioenergy, and Bioproduct**
 6.28 **Advancement**

34,982,000

33,982,000

6.29 (a) \$11,740,000 the first year and \$10,740,000
 6.30 the second year are for the agriculture
 6.31 research, education, extension, and technology
 6.32 transfer program under Minnesota Statutes,
 6.33 section 41A.14. Except as provided below,
 6.34 the appropriation each year is for transfer to
 6.35 the agriculture research, education, extension,

7.1 and technology transfer account under
7.2 Minnesota Statutes, section 41A.14,
7.3 subdivision 3, and the commissioner shall
7.4 transfer funds each year to the Board of
7.5 Regents of the University of Minnesota for
7.6 purposes of Minnesota Statutes, section
7.7 41A.14. To the extent practicable, money
7.8 expended under Minnesota Statutes, section
7.9 41A.14, subdivision 1, clauses (1) and (2),
7.10 must supplement and not supplant existing
7.11 sources and levels of funding. The
7.12 commissioner may use up to one percent of
7.13 this appropriation for costs incurred to
7.14 administer the program.

7.15 Of the amount appropriated for the agriculture
7.16 research, education, extension, and technology
7.17 transfer grant program under Minnesota
7.18 Statutes, section 41A.14:

7.19 (1) \$600,000 the first year and \$600,000 the
7.20 second year are for the Minnesota Agricultural
7.21 Experiment Station's agriculture rapid
7.22 response fund under Minnesota Statutes,
7.23 section 41A.14, subdivision 1, clause (2);

7.24 (2) up to \$1,000,000 the first year and up to
7.25 \$1,000,000 the second year are for research
7.26 on avian influenza, salmonella, and other
7.27 turkey-related diseases;

7.28 (3) \$2,250,000 the first year and \$2,250,000
7.29 the second year are for grants to the Minnesota
7.30 Agricultural Education Leadership Council to
7.31 enhance agricultural education with priority
7.32 given to Farm Business Management
7.33 challenge grants;

8.1 (4) \$450,000 the first year and \$450,000 the
8.2 second year are for the cultivated wild rice
8.3 breeding project at the North Central Research
8.4 and Outreach Center to include a tenure
8.5 track/research associate plant breeder;

8.6 (5) \$350,000 the first year and \$350,000 the
8.7 second year are for potato breeding;

8.8 (6) \$690,000 the first year and \$690,000 the
8.9 second year are to fund the Forever Green
8.10 Initiative and protect the state's natural
8.11 resources while increasing the efficiency,
8.12 profitability, and productivity of Minnesota
8.13 farmers by incorporating perennial and
8.14 winter-annual crops into existing agricultural
8.15 practices. The base for the allocation under
8.16 this clause is \$630,000 in fiscal year 2026 and
8.17 thereafter;

8.18 (7) \$1,000,000 the first year is to purchase and
8.19 maintain equipment and physical infrastructure
8.20 to support breeding, agronomic research, and
8.21 food science activities of the Forever Green
8.22 Initiative. The allocation in this clause is
8.23 onetime; and

8.24 (8) \$500,000 each year is for farm-scale winter
8.25 greenhouse research and development
8.26 coordinated by University of Minnesota
8.27 Extension Regional Sustainable Development
8.28 Partnerships. The allocation in this clause is
8.29 onetime.

8.30 (b) The base for the agriculture research,
8.31 education, extension, and technology transfer
8.32 program is \$10,180,000 in fiscal year 2026
8.33 and \$10,180,000 in fiscal year 2027.

9.1 (c) \$23,242,000 the first year and \$23,242,000
9.2 the second year are for the agricultural growth,
9.3 research, and innovation program under
9.4 Minnesota Statutes, section 41A.12. Except
9.5 as provided below, the commissioner may
9.6 allocate this appropriation each year among
9.7 the following areas: facilitating the start-up,
9.8 modernization, improvement, or expansion of
9.9 livestock operations, including beginning and
9.10 transitioning livestock operations with
9.11 preference given to robotic dairy-milking
9.12 equipment; assisting value-added agricultural
9.13 businesses to begin or expand, to access new
9.14 markets, or to diversify, including aquaponics
9.15 systems; facilitating the start-up,
9.16 modernization, or expansion of other
9.17 beginning and transitioning farms, including
9.18 by providing loans under Minnesota Statutes,
9.19 section 41B.056; sustainable agriculture
9.20 on-farm research and demonstration; the
9.21 development or expansion of food hubs and
9.22 other alternative community-based food
9.23 distribution systems; enhancing renewable
9.24 energy infrastructure and use; crop research,
9.25 including basic and applied turf seed research;
9.26 Farm Business Management tuition assistance;
9.27 and good agricultural practices and good
9.28 handling practices certification assistance. The
9.29 commissioner may use up to 6.5 percent of
9.30 this appropriation for costs incurred to
9.31 administer the program.

9.32 Of the amount appropriated for the agricultural
9.33 growth, research, and innovation program
9.34 under Minnesota Statutes, section 41A.12:

10.1 (1) \$1,000,000 the first year and \$1,000,000
10.2 the second year are for distribution in equal
10.3 amounts to each of the state's county fairs to
10.4 preserve and promote Minnesota agriculture;

10.5 (2) \$6,750,000 the first year and \$6,750,000
10.6 the second year are for incentive payments
10.7 under Minnesota Statutes, sections 41A.16,
10.8 41A.17, 41A.18, and 41A.20. Of the amount
10.9 allocated each year, \$1,000,000 is to pay prior
10.10 claims that were not fully paid.

10.11 Notwithstanding Minnesota Statutes, section
10.12 16A.28, the first year appropriation is
10.13 available until June 30, 2025, and the second
10.14 year appropriation is available until June 30,
10.15 2026. If this appropriation exceeds the total
10.16 amount for which all producers are eligible in
10.17 a fiscal year, the balance of the appropriation
10.18 is available for other purposes under this
10.19 paragraph. The base under this clause is
10.20 \$5,750,000 in fiscal year 2026 and thereafter
10.21 and does not include funding to pay prior
10.22 claims that were not fully paid;

10.23 (3) \$3,000,000 the first year and \$3,000,000
10.24 the second year are for grants that enable retail
10.25 petroleum dispensers, fuel storage tanks, and
10.26 other equipment to dispense biofuels to the
10.27 public in accordance with the biofuel
10.28 replacement goals established under
10.29 Minnesota Statutes, section 239.7911. A retail
10.30 petroleum dispenser selling petroleum for use
10.31 in spark ignition engines for vehicle model
10.32 years after 2000 is eligible for grant money
10.33 under this clause if the retail petroleum
10.34 dispenser has no more than 10 retail petroleum
10.35 dispensing sites and each site is located in

11.1 Minnesota. The grant money must be used to
11.2 replace or upgrade equipment that does not
11.3 have the ability to be certified for E25. A grant
11.4 award must not exceed 65 percent of the cost
11.5 of the appropriate technology. A grant award
11.6 must not exceed \$200,000 per station. The
11.7 commissioner must cooperate with biofuel
11.8 stakeholders in the implementation of the grant
11.9 program. The commissioner, in cooperation
11.10 with any economic or community development
11.11 financial institution and any other entity with
11.12 which the commissioner contracts, must
11.13 submit a report on the biofuels infrastructure
11.14 financial assistance program by January 15 of
11.15 each year to the chairs and ranking minority
11.16 members of the legislative committees and
11.17 divisions with jurisdiction over agriculture
11.18 policy and finance. The annual report must
11.19 include but not be limited to a summary of the
11.20 following metrics: (i) the number and types
11.21 of projects financed; (ii) the amount of dollars
11.22 leveraged or matched per project; (iii) the
11.23 geographic distribution of financed projects;
11.24 (iv) any market expansion associated with
11.25 upgraded infrastructure; (v) the demographics
11.26 of the areas served; (vi) the costs of the
11.27 program; and (vii) the number of grants to
11.28 minority-owned or female-owned businesses;
11.29 (4) \$100,000 the first year and \$100,000 the
11.30 second year are for grants to facilitate the
11.31 start-up, modernization, or expansion of
11.32 copacking facilities, commercial kitchens, and
11.33 other key supply chain infrastructure, such as
11.34 shared cold-chain capacity. Money
11.35 appropriated in this clause may also be used
11.36 to assist value-added processors with food

- 12.1 safety and environmental sustainability
- 12.2 guideline planning and third-party certification
- 12.3 services;
- 12.4 (5) \$1,250,000 the first year and \$1,250,000
- 12.5 the second year are for grants to facilitate the
- 12.6 start-up, modernization, or expansion of meat,
- 12.7 poultry, egg, and milk processing facilities. A
- 12.8 grant award under this clause must not exceed
- 12.9 \$200,000. Any unencumbered balance at the
- 12.10 end of the second year does not cancel until
- 12.11 June 30, 2026, and may be used for other
- 12.12 purposes under this paragraph. The base under
- 12.13 this clause is \$250,000 in fiscal year 2026 and
- 12.14 thereafter;
- 12.15 (6) \$1,000,000 the first year and \$1,000,000
- 12.16 the second year are to develop and enhance
- 12.17 farm-to-school markets for Minnesota farmers
- 12.18 by providing more fruits, vegetables, meat,
- 12.19 grain, and dairy for Minnesota children in
- 12.20 schools and early childhood education centers,
- 12.21 including, at the commissioner's discretion,
- 12.22 reimbursing schools and early childhood
- 12.23 education centers for purchases from local
- 12.24 farmers;
- 12.25 (7) \$1,000,000 the first year and \$1,000,000
- 12.26 the second year are for urban youth
- 12.27 agricultural education or urban agriculture
- 12.28 community development;
- 12.29 (8) \$500,000 the first year and \$500,000 the
- 12.30 second year are for the good food access
- 12.31 program under Minnesota Statutes, section
- 12.32 17.1017; and
- 12.33 (9) \$1,000,000 the first year and \$1,000,000
- 12.34 the second year are to award and administer

13.1 hemp fiber processing equipment grants under
 13.2 Minnesota Statutes, section 18K.10. The
 13.3 allocation in this clause is onetime.
 13.4 Notwithstanding Minnesota Statutes, section
 13.5 16A.28, any unencumbered balance does not
 13.6 cancel at the end of the first year and is
 13.7 available for the second year, and
 13.8 appropriations encumbered under contract on
 13.9 or before June 30, 2025, for agricultural
 13.10 growth, research, and innovation grants are
 13.11 available until June 30, 2028.

13.12 (d) The base for the agricultural growth,
 13.13 research, and innovation program is
 13.14 \$16,079,000 in fiscal year 2026 and
 13.15 \$16,079,000 in fiscal year 2027, and includes
 13.16 funding for incentive payments under
 13.17 Minnesota Statutes, sections 41A.16, 41A.17,
 13.18 41A.18, and 41A.20.

13.19 **Subd. 5. Administration and Financial**
 13.20 **Assistance**

21,557,000

16,673,000

13.21 (a) \$474,000 the first year and \$474,000 the
 13.22 second year are for payments to county and
 13.23 district agricultural societies and associations
 13.24 under Minnesota Statutes, section 38.02,
 13.25 subdivision 1. Aid payments to county and
 13.26 district agricultural societies and associations
 13.27 must be disbursed no later than July 15 of each
 13.28 year. These payments are the amount of aid
 13.29 from the state for an annual fair held in the
 13.30 previous calendar year.

13.31 (b) \$350,000 the first year and \$350,000 the
 13.32 second year are for grants to the Minnesota
 13.33 Agricultural Education Leadership Council
 13.34 for programs of the council under Minnesota
 13.35 Statutes, chapter 41D.

- 14.1 (c) \$1,425,000 the first year and \$1,425,000
14.2 the second year are for transfer to the
14.3 agricultural and environmental revolving loan
14.4 account established under Minnesota Statutes,
14.5 section 17.117, subdivision 5a, for low-interest
14.6 loans under Minnesota Statutes, section
14.7 17.117.
- 14.8 (d) \$1,950,000 the first year and \$1,950,000
14.9 the second year are for grants to Second
14.10 Harvest Heartland on behalf of Minnesota's
14.11 six Feeding America food banks for the
14.12 following:
- 14.13 (1) to purchase milk for distribution to
14.14 Minnesota's food shelves and other charitable
14.15 organizations that are eligible to receive food
14.16 from the food banks. Milk purchased under
14.17 the grants must be acquired from Minnesota
14.18 milk processors and based on low-cost bids.
14.19 The milk must be allocated to each Feeding
14.20 America food bank serving Minnesota
14.21 according to the formula used in the
14.22 distribution of United States Department of
14.23 Agriculture commodities under The
14.24 Emergency Food Assistance Program. Second
14.25 Harvest Heartland may enter into contracts or
14.26 agreements with food banks for shared funding
14.27 or reimbursement of the direct purchase of
14.28 milk. Each food bank that receives funding
14.29 under this clause may use up to two percent
14.30 for administrative expenses;
- 14.31 (2) to compensate agricultural producers and
14.32 processors for costs incurred to harvest and
14.33 package for transfer surplus fruits, vegetables,
14.34 and other agricultural commodities that would
14.35 otherwise go unharvested, be discarded, or be

15.1 sold in a secondary market. Surplus
15.2 commodities must be distributed statewide to
15.3 food shelves and other charitable organizations
15.4 that are eligible to receive food from the food
15.5 banks. Surplus food acquired under this clause
15.6 must be from Minnesota producers,
15.7 processors, and food hubs. Second Harvest
15.8 Heartland may use up to 15 percent of each
15.9 grant awarded under this clause for
15.10 administrative and transportation expenses;
15.11 and
15.12 (3) to purchase and distribute protein products,
15.13 including but not limited to pork, poultry, beef,
15.14 dry legumes, cheese, and eggs to Minnesota's
15.15 food shelves and other charitable organizations
15.16 that are eligible to receive food from the food
15.17 banks. Second Harvest Heartland may use up
15.18 to two percent of each grant awarded under
15.19 this clause for administrative expenses. Protein
15.20 products purchased under the grants must be
15.21 acquired from Minnesota processors,
15.22 producers, and food hubs.
15.23 Of the amount appropriated under this
15.24 paragraph, at least \$850,000 each year must
15.25 be allocated under clause (1) and at least
15.26 \$100,000 each year must be used to purchase
15.27 eligible items from food hubs that aggregate
15.28 food produced by emerging farmers.
15.29 Notwithstanding Minnesota Statutes, section
15.30 16A.28, any unencumbered balance the first
15.31 year does not cancel and is available in the
15.32 second year. Second Harvest Heartland must
15.33 submit quarterly reports to the commissioner
15.34 and the chairs and ranking minority members
15.35 of the legislative committees with jurisdiction

16.1 over agriculture finance in the form prescribed
16.2 by the commissioner. The reports must include
16.3 but are not limited to information on the
16.4 expenditure of funds, the amount of milk or
16.5 other commodities purchased, and the
16.6 organizations to which this food was
16.7 distributed.

16.8 (e) \$100,000 the first year and \$100,000 the
16.9 second year are for grants to The Good Acre
16.10 for the Local Emergency Assistance Farmer
16.11 Fund program to compensate emerging
16.12 farmers for crops donated to hunger relief
16.13 organizations in Minnesota. This is a onetime
16.14 appropriation.

16.15 (f) \$25,000 the first year and \$25,000 the
16.16 second year are for grants to the Southern
16.17 Minnesota Initiative Foundation to promote
16.18 local foods through an annual event that raises
16.19 public awareness of local foods and connects
16.20 local food producers and processors with
16.21 potential buyers.

16.22 (g) \$400,000 the first year and \$400,000 the
16.23 second year are to expand the Emerging
16.24 Farmer Office. The Emerging Farmer Office
16.25 must engage and support emerging farmers
16.26 regarding resources and opportunities
16.27 available through the Department of
16.28 Agriculture and throughout the state. For
16.29 purposes of this paragraph, "emerging farmer"
16.30 has the meaning given in Minnesota Statutes,
16.31 section 17.055, subdivision 1. Of the amount
16.32 appropriated each year, \$25,000 is for
16.33 translation services.

16.34 (h) \$337,000 the first year and \$337,000 the
16.35 second year are for farm advocate services.

- 17.1 Of the amount appropriated each year, \$50,000
17.2 is for the continuation of the farmland
17.3 transition programs and may be used for grants
17.4 to farmland access teams to provide technical
17.5 assistance to potential beginning farmers.
17.6 Farmland access teams must assist existing
17.7 farmers and beginning farmers with
17.8 transitioning farm ownership and farm
17.9 operation. Services provided by teams may
17.10 include but are not limited to mediation
17.11 assistance, designing contracts, financial
17.12 planning, tax preparation, estate planning, and
17.13 housing assistance.
- 17.14 (i) \$260,000 the first year and \$260,000 the
17.15 second year are for a pass-through grant to
17.16 Region Five Development Commission to
17.17 provide, in collaboration with Farm Business
17.18 Management, statewide mental health
17.19 counseling support to Minnesota farm
17.20 operators, families, and employees, and
17.21 individuals who work with Minnesota farmers
17.22 in a professional capacity. Region Five
17.23 Development Commission may use up to 6.5
17.24 percent of the grant awarded under this
17.25 paragraph for administration.
- 17.26 (j) \$250,000 the first year and \$250,000 the
17.27 second year are to award and administer
17.28 beginning farmer equipment and infrastructure
17.29 grants under Minnesota Statutes, section
17.30 17.055.
- 17.31 (k) \$150,000 the first year and \$150,000 the
17.32 second year are for administrative support for
17.33 the Rural Finance Authority.
- 17.34 (l) \$750,000 the first year and \$750,000 the
17.35 second year are to award and administer down

18.1 payment assistance grants under Minnesota
18.2 Statutes, section 17.133, to emerging farmers
18.3 as defined in Minnesota Statutes, section
18.4 17.055, subdivision 1. Notwithstanding
18.5 Minnesota Statutes, section 16A.28, any
18.6 unencumbered balance at the end of the first
18.7 year does not cancel and is available in the
18.8 second year and appropriations encumbered
18.9 under contract by June 30, 2025, are available
18.10 until June 30, 2027.

18.11 (m) \$50,000 the first year is to provide
18.12 technical assistance and leadership in the
18.13 development of a comprehensive and
18.14 well-documented state aquaculture plan. The
18.15 commissioner must provide the state
18.16 aquaculture plan to the legislative committees
18.17 with jurisdiction over agriculture finance and
18.18 policy by February 15, 2025.

18.19 (n) \$500,000 the first year and \$500,000 the
18.20 second year are for meat processing training
18.21 and retention incentive grants under section
18.22 6. The commissioner may use up to 6.5
18.23 percent of this appropriation for costs incurred
18.24 to administer the program. This is a onetime
18.25 appropriation.

18.26 (o) \$3,000,000 the first year is for Dairy
18.27 Assistance, Investment, Relief Initiative
18.28 (DAIRI) grants to Minnesota dairy farmers
18.29 who enroll in coverage under a federal dairy
18.30 risk protection program and produced no more
18.31 than 25,000,000 pounds of milk in 2022. The
18.32 commissioner must award DAIRI grants based
18.33 on the amount of milk produced in 2022, up
18.34 to 5,000,000 pounds per participating
18.35 producer, at a rate determined by the

19.1 commissioner within the limits of available
19.2 funding. Notwithstanding Minnesota Statutes,
19.3 section 16A.28, any unencumbered balance
19.4 does not cancel at the end of the first year and
19.5 is available the second year and any
19.6 unencumbered balance at the end of the second
19.7 year is available until June 30, 2026. The
19.8 commissioner may use up to 6.5 percent of
19.9 this appropriation for costs incurred to
19.10 administer the program.

19.11 (p) \$150,000 the first year and \$150,000 the
19.12 second year are for technical assistance grants
19.13 to certified community development financial
19.14 institutions that participate in United States
19.15 Department of Agriculture loan or grant
19.16 programs for small or emerging farmers,
19.17 including but not limited to the Increasing
19.18 Land, Capital, and Market Access Program.
19.19 For purposes of this paragraph, "emerging
19.20 farmer" has the meaning given in Minnesota
19.21 Statutes, section 17.055, subdivision 1. The
19.22 commissioner may use up to 6.5 percent of
19.23 this appropriation for costs incurred to
19.24 administer the program.

19.25 (q) \$1,000,000 the first year is for transfer to
19.26 the agricultural emergency account established
19.27 under Minnesota Statutes, section 17.041.

19.28 (r) \$1,584,000 the first year and \$1,000,000
19.29 the second year are to support IT
19.30 modernization efforts, including laying the
19.31 technology foundations necessary to improve
19.32 customer licensing and payment interactions
19.33 with the department. This is a onetime
19.34 appropriation.

20.1 (s) \$150,000 the first year and \$150,000 the
20.2 second year are to coordinate climate-related
20.3 activities and services within the Department
20.4 of Agriculture and counterparts in local, state,
20.5 and federal agencies and to hire a full-time
20.6 climate implementation coordinator. The
20.7 climate implementation coordinator must
20.8 coordinate efforts seeking federal funding for
20.9 Minnesota's agricultural climate adaptation
20.10 and mitigation efforts and develop strategic
20.11 partnerships with the private sector and
20.12 nongovernment organizations.

20.13 (t) \$250,000 the first year is for a grant to the
20.14 Board of Regents of the University of
20.15 Minnesota to purchase equipment for the
20.16 Veterinary Diagnostic Laboratory to test for
20.17 chronic wasting disease, African swine fever,
20.18 avian influenza, and other animal diseases.
20.19 The Veterinary Diagnostic Laboratory must
20.20 report expenditures under this paragraph to
20.21 the legislative committees with jurisdiction
20.22 over agriculture finance and higher education
20.23 with a report submitted by January 3, 2024,
20.24 and a final report submitted by September 1,
20.25 2025. The reports must include a list of
20.26 equipment purchased, including the cost of
20.27 each item.

20.28 (u) \$2,500,000 the first year and \$2,500,000
20.29 the second year are to maintain the current
20.30 level of service delivery. The base for this
20.31 appropriation is \$3,011,000 in fiscal year 2026
20.32 and \$3,011,000 in fiscal year 2027.

20.33 (v) \$1,000,000 the first year and \$1,000,000
20.34 the second year are for transfer to the Board
20.35 of Regents of the University of Minnesota to

21.1 evaluate, propagate, and maintain the genetic
 21.2 diversity of oilseeds, grains, grasses, legumes,
 21.3 and other plants including flax, timothy,
 21.4 barley, rye, triticale, alfalfa, orchard grass,
 21.5 clover, and other species and varieties that
 21.6 were in commercial distribution and use in
 21.7 Minnesota before 1970, excluding wild rice.
 21.8 This effort must also protect traditional seeds
 21.9 brought to Minnesota by immigrant
 21.10 communities. This appropriation includes
 21.11 funding for associated extension and outreach
 21.12 to small and Black, Indigenous, and People of
 21.13 Color (BIPOC) farmers. This is a onetime
 21.14 appropriation.

21.15 (w) The commissioner shall continue to
 21.16 increase connections with ethnic minority and
 21.17 immigrant farmers to farming opportunities
 21.18 and farming programs throughout the state.

21.19 **Sec. 3. BOARD OF ANIMAL HEALTH**

21.20 (a) \$560,000 the first year and \$560,000 the
 21.21 second year are for agricultural emergency
 21.22 preparedness and response. As part of the
 21.23 fiscal year 2024 and 2025 reports required
 21.24 under Minnesota Statutes, section 35.03, the
 21.25 Board of Animal Health must report the
 21.26 number of additional staff positions created
 21.27 under this paragraph, the number of full-time
 21.28 equivalent staff hired under this paragraph and
 21.29 their specific expertise and training, and the
 21.30 specific types of incidents and animal diseases
 21.31 for which the board is preparing.

21.32 (b) \$6,000 the first year and \$6,000 the second
 21.33 year are for meeting expenses for the
 21.34 additional board members.

\$ 6,613,000 \$ 6,779,000

23.1 from the state for an annual fair held in the
23.2 previous calendar year.

23.3 (b) \$387,000 the first year and \$337,000 the
23.4 second year are for farm advocate services.
23.5 Of these amounts, \$100,000 the first year and
23.6 \$50,000 the second year are for a pilot
23.7 program creating farmland access teams to
23.8 provide technical assistance to potential
23.9 beginning farmers. The farmland access teams
23.10 must assist existing farmers and beginning
23.11 farmers on transitioning farm ownership and
23.12 operation. Services provided by teams may
23.13 include but are not limited to providing
23.14 mediation assistance, designing contracts,
23.15 financial planning, tax preparation, estate
23.16 planning, and housing assistance. Of this
23.17 amount for farm transitions, up to \$50,000 the
23.18 first year may be used to upgrade the
23.19 Minnesota FarmLink web application that
23.20 connects farmers looking for land with farmers
23.21 looking to transition their land.

23.22 (c) \$47,000 the first year and \$47,000 the
23.23 second year are for grants to the Northern
23.24 Crops Institute that may be used to purchase
23.25 equipment. These are onetime appropriations.

23.26 (d) \$238,000 the first year and \$260,000 the
23.27 second year are for a pass-through grant to
23.28 Region Five Development Commission to
23.29 provide, in collaboration with Farm Business
23.30 Management, statewide mental health
23.31 counseling support to Minnesota farm
23.32 operators, families, and employees, and
23.33 individuals who work with Minnesota farmers
23.34 in a professional capacity. Region Five
23.35 Development Commission may use up to 6.5

24.1 percent of the grant awarded under this
24.2 paragraph for administration. The base for this
24.3 appropriation is \$260,000 in fiscal year 2024
24.4 and later.

24.5 (e) \$1,700,000 the first year and \$1,700,000
24.6 the second year are for grants to Second
24.7 Harvest Heartland on behalf of Minnesota's
24.8 six Feeding America food banks for the
24.9 following:

24.10 (1) to purchase milk for distribution to
24.11 Minnesota's food shelves and other charitable
24.12 organizations that are eligible to receive food
24.13 from the food banks. Milk purchased under
24.14 the grants must be acquired from Minnesota
24.15 milk processors and based on low-cost bids.
24.16 The milk must be allocated to each Feeding
24.17 America food bank serving Minnesota
24.18 according to the formula used in the
24.19 distribution of United States Department of
24.20 Agriculture commodities under The
24.21 Emergency Food Assistance Program. Second
24.22 Harvest Heartland may enter into contracts or
24.23 agreements with food banks for shared funding
24.24 or reimbursement of the direct purchase of
24.25 milk. Each food bank that receives funding
24.26 under this clause may use up to two percent
24.27 for administrative expenses;

24.28 (2) to compensate agricultural producers and
24.29 processors for costs incurred to harvest and
24.30 package for transfer surplus fruits, vegetables,
24.31 and other agricultural commodities that would
24.32 otherwise go unharvested, be discarded, or
24.33 sold in a secondary market. Surplus
24.34 commodities must be distributed statewide to
24.35 food shelves and other charitable organizations

25.1 that are eligible to receive food from the food
25.2 banks. Surplus food acquired under this clause
25.3 must be from Minnesota producers and
25.4 processors. Second Harvest Heartland may
25.5 use up to 15 percent of each grant awarded
25.6 under this clause for administrative and
25.7 transportation expenses; and

25.8 (3) to purchase and distribute protein products,
25.9 including but not limited to pork, poultry, beef,
25.10 dry legumes, cheese, and eggs to Minnesota's
25.11 food shelves and other charitable organizations
25.12 that are eligible to receive food from the food
25.13 banks. Second Harvest Heartland may use up
25.14 to two percent of each grant awarded under
25.15 this clause for administrative expenses. Protein
25.16 products purchased under the grants must be
25.17 acquired from Minnesota processors and
25.18 producers.

25.19 Of the amount appropriated under this
25.20 paragraph, at least \$600,000 each year must
25.21 be allocated under clause (1). Notwithstanding
25.22 Minnesota Statutes, section 16A.28, any
25.23 unencumbered balance the first year does not
25.24 cancel and is available in the second year.

25.25 Second Harvest Heartland must submit
25.26 quarterly reports to the commissioner and the
25.27 chairs and ranking minority members of the
25.28 legislative committees with jurisdiction over
25.29 agriculture finance in the form prescribed by
25.30 the commissioner. The reports must include
25.31 but are not limited to information on the
25.32 expenditure of funds, the amount of milk or
25.33 other commodities purchased, and the
25.34 organizations to which this food was
25.35 distributed.

26.1 (f) \$250,000 the first year and \$250,000 the
26.2 second year are for grants to the Minnesota
26.3 Agricultural Education and Leadership
26.4 Council for programs of the council under
26.5 Minnesota Statutes, chapter 41D.

26.6 (g) \$1,437,000 the first year and \$1,437,000
26.7 the second year are for transfer to the
26.8 agricultural and environmental revolving loan
26.9 account established under Minnesota Statutes,
26.10 section 17.117, subdivision 5a, for low-interest
26.11 loans under Minnesota Statutes, section
26.12 17.117. The base for appropriations under this
26.13 paragraph in fiscal year 2024 and thereafter
26.14 is \$1,425,000. The commissioner must
26.15 examine how the department could use up to
26.16 one-third of the amount transferred to the
26.17 agricultural and environmental revolving loan
26.18 account under this paragraph to award grants
26.19 to rural landowners to replace septic systems
26.20 that inadequately protect groundwater. No
26.21 later than February 1, 2022, the commissioner
26.22 must report to the legislative committees with
26.23 jurisdiction over agriculture finance and
26.24 environment finance on the results of the
26.25 examination required under this paragraph.
26.26 The commissioner's report may include other
26.27 funding sources for septic system replacement
26.28 that are available to rural landowners.

26.29 (h) \$150,000 the first year and \$150,000 the
26.30 second year are for grants to the Center for
26.31 Rural Policy and Development. These are
26.32 onetime appropriations.

26.33 (i) \$150,000 the first year is to provide grants
26.34 to Central Lakes College for the purposes of
26.35 designing, building, and offering credentials

27.1 in the area of meat cutting and butchery that
27.2 align with industry needs as advised by local
27.3 industry advisory councils. Notwithstanding
27.4 Minnesota Statutes, section 16A.28, any
27.5 unencumbered balance does not cancel at the
27.6 end of the first year and is available for the
27.7 second year. The commissioner may only
27.8 award a grant under this paragraph if the grant
27.9 is matched by a like amount from another
27.10 funding source. The commissioner must seek
27.11 matching dollars from Minnesota State
27.12 Colleges and Universities or other entities.
27.13 The appropriation is onetime and is available
27.14 until June 30, 2024. Any money remaining on
27.15 June 30, 2024, must be transferred to the
27.16 agricultural growth, research, and innovation
27.17 program under Minnesota Statutes, section
27.18 41A.12, and is available until June 30, 2025.
27.19 Grants may be used for costs including but
27.20 not limited to:

- 27.21 (1) facility renovation to accommodate meat
27.22 cutting;
- 27.23 (2) curriculum design and approval from the
27.24 Higher Learning Commission;
- 27.25 (3) program operational start-up costs;
- 27.26 (4) equipment required for a meat cutting
27.27 program; and
- 27.28 (5) meat handling start-up costs in regard to
27.29 meat access and market channel building.

27.30 No later than January 15, 2023, Central Lakes
27.31 College must submit a report outlining the use
27.32 of grant money to the chairs and ranking
27.33 minority members of the legislative

28.1 committees and divisions with jurisdiction
28.2 over agriculture and higher education.

28.3 (j) \$2,000 the first year is for grants to the
28.4 Minnesota State Poultry Association. This is
28.5 a onetime appropriation. Notwithstanding
28.6 Minnesota Statutes, section 16A.28, any
28.7 unencumbered balance does not cancel at the
28.8 end of the first year and is available for the
28.9 second year.

28.10 (k) \$17,000 the first year and \$17,000 the
28.11 second year are for grants to the Minnesota
28.12 State Horticultural Society. These are onetime
28.13 appropriations.

28.14 (l) \$18,000 the first year and \$18,000 the
28.15 second year are for grants to the Minnesota
28.16 Livestock Breeders Association. These are
28.17 onetime appropriations.

28.18 (m) The commissioner shall continue to
28.19 increase connections with ethnic minority and
28.20 immigrant farmers to farming opportunities
28.21 and farming programs throughout the state.

28.22 (n) \$25,000 the first year and \$25,000 the
28.23 second year are for grants to the Southern
28.24 Minnesota Initiative Foundation to promote
28.25 local foods through an annual event that raises
28.26 public awareness of local foods and connects
28.27 local food producers and processors with
28.28 potential buyers.

28.29 (o) \$75,000 the first year and \$75,000 the
28.30 second year are for grants to Greater Mankato
28.31 Growth, Inc., for assistance to
28.32 agriculture-related businesses to promote jobs,
28.33 innovation, and synergy development. These
28.34 are onetime appropriations.

29.1 (p) \$75,000 the first year and \$75,000 the
29.2 second year are for grants to the Minnesota
29.3 Turf Seed Council for basic and applied
29.4 research. The Minnesota Turf Seed Council
29.5 may subcontract with a qualified third party
29.6 for some or all of the basic or applied research.
29.7 No later than January 15, 2023, the Minnesota
29.8 Turf Seed Council must submit a report
29.9 outlining the use of the grant money and
29.10 related accomplishments to the chairs and
29.11 ranking minority members of the legislative
29.12 committees with jurisdiction over agriculture.
29.13 These are onetime appropriations. Any
29.14 unencumbered balance does not cancel at the
29.15 end of the first year and is available for the
29.16 second year.

29.17 (q) \$150,000 the first year and \$150,000 the
29.18 second year are to establish an emerging
29.19 farmer office and hire a full-time emerging
29.20 farmer outreach coordinator. The emerging
29.21 farmer outreach coordinator must engage and
29.22 support emerging farmers regarding resources
29.23 and opportunities available throughout the
29.24 Department of Agriculture and the state. For
29.25 purposes of this paragraph, "emerging farmer"
29.26 has the meaning provided in Minnesota
29.27 Statutes, section 17.055, subdivision 1. Of the
29.28 amount appropriated each year, \$25,000 is for
29.29 translation services for farmers and cottage
29.30 food producers.

29.31 (r) \$222,000 the first year and \$286,000 the
29.32 second year are to maintain the current level
29.33 of service delivery.

29.34 (s) \$827,000 the second year is to award and
29.35 administer grants to:

30.1 (1) organizations to provide technical and
30.2 culturally appropriate services to emerging
30.3 farmers and related businesses;

30.4 (2) organizations to help emerging farmers
30.5 pay for up to 65 percent of premium expenses
30.6 each year up to two years under the federal
30.7 micro farm insurance program; and

30.8 (3) The Good Acre for the Local Emergency
30.9 Assistance Farmer Fund (LEAFF) program to
30.10 compensate emerging farmers for crops
30.11 donated to hunger relief organizations in
30.12 Minnesota.

30.13 This is a onetime appropriation and is
30.14 available until June 30, 2024.

30.15 (t) \$750,000 the second year is to support the
30.16 IT modernization efforts, including laying the
30.17 technology foundations needed for improving
30.18 customer interactions with the department for
30.19 licensing and payments. The base for this
30.20 appropriation is \$584,000 in fiscal year 2024
30.21 and \$0 in fiscal year 2025.

30.22 (u) \$1,500,000 the first year is for transfer to
30.23 the agricultural emergency account established
30.24 under Minnesota Statutes, section 17.041. This
30.25 is a onetime transfer. This transfer is in
30.26 addition to the appropriations made in Laws
30.27 2022, chapter 47, section 2.

30.28 Notwithstanding Minnesota Statutes, section
30.29 17.041, the commissioner may use the amount
30.30 to be transferred for the purposes identified
30.31 under Laws 2022, chapter 47, section 2,
30.32 paragraph (b). This paragraph expires on
30.33 December 31, 2022.

31.1 (v) \$250,000 in the second year is for a grant
31.2 to the Board of Regents of the University of
31.3 Minnesota to purchase equipment for the
31.4 Veterinary Diagnostic Laboratory to test for
31.5 chronic wasting disease, African swine fever,
31.6 avian influenza, and other animal diseases.
31.7 The Veterinary Diagnostic Laboratory must
31.8 report expenditures under this paragraph to
31.9 the legislative committees with jurisdiction
31.10 over agriculture finance and higher education
31.11 with initial reports completed by January 3,
31.12 2023, and January 3, 2024, and a final report
31.13 by September 1, 2025. The reports must
31.14 include a list of equipment purchased,
31.15 including the cost of each item. The base for
31.16 this appropriation is \$250,000 in fiscal year
31.17 2024 and \$0 in fiscal year 2025.

31.18 (w) \$141,000 the second year is for additional
31.19 funding to administer the beginning farmer
31.20 tax credit. The base for this appropriation is
31.21 \$56,000 in fiscal year 2024 and later.

31.22 (x) \$750,000 the second year is for a grant to
31.23 the Ag Innovation Campus to continue
31.24 construction of a soybean processing and
31.25 research facility. This is a onetime
31.26 appropriation.

31.27 The commissioner shall submit a report on the
31.28 utilization of the grants to the chairs and
31.29 ranking minority members of the legislative
31.30 committees and divisions with jurisdiction
31.31 over agriculture policy and finance by
31.32 February 1, 2024.

31.33 (y) \$50,000 is added to the base for fiscal year
31.34 2024 and \$0 for fiscal year 2025 to provide
31.35 technical assistance and leadership in the

32.1 development of a comprehensive and
32.2 well-documented state aquaculture plan. The
32.3 commissioner must provide the state
32.4 aquaculture plan to the legislative committees
32.5 with jurisdiction over agriculture finance and
32.6 policy by February 15, 2025.

32.7 (z) \$500,000 the second year is to award and
32.8 administer down payment assistance grants
32.9 under Minnesota Statutes, section 17.133. The
32.10 base for this appropriation is \$750,000 in fiscal
32.11 year 2024 and thereafter. Notwithstanding
32.12 Minnesota Statutes, section 16A.28,
32.13 appropriations encumbered under contract by
32.14 June 30, 2023, are available until June 30,
32.15 2025.

32.16 (aa) \$350,000 the second year is to provide
32.17 grants to secondary career and technical
32.18 education programs for the purpose of offering
32.19 instruction in meat cutting and butchery. By
32.20 January 15, 2023, the commissioner must
32.21 report to the chairs and ranking minority
32.22 members of the committees with jurisdiction
32.23 over agriculture finance and education finance
32.24 by listing the grants made under this paragraph
32.25 by county and noting the number and amount
32.26 of grant requests not fulfilled. The report may
32.27 include additional information as determined
32.28 by the commissioner, including but not limited
32.29 to information regarding the outcomes
32.30 produced by these grants. If additional grants
32.31 are awarded under this paragraph that were
32.32 not covered in the report due by January 15,
32.33 2023, the commissioner must submit an
32.34 additional report to the chairs and ranking
32.35 minority members of the committees with

33.1 jurisdiction over agriculture finance and
33.2 education finance regarding all grants issued
33.3 under this paragraph by November 1, 2023.

33.4 This is a onetime appropriation. Grants may
33.5 be used for costs, including but not limited to:

33.6 (1) equipment required for a meat cutting
33.7 program;

33.8 (2) facility renovation to accommodate meat
33.9 cutting; and

33.10 (3) training faculty to teach the fundamentals
33.11 of meat processing.

33.12 A grant recipient may be awarded a grant of
33.13 up to \$70,000 and may use up to ten percent
33.14 of the grant for faculty training.

33.15 Priority may be given to applicants who are
33.16 coordinating with meat cutting and butchery
33.17 programs at Minnesota State Colleges and
33.18 Universities system and local industry
33.19 partners.

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

33.21 Sec. 6. **GRANTS FOR MEAT PROCESSING TRAINING AND RETENTION**
33.22 **INCENTIVES.**

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

33.25 (b) "Partner organizations" include:

33.26 (1) foundations engaged in economic development;

33.27 (2) community development financial institutions;

33.28 (3) federally recognized economic development districts; and

33.29 (4) community development corporations.

34.1 (c) "Small- to medium-sized meat and poultry processor" means a meat and poultry
34.2 processor licensed by the state of Minnesota or the federal government that has fewer than
34.3 150 employees.

34.4 Subd. 2. Grants. (a) The commissioner of agriculture must provide grants to partner
34.5 organizations to assist small- to medium-sized meat and poultry processors with hiring and
34.6 training new employees. New employees at eligible meat and poultry processing plants may
34.7 receive up to \$10,000 in the form of tuition reimbursement for programs at Minnesota State
34.8 Colleges and Universities, sign-on bonuses, relocation assistance, retention incentives, child
34.9 care stipends, and other related expenses. Employees at any one meat or poultry processor
34.10 may not receive more than \$50,000 under this paragraph.

34.11 (b) Up to 20 percent of a grant to a partner organization may be used for direct services
34.12 to employees, including but not limited to translation services.

34.13 (c) Priority must be given to applications from partner organizations working in
34.14 partnership with Minnesota State Colleges and Universities.

34.15 **ARTICLE 2**

34.16 **AGRICULTURE STATUTORY CHANGES**

34.17 **Section 1. [17.033] LICENSE AND PERMIT SURCHARGES.**

34.18 The commissioner may collect license and permit surcharges on all licensing and
34.19 permitting transactions conducted by the Department of Agriculture for which a fee is
34.20 charged. The surcharge applies to all initial and renewal license and permit applications
34.21 and is calculated based on the license or permit base fee. Late penalties or other assessments
34.22 are not included in the calculation of the surcharge. The fee is set at five percent beginning
34.23 August 1, 2023, with a minimum fee of \$5 for each transaction. The surcharge rate must
34.24 be reviewed and set annually by the commissioner and may be assessed at a rate of between
34.25 three and eight percent of the licensing or permitting fee, with a minimum fee of \$5 for each
34.26 transaction. The fees collected for this surcharge must be deposited in a dedicated account
34.27 in the agricultural fund. Money in the account, including interest, is appropriated to the
34.28 commissioner for the information technology improvement activities needed to create
34.29 electronic systems for conducting licensing and permitting transactions and to modernize
34.30 the department's inspection and customer management systems.

35.1 Sec. 2. Minnesota Statutes 2022, section 17.055, subdivision 1, is amended to read:

35.2 Subdivision 1. **Emerging farmer working group.** To advise the commissioner and
35.3 legislature regarding the development and implementation of programs and initiatives that
35.4 support emerging farmers in this state, the commissioner must periodically convene a
35.5 working group consisting, to the extent possible, of persons who are, and organizations that
35.6 represent, farmers or aspiring farmers who are women, veterans, persons with disabilities,
35.7 American Indian or Alaskan Natives, members of a community of color, young, and lesbian,
35.8 gay, bisexual, transgender, queer, intersex, or asexual (LGBTQIA+), or urban, and any
35.9 other emerging farmers as determined by the commissioner. No later than January 15 each
35.10 year, the commissioner must update the chairs and ranking minority members of the
35.11 legislative committees and divisions with jurisdiction over agriculture regarding the working
35.12 group's activities and recommendations.

35.13 Sec. 3. Minnesota Statutes 2022, section 17.055, is amended by adding a subdivision to
35.14 read:

35.15 Subd. 2a. **Emerging Farmers Office.** The Emerging Farmers Office exists to support
35.16 emerging farmers. For purposes of this subdivision, "emerging farmer" has the meaning
35.17 given in subdivision 1. At a minimum, the office must coordinate the emerging farmer
35.18 working group under subdivision 1 and the beginning farmer equipment and infrastructure
35.19 grant program under subdivision 3.

35.20 Sec. 4. Minnesota Statutes 2022, section 17.055, is amended by adding a subdivision to
35.21 read:

35.22 Subd. 3. **Beginning farmer equipment and infrastructure grants.** (a) The commissioner
35.23 may award and administer equipment and infrastructure grants to beginning farmers. The
35.24 commissioner shall give preference to applicants who are emerging farmers as defined in
35.25 subdivision 1. Grant money may be used for equipment and infrastructure development.

35.26 (b) The commissioner shall develop competitive eligibility criteria and may allocate
35.27 grants on a needs basis.

35.28 (c) Grant projects may continue for up to two years.

35.29 Sec. 5. Minnesota Statutes 2022, section 17.055, is amended by adding a subdivision to
35.30 read:

35.31 Subd. 4. **Report.** No later than February 1 each year, the commissioner must submit a
35.32 report to the chairs and ranking minority members of the legislative committees and divisions

36.1 with jurisdiction over agriculture regarding the emerging farmer working group's activities,
36.2 recommendations, and any grants awarded under this section.

36.3 Sec. 6. Minnesota Statutes 2022, section 17.1016, subdivision 2, is amended to read:

36.4 Subd. 2. **Grant program.** (a) The commissioner may establish and implement a grant
36.5 program to help farmers finance new cooperatives that organize for purposes of operating
36.6 an agricultural product processing facility or marketing an agricultural product or agricultural
36.7 service.

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

36.9 (1) be a cooperative organized under chapter 308A or 308B;

36.10 (2) certify that all control ~~and equity in~~ of the cooperative is from farmers, family farm
36.11 partnerships, family farm limited liability companies, or family farm corporations as defined
36.12 in section 500.24, subdivision 2, who are actively engaged in agricultural commodity
36.13 production;

36.14 (3) be operated primarily to process agricultural commodities or market agricultural
36.15 products or services produced in Minnesota; ~~and~~

36.16 (4) receive agricultural commodities produced primarily by shareholders or members
36.17 of the cooperative; and

36.18 (5) not allow nonpatron voting rights.

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

36.25 (d) Grants must be matched dollar-for-dollar with other money or in-kind contributions.

36.26 Sec. 7. Minnesota Statutes 2022, section 17.116, subdivision 3, is amended to read:

36.27 Subd. 3. **Awarding of grants.** (a) Applications for grants must be made to the
36.28 commissioner on forms prescribed by the commissioner.

36.29 (b) The applications must be reviewed, ranked, and recommended by a technical review
36.30 panel appointed by the commissioner. The technical review panel shall consist of a soil
36.31 scientist, an agronomist, a representative from a postsecondary educational institution, an

37.1 agricultural marketing specialist, two resident farmers of the state using sustainable
37.2 agriculture methods, two resident farmers of the state using organic agriculture methods,
37.3 and a chair from the department.

37.4 (c) The technical review panel shall rank applications according to the following criteria:

37.5 (1) direct or indirect energy savings or production;

37.6 (2) environmental benefit;

37.7 (3) farm profitability;

37.8 (4) the number of farms able to apply the techniques or the technology proposed;

37.9 (5) the effectiveness of the project as a demonstration;

37.10 (6) the immediate transferability of the project to farms; and

37.11 (7) the ability of the project to accomplish its goals.

37.12 (d) The commissioner shall consider the recommendations of the technical review panel
37.13 and may award grants for eligible projects. Priority must be given to applicants who are
37.14 farmers or groups of farmers.

37.15 (e) Grants for eligible projects may not exceed \$25,000 unless the portion above \$25,000
37.16 is matched on an equal basis by the applicant's cash ~~or in-kind land use contribution.~~
37.17 contribution or the value of the applicant's in-kind land use, equipment use, or personal
37.18 labor. Grant recipients who are not required to provide a match and grant recipients whose
37.19 in-kind contributions exceed the amount needed to meet matching requirements may submit
37.20 the value of the grant recipients' labor or equipment use as an expense eligible for payment
37.21 from grant money. Grant funding of projects may not exceed \$50,000 under this section,
37.22 but applicants may utilize other funding sources. A portion of each grant must be targeted
37.23 for public information activities of the project.

37.24 (f) A project may continue for up to three years. Multiyear projects must be reevaluated
37.25 by the technical review panel and the commissioner before second or third year funding is
37.26 approved. A project is limited to one grant for its funding.

37.27 Sec. 8. Minnesota Statutes 2022, section 17.133, subdivision 3, is amended to read:

37.28 Subd. 3. **Report to legislature.** No later than December 1, 2023, and annually thereafter,
37.29 the commissioner must provide a report to the chairs and ranking minority members of the
37.30 legislative committees having jurisdiction over agriculture and rural development, in

38.1 compliance with sections 3.195 and 3.197, on the farm down payment assistance grants
38.2 under this section. The report must include:

38.3 (1) background information on beginning farmers in Minnesota and any other information
38.4 that the commissioner and authority find relevant to evaluating the effect of the grants on
38.5 increasing opportunities for and the number of beginning farmers;

38.6 (2) the number and amount of grants;

38.7 (3) the geographic distribution of grants by county;

38.8 (4) the number of grant recipients who are emerging farmers;

38.9 (5) disaggregated data regarding the gender, race, and ethnicity of grant recipients;

38.10 ~~(5)~~ (6) the number of farmers who cease to own land and are subject to payment of a
38.11 penalty, along with the reasons for the land ownership cessation; and

38.12 ~~(6)~~ (7) the number and amount of grant applications that exceeded the allocation available
38.13 in each year.

38.14 **Sec. 9. [17.134] SOIL HEALTH FINANCIAL ASSISTANCE PROGRAM.**

38.15 Subdivision 1. **Establishment.** The commissioner must establish and administer a
38.16 program to support healthy soil management practices in accordance with this section.

38.17 Subd. 2. **Eligible projects.** The commissioner may award a grant under this section for
38.18 any project on agricultural land in Minnesota that will:

38.19 (1) increase the quantity of organic carbon in soil through practices, including but not
38.20 limited to reduced tillage, cover cropping, manure management, precision agriculture, crop
38.21 rotations, and changes in grazing management;

38.22 (2) integrate perennial vegetation into the management of agricultural lands;

38.23 (3) reduce nitrous oxide and methane emissions through changes to livestock, soil
38.24 management, or nutrient optimization;

38.25 (4) increase the usage of precision agricultural practices;

38.26 (5) enable the development of site-specific management plans; or

38.27 (6) enable the purchase of equipment, parts and materials, technology, subscriptions,
38.28 technical assistance, seeds, seedlings, or amendments that will further any of the purposes
38.29 in clauses (1) to (5).

39.1 Subd. 3. **Grant eligibility.** Any owner or lessee of farmland may apply for a grant under
39.2 this section. Local government units, including cities, towns, counties, soil and water
39.3 conservation districts, Tribal Nations, and joint powers boards, are also eligible for a grant.
39.4 A local government unit that receives a grant for equipment or technology must make those
39.5 purchases available for use by the public.

39.6 Sec. 10. Minnesota Statutes 2022, section 18B.01, subdivision 2b, is amended to read:

39.7 Subd. 2b. **Bee owner.** "Bee owner" means a person who owns ~~an apiary~~ a bee colony
39.8 or colonies.

39.9 Sec. 11. Minnesota Statutes 2022, section 18B.01, is amended by adding a subdivision to
39.10 read:

39.11 Subd. 2c. **Bee kill incident.** "Bee kill incident" means an acute pesticide poisoning of
39.12 a bee colony or colonies located within one-half mile of each other at a single time point.

39.13 Sec. 12. Minnesota Statutes 2022, section 18B.01, is amended by adding a subdivision to
39.14 read:

39.15 Subd. 18a. **Pesticide-treated seed.** "Pesticide-treated seed" means seed that has a
39.16 pesticide directly applied to the seed before planting and is classified by the United States
39.17 Environmental Protection Agency as a treated article under Code of Federal Regulations,
39.18 title 40, section 152.25(a), and exempt from regulation under the federal Insecticide,
39.19 Fungicide, and Rodenticide Act.

39.20 Sec. 13. Minnesota Statutes 2022, section 18B.01, is amended by adding a subdivision to
39.21 read:

39.22 Subd. 30b. **Systemic pesticide.** "Systemic pesticide" means a pesticide designed to be
39.23 absorbed by plants and translocated throughout plant tissue. Systemic pesticides include:

39.24 (1) acetamiprid, dinotefuran, clothianidin, thiamethoxam, imidacloprid, nitenpyram,
39.25 thiacloprid, fipronil, flupyradifurone, sulfoxaflor, cyantraniliprole, or chlorantraniliprole;
39.26 and

39.27 (2) any other pesticide determined by the commissioner to be a systemic pesticide,
39.28 including any chemical belonging to the neonicotinoid or anthranilic diamide class.

40.1 Sec. 14. Minnesota Statutes 2022, section 18B.03, subdivision 1, is amended to read:

40.2 Subdivision 1. **Administration by commissioner.** The commissioner shall administer,
40.3 implement, and enforce this chapter and the Department of Agriculture is the lead state
40.4 agency for the regulation of pesticides and pesticide-treated seed. The commissioner has
40.5 the sole regulatory authority over the terrestrial application of pesticides, including, but not
40.6 limited to, the application of pesticides to agricultural crops, structures, and other nonaquatic
40.7 environments. Except as provided in subdivision 3, a state agency other than the Department
40.8 of Agriculture shall not regulate or require permits for the terrestrial or nonaquatic application
40.9 of pesticides.

40.10 Sec. 15. Minnesota Statutes 2022, section 18B.04, is amended to read:

40.11 **18B.04 PESTICIDE IMPACT ON ENVIRONMENT.**

40.12 (a) The commissioner shall:

40.13 (1) determine the impact of pesticides and pesticide-treated seed on the environment,
40.14 including the impacts on surface water and groundwater in this state;

40.15 (2) develop best management practices involving pesticide or pesticide-treated seed
40.16 distribution, storage, handling, use, and disposal; and

40.17 (3) cooperate with and assist other state agencies and local governments to protect public
40.18 health, pollinators, and the environment from harmful exposure to pesticides.

40.19 (b) The commissioner may assemble a group of experts under section 16C.10, subdivision
40.20 2, to consult in the investigation of pollinator deaths or illnesses. The group of experts may
40.21 include representatives from local, state, and federal agencies; academia, including the
40.22 University of Minnesota; the state pollinator bank; or other professionals as deemed necessary
40.23 by the commissioner. The amount necessary for the purposes of this paragraph, not to exceed
40.24 \$100,000 per fiscal year, is appropriated from the pesticide regulatory account in section
40.25 18B.05.

40.26 Sec. 16. Minnesota Statutes 2022, section 18B.051, is amended to read:

40.27 **18B.051 POLLINATOR RESEARCH ACCOUNT.**

40.28 Subdivision 1. **Account established.** A pollinator research account is established in the
40.29 agricultural fund. Money in the account, including interest, is appropriated to the Board of
40.30 Regents of the University of Minnesota for pollinator research and outreach, including, but
40.31 not limited to, ~~science-based best practices and the identification and establishment of habitat~~
40.32 ~~beneficial to pollinators.~~

- 41.1 (1) the identification and establishment of habitat beneficial to pollinators;
41.2 (2) the development and promotion of science-based best management practices;
41.3 (3) the development and promotion of practices that can reduce the effects of pesticides
41.4 on pollinators;
41.5 (4) the effects of seed treatments on pollinators; and
41.6 (5) the development and promotion of integrated pest management, including pest
41.7 economic thresholds.

41.8 The University of Minnesota must select projects in consultation with the Minnesota
41.9 Department of Agriculture.

41.10 Subd. 2. **Expiration.** This section expires July 1, ~~2025~~ 2027.

41.11 Sec. 17. **[18B.052] SYSTEMIC PESTICIDE-TREATED SEED.**

41.12 Subdivision 1. **Systemic pesticide-treated seed program.** The commissioner must
41.13 develop a program for systemic pesticide-treated seed and do the following:

- 41.14 (1) develop guidance on appropriate use of systemic pesticide-treated seeds in Minnesota;
41.15 (2) collaborate with the University of Minnesota and other interested parties to evaluate
41.16 national and international research on efficacy of seed treatment rates, scouting techniques,
41.17 pest pressures, economic thresholds, and planting or other technology to determine their
41.18 applicability to Minnesota-specific conditions;
41.19 (3) identify the research needs and projects that may be funded to help identify the times
41.20 and locations where the use of systemic pesticide-treated seed would be effective in
41.21 addressing a pest problem in Minnesota, including but not limited to consideration of
41.22 cropping systems, pest pressures, soil types, geographic location, and feasibility of
41.23 alternatives to systemic pesticide treatments; and
41.24 (4) develop science-based best management practices for situations where use of systemic
41.25 pesticide-treated seed is appropriate in Minnesota. This shall include a process for public
41.26 comment on proposed BMPs.

41.27 Subd. 2. **Education and outreach.** The commissioner shall, in coordination with the
41.28 University of Minnesota and other interested parties, develop and disseminate educational
41.29 materials on best management practices and other related information for the use of systemic
41.30 pesticide-treated seed and alternatives to the use of systemic pesticide-treated seed.

42.1 Subd. 3. **Engagement.** The commissioner may engage with and provide grants to the
 42.2 University of Minnesota and others in conducting research, demonstration projects, and
 42.3 developing recommended best management practices for the use of pesticide-treated seed.

42.4 Sec. 18. **[18B.053] PESTICIDE-TREATED SEED RESEARCH ACCOUNT.**

42.5 A pesticide-treated seed research account is established in the agricultural fund. Money
 42.6 in the account, including interest, is appropriated to the commissioner to provide grants to
 42.7 the University of Minnesota or other parties for research related to the use of pesticide-treated
 42.8 seed and alternatives to the use of pesticide-treated seed. Funding in the account may be
 42.9 used to:

42.10 (1) determine situations where the use of pesticide-treated seed is necessary in Minnesota,
 42.11 including but not limited to consideration of cropping systems, pest pressures, soil types,
 42.12 geographic location, and feasibility of alternatives to systemic pesticide treatments;

42.13 (2) evaluate nonchemical pest prevention methods that may be used instead of
 42.14 pesticide-treated seed;

42.15 (3) develop science-based best management practices for situations where use of systemic
 42.16 pesticide-treated seed is appropriate in Minnesota; and

42.17 (4) develop and conduct demonstration, educational, and promotional activities for best
 42.18 management practices and other recommended practices related to the use, or minimization
 42.19 of the use, of pesticide-treated seed.

42.20 Sec. 19. Minnesota Statutes 2022, section 18B.055, is amended to read:

42.21 **18B.055 COMPENSATION FOR BEES KILLED BY PESTICIDE;**
 42.22 **APPROPRIATION.**

42.23 Subdivision 1. **Compensation required.** (a) The commissioner must compensate a
 42.24 ~~person~~ bee owner for an acute pesticide poisoning resulting in the death of bees or loss of
 42.25 bee colonies owned by the ~~person, provided:~~ bee owner.

42.26 ~~(1) the person who applied the pesticide cannot be determined;~~

42.27 ~~(2) the person who applied the pesticide did so in a manner consistent with the pesticide~~
 42.28 ~~product's label or labeling; or~~

42.29 ~~(3) the person who applied the pesticide did so in a manner inconsistent with the pesticide~~
 42.30 ~~product's label or labeling.~~

43.1 (b) Except as provided in this section, the bee owner is entitled to the fair market value
43.2 of the dead bees and bee colonies losses as determined by the commissioner upon
43.3 recommendation by academic experts and bee keepers. ~~In any fiscal year, A bee owner must~~
43.4 ~~not be compensated for a claim that is less than \$100 or compensated more than \$20,000~~
43.5 ~~for all eligible claims. \$10,000 for a bee kill incident. A bee owner may only make one~~
43.6 claim for a single bee kill incident.

43.7 (c) A bee owner must not be compensated more than \$20,000 in a fiscal year for bee
43.8 kill incidents.

43.9 ~~(e)~~ (d) To be eligible for compensation under this section, the bee owner and the affected
43.10 apiary must be registered prior to the bee kill incident with a commonly utilized pesticide
43.11 registry program, as designated by the commissioner.

43.12 ~~Subd. 2. **Applicator responsible.** In the event a person applies a pesticide in a manner~~
43.13 ~~inconsistent with the pesticide product's label or labeling requirements as approved by the~~
43.14 ~~commissioner and is determined to have caused the acute pesticide poisoning of bees,~~
43.15 ~~resulting in death or loss of a bee colony kept for commercial purposes, then the person so~~
43.16 ~~identified must bear the responsibility of restitution for the value of the bees to the owner.~~
43.17 ~~In these cases the commissioner must not provide compensation as provided in this section.~~

43.18 Subd. 3. **Claim form.** Within three months of the commissioner making a determination
43.19 of whether the death of bees or loss of bee colonies was caused by acute pesticide poisoning,
43.20 the bee owner must file a claim on forms provided by the commissioner and available on
43.21 the Department of Agriculture's website.

43.22 Subd. 4. **Determination.** The commissioner must determine whether the death of the
43.23 bees or loss of bee colonies was caused by an acute pesticide poisoning, whether the pesticide
43.24 applicator can be determined, and whether the pesticide applicator applied the pesticide
43.25 product in a manner consistent with the pesticide product's label or labeling.

43.26 Subd. 5. **Payments; denial of compensation.** ~~(a) If the commissioner determines the~~
43.27 ~~bee death or loss of bee colony was caused by an acute pesticide poisoning and either the~~
43.28 ~~pesticide applicator cannot be determined or the pesticide applicator applied the pesticide~~
43.29 ~~product in a manner consistent with the pesticide product's label or labeling, the commissioner~~
43.30 ~~may award compensation from the pesticide regulatory account. If the pesticide applicator~~
43.31 ~~can be determined and the applicator applied the pesticide product in a manner inconsistent~~
43.32 ~~with the product's label or labeling, the commissioner may collect a penalty from the pesticide~~
43.33 ~~applicator sufficient to compensate the bee owner for the fair market value of the dead bees~~
43.34 ~~and bee colonies losses, and must award the money to the bee owner.~~

44.1 ~~(b)~~ (a) If the commissioner denies compensation claimed by a bee owner under this
44.2 section, the commissioner must issue a written decision based upon the available evidence.
44.3 The decision must include specification of the facts upon which the decision is based and
44.4 the conclusions on the material issues of the claim. The commissioner must mail a copy of
44.5 the decision to the bee owner.

44.6 ~~(e)~~ (b) A decision to deny compensation claimed under this section is not subject to the
44.7 contested case review procedures of chapter 14, but may be reviewed upon a trial de novo
44.8 in a court in the county where the loss occurred. The decision of the court may be appealed
44.9 as in other civil cases. Review in court may be obtained by filing a petition for review with
44.10 the administrator of the court within 60 days following receipt of a decision under this
44.11 section. Upon the filing of a petition, the administrator must mail a copy to the commissioner
44.12 and set a time for hearing within 90 days of the filing.

44.13 Subd. 6. **Deduction from payment.** The commissioner must reduce payments made
44.14 under this section by any compensation received by the bee owner for dead bees and bee
44.15 colonies losses as proceeds from an insurance policy or from another source.

44.16 Subd. 6a. **Enhanced penalty factor.** If the commissioner determines that a bee death
44.17 or loss of bee colony was caused by acute pesticide poisoning, is able to determine the
44.18 pesticide applicator that was responsible, and determines that the applicator applied the
44.19 pesticide in a manner inconsistent with the product's label or labeling, the commissioner
44.20 may add the amount that the bee owner received from the bee owner's claim to any penalty
44.21 amount assessed by the commissioner under any penalty actions against the pesticide
44.22 applicator under section 18D.315 or 18D.325.

44.23 Subd. 7. **Appropriation.** The amount necessary to pay claims under this section, not to
44.24 exceed \$150,000 per fiscal year, is appropriated from the pesticide regulatory account in
44.25 section 18B.05.

44.26 Sec. 20. **[18B.075] PESTICIDE-TREATED SEED.**

44.27 A person may not use, store, handle, distribute, or dispose of seed treated with pesticide
44.28 in a manner that:

44.29 (1) endangers humans, food, livestock, fish, or wildlife; or

44.30 (2) will cause unreasonable adverse effects on the environment.

45.1 Sec. 21. **[18B.117] REGISTRATION PROHIBITED.**

45.2 The commissioner must not register under section 18B.26 a pesticide product that contains
45.3 a perfluoroalkyl or polyfluoroalkyl substance as an active or inert ingredient.

45.4 **EFFECTIVE DATE.** This section is effective July 1, 2024.

45.5 Sec. 22. Minnesota Statutes 2022, section 18C.425, subdivision 6, is amended to read:

45.6 Subd. 6. **Payment of inspection fee.** (a) The person who registers and distributes in the
45.7 state a specialty fertilizer, soil amendment, or plant amendment under section 18C.411 shall
45.8 pay the inspection fee to the commissioner.

45.9 (b) The person licensed under section 18C.415 who distributes a fertilizer to a person
45.10 not required to be so licensed shall pay the inspection fee to the commissioner, except as
45.11 exempted under section 18C.421, subdivision 1, paragraph (b).

45.12 (c) The person responsible for payment of the inspection fees for fertilizers, soil
45.13 amendments, or plant amendments sold and used in this state must pay an inspection fee of
45.14 ~~39~~ 64 cents per ton, and until June 30, 2024, an additional 40 cents per ton, of fertilizer, soil
45.15 amendment, and plant amendment sold or distributed in this state, with a minimum of \$10
45.16 on all tonnage reports. Notwithstanding section 18C.131, the commissioner must deposit
45.17 all revenue from the additional 40 cents per ton fee in the agricultural fertilizer research and
45.18 education account in section 18C.80. Products sold or distributed to manufacturers or
45.19 exchanged between them are exempt from the inspection fee imposed by this subdivision
45.20 if the products are used exclusively for manufacturing purposes.

45.21 (d) A registrant or licensee must retain invoices showing proof of fertilizer, plant
45.22 amendment, or soil amendment distribution amounts and inspection fees paid for a period
45.23 of three years.

45.24 Sec. 23. Minnesota Statutes 2022, section 18H.02, is amended by adding a subdivision to
45.25 read:

45.26 Subd. 15a. **Live plant dealer.** "Live plant dealer" means an entity who:

45.27 (1) raises, grows, or propagates nursery stock for sale, outdoors or indoors;

45.28 (2) acquires and further distributes nursery stock, including through landscaping or
45.29 distribution with a tree spade; or

45.30 (3) operates a business in Minnesota selling nursery stock with or without taking
45.31 ownership or handling the nursery stock.

46.1 Sec. 24. Minnesota Statutes 2022, section 18H.03, subdivision 6, is amended to read:

46.2 Subd. 6. **Dissemination of information.** The commissioner may disseminate information
46.3 among ~~growers~~ live plant dealers relative to treatment of nursery stock in both prevention
46.4 and elimination of attack by plant pests and diseases.

46.5 Sec. 25. Minnesota Statutes 2022, section 18H.05, is amended to read:

46.6 **18H.05 NURSERY CERTIFICATE REQUIREMENTS.**

46.7 (a) No person may offer for sale or distribute certified nursery stock as a ~~nursery stock~~
46.8 ~~grower or~~ live plant dealer without first obtaining the appropriate nursery stock certificate
46.9 from the commissioner. The commissioner may not issue a certificate to a person who does
46.10 not sell certified nursery stock. Certificates are issued solely for these purposes and may
46.11 not be used for other purposes.

46.12 (b) A certificate issued by the commissioner expires on December 31 of the year it is
46.13 issued.

46.14 (c) A person required to be certified by this section must apply for a certificate or for
46.15 renewal on a form furnished by the commissioner which must contain:

46.16 (1) the name and address of the applicant, the number of locations to be operated by the
46.17 applicant and their addresses, and the assumed business name of the applicant;

46.18 (2) if other than an individual, a statement whether a person is a partnership, corporation,
46.19 or other organization;

46.20 (3) the type of business to be operated and, if the applicant is an agent, the principals
46.21 the applicant represents; and

46.22 (4) source or sources of purchased nursery stock.

46.23 (d) No person may:

46.24 (1) falsely claim to be a certified live plant dealer, ~~grower, broker, or agent~~;

46.25 (2) make willful false statements when applying for a certificate; or

46.26 (3) sell or distribute certified nursery stock to an uncertified ~~nursery stock~~ live plant
46.27 dealer who is required to be certified ~~or nursery stock grower~~.

46.28 (e) Each application for a certificate must be accompanied by the appropriate certificate
46.29 fee under section 18H.07.

47.1 (f) Certificates issued by the commissioner must be prominently displayed to the public
47.2 in the place of business where certified nursery stock is sold or distributed.

47.3 (g) The commissioner may refuse to issue a certificate for cause.

47.4 (h) Each ~~grower or~~ live plant dealer is entitled to one sales location under the certificate
47.5 ~~of the grower or dealer~~. Each additional sales location maintained by the person requires
47.6 the payment of the full certificate fee for each additional sales outlet.

47.7 ~~(i) A grower who is also a dealer is certified only as a grower for that specific site.~~

47.8 ~~(i)~~ (i) A certificate is personal to the applicant and may not be transferred. A new
47.9 certificate is necessary if the business entity is changed or if the membership of a partnership
47.10 is changed, whether or not the business name is changed.

47.11 ~~(j)~~ (j) The certificate issued to a live plant dealer ~~or grower~~ applies to the particular
47.12 premises named in the certificate. However, if prior approval is obtained from the
47.13 commissioner, the place of business may be moved to the other premises or location without
47.14 an additional certificate fee.

47.15 ~~(k)~~ (k) A collector of nursery stock from the wild is required to obtain a ~~dealer's~~ live
47.16 plant dealer certificate from the commissioner and is subject to all the requirements that
47.17 apply to the inspection of nursery stock. All collected nursery stock must be labeled as
47.18 "collected from the wild."

47.19 Sec. 26. Minnesota Statutes 2022, section 18H.07, is amended by adding a subdivision to
47.20 read:

47.21 Subd. 3a. **New live plant dealer certificate.** An entity that was not distributing certified
47.22 nursery stock for the past two full calendar years is considered a new applicant for the basis
47.23 of fee determination. A new live plant dealer must pay the following fees:

47.24 (1) \$50 fee for a live plant dealer certificate that allows for one retail sales location. A
47.25 \$50 certificate is required for each additional retail sales location; and

47.26 (2) a live plant dealer growing nursery stock requires an inspection for certification of
47.27 that nursery stock prior to sale of the nursery stock and must be assessed an additional
47.28 charge of \$100 plus \$10 per acre up to 200 acres. Acreage to be certified should be rounded
47.29 to the nearest one acre. For the basis of fee determination, "growing nursery stock" means
47.30 the purchase of seeds, seedlings, or small plants and the cultivation of the plants in fields
47.31 or containers in Minnesota for eventual sale, including cutting, splitting, and propagating
47.32 plants.

48.1 Sec. 27. Minnesota Statutes 2022, section 18H.07, is amended by adding a subdivision to
 48.2 read:

48.3 Subd. 3b. Live plant dealer renewal certificate. (a) A renewal certificate is for a live
 48.4 plant dealer that has had a certificate in at least one of the past two full calendar years. A
 48.5 live plant dealer must pay an annual fee based on the following criteria:

48.6 (1) a \$50 fee for a live plant dealer certificate that allows for one retail sales location.
 48.7 A \$50 certificate is required for each additional retail sales location;

48.8 (2) a fee of gross annual purchases of certified nursery stock as noted in the table below
 48.9 with the intent to resell in the same year. These are plants that are watered and maintained
 48.10 only for the purposes of keeping the plants alive. Gross annual purchases are calculated for
 48.11 nursery stock purchases from January 1 through December 31 of the most recent certificate
 48.12 year according to the following table;

	<u>Purchases</u>	<u>Fee</u>
48.13		
48.14	<u>\$0</u>	<u>to \$3,000</u>
48.15	<u>\$3,001</u>	<u>to \$10,000</u>
48.16	<u>\$10,001</u>	<u>to \$20,000</u>
48.17	<u>\$20,001</u>	<u>to \$50,000</u>
48.18	<u>\$50,001</u>	<u>to \$100,000</u>
48.19	<u>\$100,001</u>	<u>to \$150,000</u>
48.20	<u>\$150,001</u>	<u>to \$200,000</u>
48.21	<u>\$200,001</u>	<u>to \$300,000</u>
48.22	<u>\$300,001</u>	<u>to \$400,000</u>
48.23	<u>\$400,001</u>	<u>to \$500,000</u>
48.24	<u>\$500,001</u>	<u>to \$600,000</u>
48.25	<u>\$600,001</u>	<u>to \$700,000</u>
48.26	<u>\$700,001</u>	<u>to \$800,000</u>
48.27	<u>\$800,001</u>	<u>to \$900,000</u>
48.28	<u>\$900,001</u>	<u>to \$1,000,000</u>
48.29	<u>\$1,000,001</u>	<u>to \$2,000,000</u>
48.30	<u>\$2,000,001</u>	<u>to \$3,000,000</u>
48.31	<u>\$3,000,001 or more</u>	<u>.0005 x annual purchases; and</u>

48.32 (3) a live plant dealer growing nursery stock requires an inspection for certification of
 48.33 that nursery stock prior to sale and must be assessed an additional charge of \$100 plus \$10
 48.34 per acre up to 200 acres. Acreage to be certified should be rounded to the nearest one acre.
 48.35 For the basis of fee determination, "growing nursery stock" is the purchase of seeds,

49.1 seedlings, or small plants and the cultivation of plants in fields or containers in Minnesota
49.2 for eventual sale, including cutting, splitting, and propagating plants.

49.3 (b) In addition to the fees in paragraph (a), a penalty of 25 percent of the fee due may
49.4 be charged or a portion thereof, if the fee is delinquent or any application for renewal is not
49.5 postmarked or electronically date stamped by December 31 of the current year.

49.6 (c) A live plant dealer operating without a valid certificate must not offer nursery stock
49.7 for sale or sell nursery stock until a certificate is issued to the live plant dealer by the
49.8 commissioner and the live plant dealer has paid any applicable fees and penalties in full.

49.9 Sec. 28. Minnesota Statutes 2022, section 18H.08, subdivision 2, is amended to read:

49.10 Subd. 2. **Virus disease-free certification.** The commissioner may provide special
49.11 services such as virus disease-free certification and other similar programs. Participation
49.12 by ~~nursery stock growers~~ live plant dealers is voluntary. Plants offered for sale as certified
49.13 virus-free must be grown according to certain procedures in a manner defined by the
49.14 commissioner for the purpose of eliminating viruses and other injurious disease or insect
49.15 pests. The commissioner shall collect reasonable fees from participating ~~nursery stock~~
49.16 ~~growers~~ live plant dealers for services and materials that are necessary to conduct this type
49.17 of work.

49.18 Sec. 29. Minnesota Statutes 2022, section 18H.09, is amended to read:

49.19 **18H.09 NURSERY STOCK CERTIFICATION REQUIREMENTS.**

49.20 (a) All nursery stock growing at sites identified by ~~nursery stock dealers or nursery stock~~
49.21 ~~growers~~ live plant dealers and submitted for inspection must be inspected by the
49.22 commissioner within the previous 12 months prior to sale and found apparently free from
49.23 quarantine and regulated nonquarantine pests as well as significantly dangerous or potentially
49.24 damaging plant pests. The commissioner may waive a site inspection under the following
49.25 conditions:

49.26 (1) the nursery stock is not going to be sold within 12 months;

49.27 (2) the nursery stock will not be moved out of Minnesota; and

49.28 (3) the nursery site or stock is not subject to certification requirements associated with
49.29 a state or federally regulated or quarantined plant pest.

49.30 All nursery stock originating from out of state and offered for sale in Minnesota must
49.31 have been inspected by the appropriate state or federal agency during the previous 12 months

50.1 and found free from quarantine and regulated nonquarantine pests as well as significantly
50.2 dangerous or potentially damaging plant pests. A nursery stock certificate is valid from
50.3 January 1 to December 31.

50.4 (b) Nursery stock must be accessible to the commissioner for inspection during regular
50.5 business hours. Weeds or other growth that hinder a proper inspection are grounds to suspend
50.6 or withhold a certificate or require a reinspection.

50.7 (c) Inspection reports issued to ~~growers~~ live plant dealers must contain a list of the plant
50.8 pests found at the time of inspection. Withdrawal-from-distribution orders are considered
50.9 part of the inspection reports. A withdrawal-from-distribution order must contain a list of
50.10 plants withdrawn from distribution and the location of the plants.

50.11 (d) The commissioner may post signs to delineate sections withdrawn from distribution.
50.12 These signs must remain in place until the commissioner removes them or grants written
50.13 permission to the grower to remove the signs.

50.14 (e) Inspection reports issued to live plant dealers must outline the violations involved
50.15 and corrective actions to be taken including withdrawal-from-distribution orders which
50.16 would specify nursery stock that could not be distributed from a certain area.

50.17 (f) Optional inspections of plants may be conducted by the commissioner upon request
50.18 by any persons desiring an inspection. A fee as provided in section 18H.07 must be charged
50.19 for such an inspection.

50.20 Sec. 30. Minnesota Statutes 2022, section 18H.13, subdivision 3, is amended to read:

50.21 Subd. 3. **Reciprocal agreements.** The commissioner may cooperate with and enter into
50.22 reciprocal agreements with other states regarding licensing and movement of nursery stock.
50.23 Reciprocal agreements with other states do not prevent the commissioner from prohibiting
50.24 the distribution in Minnesota of any nursery stock that fails to meet minimum criteria for
50.25 nursery stock of Minnesota certified ~~growers, dealers, or both~~ live plant dealers. An official
50.26 directory of certified nurseries and related nursery industry businesses from other states is
50.27 acceptable in lieu of individual nursery certificates.

50.28 Sec. 31. Minnesota Statutes 2022, section 18H.15, is amended to read:

50.29 **18H.15 VIOLATIONS.**

50.30 (a) A person who offers to distribute nursery stock that is uncertified, uninspected, or
50.31 falsely labeled or advertised possesses an illegal regulated commodity that is considered
50.32 infested or infected with harmful plant pests and subject to regulatory action and control.

51.1 If the commissioner determines that the provisions of this section have been violated, the
51.2 commissioner may order the destruction of all of the plants unless the person:

51.3 (1) provides proper phytosanitary preclearance, phytosanitary certification, or nursery
51.4 stock certification;

51.5 (2) agrees to have the plants, plant materials, or nursery stock returned to the consignor;
51.6 and

51.7 (3) provides proper documentation, certification, or compliance to support advertising
51.8 claims.

51.9 (b) The plant owner is liable for all costs associated with a withdrawal-from-distribution
51.10 order or the quarantine, treatment, or destruction of plants. The commissioner is not liable
51.11 for actual or incidental costs incurred by a person due to the commissioner's actions. The
51.12 commissioner must be reimbursed by the owner of the plants for the actual expenses incurred
51.13 in carrying out a withdrawal-from-distribution order or the quarantine, treatment, or
51.14 destruction of any plants.

51.15 (c) It is unlawful for a person to:

51.16 (1) misrepresent, falsify, or knowingly distribute, sell, advertise, or display damaged,
51.17 mislabeled, misrepresented, infested, or infected nursery stock;

51.18 (2) fail to obtain a nursery certificate as required by the commissioner;

51.19 (3) fail to renew a nursery certificate, but continue business operations;

51.20 (4) fail to display a nursery certificate;

51.21 (5) misrepresent or falsify a nursery certificate;

51.22 (6) refuse to submit to a nursery inspection;

51.23 (7) fail to provide the cooperation necessary to conduct a successful nursery inspection;

51.24 (8) offer for sale uncertified plants, plant materials, or nursery stock;

51.25 (9) possess an illegal regulated commodity;

51.26 (10) violate or disobey a commissioner's order;

51.27 (11) violate a quarantine issued by the commissioner;

51.28 (12) fail to obtain phytosanitary certification for plant material or nursery stock brought
51.29 into Minnesota;

52.1 (13) deface, mutilate, or destroy a nursery stock certificate, phytosanitary certificate, or
52.2 phytosanitary preclearance certificate, or other commissioner mark, permit, or certificate;

52.3 (14) fail to notify the commissioner of an uncertified shipment of plants, plant materials,
52.4 or nursery stock;

52.5 (15) transport uncertified plants, plant materials, or nursery stock in Minnesota; or

52.6 (16) sell nursery stock to an uncertified ~~nursery stock~~ live plant dealer who is required
52.7 to be certified.

52.8 Sec. 32. Minnesota Statutes 2022, section 18K.04, subdivision 1, is amended to read:

52.9 Subdivision 1. **Requirement; issuance; presumption.** (a) A person must obtain a license
52.10 from the commissioner before (1) growing industrial hemp ~~for commercial or research~~
52.11 ~~purposes, and (2) before processing industrial hemp for commercial purposes, or (3)~~
52.12 researching industrial hemp.

52.13 (b) To obtain a license under paragraph (a), a person must apply to the commissioner
52.14 in the form prescribed by the commissioner and must pay the annual registration and
52.15 inspection fee established by the commissioner in accordance with section 16A.1285,
52.16 subdivision 2.

52.17 (c) For a license to grow industrial hemp ~~for commercial or research purposes~~, the license
52.18 application must include the name and address of the applicant and the legal description of
52.19 the land area or areas where industrial hemp will be grown by the applicant and any other
52.20 information required under Code of Federal Regulations, title 7, part 990.

52.21 (d) For a license to process industrial hemp ~~for commercial purposes~~, the license
52.22 application must include the name and address of the applicant, the legal description of the
52.23 processing location, and any other information required by the commissioner.

52.24 (e) A licensee is responsible for compliance with the license requirements irrespective
52.25 of the acts or omissions of an authorized representative acting on behalf of the licensee.

52.26 (f) When an applicant has paid the fee and completed the application process to the
52.27 satisfaction of the commissioner, the commissioner must issue a license which is valid until
52.28 December 31 of the year of application.

52.29 (g) A person licensed under paragraph (a) to grow industrial hemp is presumed to be
52.30 growing industrial hemp for commercial or research purposes.

53.1 Sec. 33. Minnesota Statutes 2022, section 18K.04, subdivision 2, is amended to read:

53.2 Subd. 2. **Background check; data classification.** The commissioner must require each
53.3 first-time applicant for a license to submit to a background investigation conducted by the
53.4 Bureau of Criminal Apprehension as a condition of licensure. Any first-time authorized
53.5 representatives designated by the applicant must also submit to a background investigation.
53.6 As part of the background investigation, the Bureau of Criminal Apprehension must conduct
53.7 criminal history checks of Minnesota records and is authorized to exchange fingerprints
53.8 with the United States Department of Justice, Federal Bureau of Investigation for the purpose
53.9 of a criminal background check of the national files. The cost of the investigation must be
53.10 paid by the applicant. Criminal history records provided to the commissioner under this
53.11 section must be treated as private data on individuals, as defined in section 13.02, subdivision
53.12 12.

53.13 Sec. 34. Minnesota Statutes 2022, section 18K.06, is amended to read:

53.14 **18K.06 RULEMAKING.**

53.15 (a) The commissioner shall adopt rules governing the production, testing, processing,
53.16 and licensing of industrial hemp. ~~Notwithstanding section 14.125, the commissioner's~~
53.17 ~~authority to adopt these rules expires June 30, 2022.~~ Notwithstanding the two-year limitation
53.18 for exempt rules under section 14.388, subdivision 1, Minnesota Rules, chapter 1565,
53.19 published in the State Register on August 16, 2021, is effective until August 16, 2025, or
53.20 until permanent rules implementing chapter 18K are adopted, whichever occurs first.

53.21 (b) Rules adopted under paragraph (a) must include, but not be limited to, provisions
53.22 governing:

53.23 (1) the supervision and inspection of industrial hemp during its growth and harvest;

53.24 (2) the testing of industrial hemp to determine delta-9 tetrahydrocannabinol levels;

53.25 (3) the use of background check results required under section 18K.04 to approve or
53.26 deny a license application; and

53.27 (4) any other provision or procedure necessary to carry out the purposes of this chapter.

53.28 (c) Rules issued under this section must be consistent with federal law regarding the
53.29 production, distribution, and sale of industrial hemp.

54.1 Sec. 35. [18K.10] HEMP FIBER PROCESSING EQUIPMENT GRANTS.

54.2 The commissioner must award grants to licensed processors that increase the state's
54.3 capacity to process industrial hemp fiber. Grants are limited to no more than \$200,000 of
54.4 processing equipment and reasonable equipment installation costs per processing location.
54.5 A licensed processor must match the grant with other funding equal to at least 25 percent
54.6 of the grant amount.

54.7 Sec. 36. Minnesota Statutes 2022, section 25.39, subdivision 1, is amended to read:

54.8 Subdivision 1. **Amount of fee.** (a) An inspection fee at the rate of 16 cents per ton must
54.9 be paid to the commissioner on commercial feeds distributed in this state by the person who
54.10 first distributes the commercial feed, except that:

54.11 (1) no fee need be paid on any feed ingredient in a customer formula feed that has been
54.12 directly furnished by the customer; or

54.13 (2) no fee need be paid on a first distribution if made to a qualified buyer who, with
54.14 approval from the commissioner, is responsible for the fee. Such license-specific
54.15 tonnage-fee-exemption permits shall be issued on a calendar year basis to commercial feed
54.16 licensees who distribute feed or feed ingredients outside the state, and who submit a \$100
54.17 nonrefundable application fee and comply with rules adopted by the commissioner relative
54.18 to record keeping, tonnage of commercial feed distributed in Minnesota, total of all
54.19 commercial feed tonnage distributed, and all other information which the commissioner
54.20 may require so as to ensure that proper inspection fee payment has been made.

54.21 (b) In the case of pet food or specialty pet food distributed in the state only in packages
54.22 of ten pounds or less, a distributor must register each product ~~and submit a current label for~~
54.23 ~~each product~~ annually on forms provided by the commissioner, accompanied by an annual
54.24 application fee of \$100 for each product in lieu of the inspection fee, and within five business
54.25 days, submit a current label for each product upon the request of the commissioner. This
54.26 annual fee must be received by the commissioner on or before June 30 or postmarked on
54.27 or before June 30. The inspection fee required by paragraph (a) applies to pet food or
54.28 specialty pet food distributed in packages exceeding ten pounds.

54.29 (c) The minimum inspection fee is \$75 per annual reporting period.

55.1 Sec. 37. Minnesota Statutes 2022, section 28A.08, is amended by adding a subdivision to
55.2 read:

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

55.8 Sec. 38. Minnesota Statutes 2022, section 28A.082, subdivision 1, is amended to read:

55.9 Subdivision 1. **Fees; application.** (a) The fees for review of food handler facility floor
55.10 plans under the Minnesota Food Code are based upon the square footage of the structure
55.11 being newly constructed, remodeled, or converted. The fees for the review shall be:

square footage	review fee
0 - 4,999 999.....	\$ 200.00
<u>1,000 - 4,999.....</u>	<u>\$ 400.00</u>
	275.00
5,000 - 24,999.....	\$ <u>800.00</u>
	425.00
25,000 plus.....	\$ <u>1,000.00</u>

55.19 (b) The applicant must submit the required fee, review application, plans, equipment
55.20 specifications, materials lists, and other required information on forms supplied by the
55.21 department at least 30 days prior to commencement of construction, remodeling, or
55.22 conversion. The commissioner may waive this fee after determining that the facility's
55.23 principal mode of business is not the sale of food and that the facility sells only prepackaged
55.24 foods.

55.25 (c) The fee for a remodel of a licensed food establishment by the license holder is based
55.26 on the total square footage in paragraph (a) of the remodeled food preparation, service,
55.27 display, and storage areas only. This paragraph does not apply to a retail food handler who
55.28 is applying for a new license that includes the conversion of an existing building or structure
55.29 that was previously licensed as a food establishment.

55.30 Sec. 39. Minnesota Statutes 2022, section 28A.09, is amended by adding a subdivision to
55.31 read:

55.32 **Subd. 3. Vending machine inspection account; appropriation.** A vending machine
55.33 inspection account is established in the agricultural fund. Fees paid under subdivision 1

56.1 must be deposited in this account. Money in the account, including interest, is appropriated
56.2 to the commissioner for expenses relating to identifying and inspecting food vending
56.3 machines under chapters 28 to 34A or rules adopted under one of those chapters.

56.4 Sec. 40. Minnesota Statutes 2022, section 35.02, subdivision 1, is amended to read:

56.5 Subdivision 1. **Members; officers.** The board has ~~six~~ 11 members appointed by the
56.6 governor with ~~the advice and consent of the senate, four of whom are producers of livestock~~
56.7 ~~in the state and at least one of the four livestock producers is also a member of a federally~~
56.8 ~~recognized Tribe located in Minnesota, and two of whom are practicing veterinarians licensed~~
56.9 ~~in Minnesota~~ two at-large members, one member who is a member of a federally recognized
56.10 Tribe located in Minnesota, and eight regional members, with no two regional members
56.11 residing in the same congressional district. To the extent practicable, the governor's
56.12 appointments must achieve gender balance among the board membership. Members must
56.13 be knowledgeable in animal agriculture, animal health, or pets and companion animals,
56.14 with at least two members who represent the public and are not employed in agriculture,
56.15 veterinary medicine, the pet industry, or a related field. The commissioners of agriculture,
56.16 natural resources, and health, the dean of the College of Veterinary Medicine, and the
56.17 director of the Veterinary Diagnostic Laboratory of the University of Minnesota ~~may~~ shall
56.18 serve as consultants to the board without vote. Appointments to fill unexpired terms must
56.19 be made from the classes to which the retiring members belong. The board shall elect a
56.20 president and a vice-president from among its members ~~and~~. The governor shall appoint a
56.21 veterinarian licensed in Minnesota who is not a member to be ~~its~~ the board's executive
56.22 director for a term of one year and until a successor qualifies. The board shall set the duties
56.23 of the director.

56.24 **EFFECTIVE DATE.** This section is effective July 1, 2023, and applies to appointments
56.25 that occur on or after that date.

56.26 Sec. 41. Minnesota Statutes 2022, section 35.05, is amended to read:

56.27 **35.05 AUTHORITY OF STATE BOARD.**

56.28 (a) The state board may quarantine or kill any domestic animal infected with, or which
56.29 has been exposed to, a contagious or infectious dangerous disease if it is necessary to protect
56.30 the health of the domestic animals of the state.

56.31 (b) The board may regulate or prohibit the arrival in and departure from the state of
56.32 infected or exposed animals and, in case of violation of any rule or prohibition, may detain

57.1 any animal at its owner's expense. The board may regulate or prohibit the importation of
57.2 domestic animals which, in its opinion, may injure the health of Minnesota livestock.

57.3 (c) When the governor declares an emergency under section 35.0661, the board, through
57.4 its executive director, may assume control of such resources within the University of
57.5 Minnesota's Veterinary Diagnostic Laboratory as necessary to effectively address the disease
57.6 outbreak. The director of the laboratory and other laboratory personnel must cooperate fully
57.7 in performing necessary functions related to the outbreak or threatened outbreak.

57.8 (d) The board may test or require tests of any bovine or cervidae in the state when the
57.9 board deems it necessary to achieve or maintain bovine tuberculosis accredited free state
57.10 or zone status under the regulations and laws administered by the United States Department
57.11 of Agriculture.

57.12 (e) Notwithstanding section 3.3005, subdivision 2, the board may apply for, receive,
57.13 and disburse federal money made available to the state for animal disease response. All
57.14 federal money received by the board for this purpose must be deposited in the state treasury
57.15 and, ~~except as provided in section 35.156, subdivision 2,~~ is appropriated to the board for
57.16 the purposes for which it was received. By January 15 each year, the board must report to
57.17 the senate Committee on Finance, the house of representatives Committee on Ways and
57.18 Means, and the legislative committees with jurisdiction over the board's operating budget
57.19 regarding the amount of federal money received and spent in the previous fiscal year under
57.20 this paragraph and the board's use of these funds.

57.21 Sec. 42. Minnesota Statutes 2022, section 41A.12, subdivision 4, is amended to read:

57.22 Subd. 4. **Sunset.** This section expires on June 30, ~~2025~~ 2035.

57.23 Sec. 43. Minnesota Statutes 2022, section 41A.16, subdivision 1, is amended to read:

57.24 Subdivision 1. ~~**Eligibility for participants on or before April 1, 2023.**~~ (a) A facility
57.25 eligible for payment under this section must source from Minnesota at least 80 percent of
57.26 the biomass used to produce an advanced biofuel, except that, if a facility is sited 50 miles
57.27 or less from the state border, biomass used to produce an advanced biofuel may be sourced
57.28 from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from
57.29 within a 100-mile radius of the facility or from within Minnesota. The facility must be
57.30 located in Minnesota, must begin production at a specific location on or before ~~April 1~~ June
57.31 30, 2023, and must not begin operating above 23,750 MMbtu of quarterly advanced biofuel
57.32 production before July 1, 2015. Eligible facilities include existing companies and facilities
57.33 that are adding advanced biofuel production capacity, or retrofitting existing capacity, as

58.1 well as new companies and facilities. Production of conventional corn ethanol and
58.2 conventional biodiesel is not eligible. Eligible advanced biofuel facilities must produce at
58.3 least 1,500 MMbtu of advanced biofuel quarterly.

58.4 (b) No payments shall be made for advanced biofuel production that occurs after June
58.5 30, 2035, for those eligible biofuel producers under paragraph (a).

58.6 (c) An eligible producer of advanced biofuel shall not transfer the producer's eligibility
58.7 for payments under this section to an advanced biofuel facility at a different location.

58.8 (d) A producer that ceases production for any reason is ineligible to receive payments
58.9 under this section until the producer resumes production.

58.10 (e) Renewable chemical production for which payment has been received under section
58.11 41A.17, and biomass thermal production for which payment has been received under section
58.12 41A.18, are not eligible for payment under this section.

58.13 (f) Biobutanol is eligible under this section.

58.14 **EFFECTIVE DATE.** This section is effective retroactively from March 31, 2023.

58.15 Sec. 44. Minnesota Statutes 2022, section 41A.16, subdivision 2, is amended to read:

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

58.21 (b) Total payments under this section to an eligible biofuel producer in a fiscal year may
58.22 not exceed the amount necessary for 2,850,000 MMbtu of biofuel production. Total payments
58.23 under this section to all eligible biofuel producers in a fiscal year may not exceed the amount
58.24 necessary for 17,100,000 MMbtu of biofuel production. If the total amount for which all
58.25 producers are eligible in a quarter exceeds the amount available for payments, the
58.26 commissioner shall make the payments on a pro rata basis. An eligible producer may reapply
58.27 for payment of, and the commissioner must pay, the difference between a claim for payment
58.28 filed under subdivision 6 and the pro rata amount received:

58.29 (1) until the full amount of the original claim is paid; and

58.30 (2) subject to available money appropriated for the express purpose of paying claims
58.31 not otherwise paid.

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

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

59.5 Sec. 45. Minnesota Statutes 2022, section 41A.17, subdivision 1, is amended to read:

59.6 Subdivision 1. ~~Eligibility for participants on or before April 1, 2023.~~ (a) A facility
59.7 eligible for payment under this section must source from Minnesota at least 80 percent of
59.8 the biomass used to produce a renewable chemical, except that, if a facility is sited 50 miles
59.9 or less from the state border, biomass used to produce a renewable chemical may be sourced
59.10 from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from
59.11 within a 100-mile radius of the facility or from within Minnesota. The facility must be
59.12 located in Minnesota, must begin production at a specific location on or before ~~April 1~~ June
59.13 30, 2023, and must not begin production of 250,000 pounds of chemicals quarterly before
59.14 January 1, 2015. Eligible facilities include existing companies and facilities that are adding
59.15 production capacity, or retrofitting existing capacity, as well as new companies and facilities.
59.16 Eligible renewable chemical facilities must produce at least 250,000 pounds of renewable
59.17 chemicals quarterly. Renewable chemicals produced through processes that are fully
59.18 commercial before January 1, 2000, are not eligible.

59.19 (b) No payments shall be made for renewable chemical production that occurs after June
59.20 30, 2035, for those eligible renewable chemical producers under paragraph (a).

59.21 (c) An eligible producer of renewable chemicals shall not transfer the producer's eligibility
59.22 for payments under this section to a renewable chemical facility at a different location.

59.23 (d) A producer that ceases production for any reason is ineligible to receive payments
59.24 under this section until the producer resumes production.

59.25 (e) Advanced biofuel production for which payment has been received under section
59.26 41A.16, and biomass thermal production for which payment has been received under section
59.27 41A.18, are not eligible for payment under this section.

59.28 **EFFECTIVE DATE.** This section is effective retroactively from March 31, 2023.

59.29 Sec. 46. Minnesota Statutes 2022, section 41A.17, subdivision 2, is amended to read:

59.30 Subd. 2. **Payment amounts; bonus; limits.** (a) The commissioner shall make payments
59.31 to eligible producers of renewable chemicals located in the state. The amount of the payment
59.32 for each producer's annual production is \$0.03 per pound of sugar-derived renewable

60.1 chemical, \$0.03 per pound of cellulosic sugar, starch, oil, or animal fat, and \$0.06 per pound
60.2 of cellulosic-derived renewable chemical produced at a specific location for ten years after
60.3 the start of production.

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

60.7 (c) Total payments under this section to an eligible renewable chemical producer in a
60.8 fiscal year may not exceed the amount necessary for 99,999,999 pounds of renewable
60.9 chemical production. Total payments under this section to all eligible renewable chemical
60.10 producers in a fiscal year may not exceed the amount necessary for 599,999,999 pounds of
60.11 renewable chemical production. If the total amount for which all producers are eligible in
60.12 a quarter exceeds the amount available for payments, the commissioner shall make the
60.13 payments on a pro rata basis. An eligible producer may reapply for payment of, and the
60.14 commissioner must pay, the difference between a claim for payment filed under subdivision
60.15 5 and the pro rata amount received:

60.16 (1) until the full amount of the original claim is paid; and

60.17 (2) subject to available money appropriated for the express purpose of paying claims
60.18 not otherwise paid.

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

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

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

60.26 Sec. 47. Minnesota Statutes 2022, section 41A.18, subdivision 1, is amended to read:

60.27 Subdivision 1. ~~Eligibility for participants on or before April 1, 2023.~~ (a) A facility
60.28 eligible for payment under this section must source from Minnesota at least 80 percent of
60.29 the biomass used for biomass thermal production, except that, if a facility is sited 50 miles
60.30 or less from the state border, biomass used for biomass thermal production may be sourced
60.31 from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from
60.32 within a 100-mile radius of the facility, or from within Minnesota. Biomass must be from
60.33 agricultural or forestry sources. The facility must be located in Minnesota, must have begun

61.1 production at a specific location on or before ~~April 1~~ June 30, 2023, and must not begin
61.2 before July 1, 2015. Eligible facilities include existing companies and facilities that are
61.3 adding production capacity, or retrofitting existing capacity, as well as new companies and
61.4 facilities. Eligible biomass thermal production facilities must produce at least 250 MMbtu
61.5 of biomass thermal quarterly.

61.6 (b) No payments shall be made for biomass thermal production that occurs after June
61.7 30, 2035, for those eligible biomass thermal producers under paragraph (a).

61.8 (c) An eligible producer of biomass thermal production shall not transfer the producer's
61.9 eligibility for payments under this section to a biomass thermal production facility at a
61.10 different location.

61.11 (d) A producer that ceases production for any reason is ineligible to receive payments
61.12 under this section until the producer resumes production.

61.13 (e) Biofuel production for which payment has been received under section 41A.16, and
61.14 renewable chemical production for which payment has been received under section 41A.17,
61.15 are not eligible for payment under this section.

61.16 **EFFECTIVE DATE.** This section is effective retroactively from March 31, 2023.

61.17 Sec. 48. Minnesota Statutes 2022, section 41A.18, subdivision 2, is amended to read:

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

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

61.25 (c) Total payments under this section to an eligible thermal producer in a fiscal year
61.26 may not exceed the amount necessary for 30,000 MMbtu of thermal production. Total
61.27 payments under this section to all eligible thermal producers in a fiscal year may not exceed
61.28 the amount necessary for 150,000 MMbtu of total thermal production. If the total amount
61.29 for which all producers are eligible in a quarter exceeds the amount available for payments,
61.30 the commissioner shall make the payments on a pro rata basis. An eligible producer may
61.31 reapply for payment of, and the commissioner must pay, the difference between a claim for
61.32 payment filed under subdivision 5 and the pro rata amount received:

62.1 (1) until the full amount of the original claim is paid; and

62.2 (2) subject to available money appropriated for the express purpose of paying claims
62.3 not otherwise paid.

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

62.8 (e) When a facility is eligible due to adding production capacity or retrofitting existing
62.9 capacity, the entire amount of biomass meeting the cellulosic forestry biomass requirements
62.10 or agricultural cellulosic biomass sourcing plan is assumed to have been used for the biomass
62.11 thermal production from the added or retrofitted production capacity.

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

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

62.16 Sec. 49. Minnesota Statutes 2022, section 41A.19, is amended to read:

62.17 **41A.19 REPORT; INCENTIVE PROGRAMS.**

62.18 By January 15 each year, the commissioner shall report on the incentive programs under
62.19 sections 41A.16, 41A.17, 41A.18, 41A.20, and 41A.21 to the legislative committees with
62.20 jurisdiction over environment policy and finance and agriculture policy and finance. The
62.21 report shall include information on production and incentive expenditures under the
62.22 programs-, as well as the following information that the commissioner must require of each
62.23 producer who receives a payment during the reporting period:

62.24 (1) the producer's business structure;

62.25 (2) the name and address of the producer's parent company, if any;

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

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

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

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

63.3 (7) board member and executive compensation;

63.4 (8) evidence of compliance with environmental permits;

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

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

63.10 Sec. 50. Minnesota Statutes 2022, section 223.16, is amended by adding a subdivision to
 63.11 read:

63.12 Subd. 3c. **Failure.** "Failure" means a determination by the commissioner that a grain
 63.13 buyer or public grain warehouse operator has failed to pay for delivered grain, breached a
 63.14 contract, breached more than one contract, or failed to redeliver stored grain to a producer.

63.15 Sec. 51. Minnesota Statutes 2022, section 223.17, subdivision 7, is amended to read:

63.16 Subd. 7. ~~Action on a bond~~ **Breach of contract.** A producer claiming to be damaged
 63.17 by a breach of a contract for the purchase of grain by a licensed grain buyer may file a
 63.18 written claim with the commissioner. The claim must state the facts constituting the claim.
 63.19 ~~The claim must be filed with the commissioner within 180 days of the breach of the contract.~~
 63.20 If a claim is valid, the commissioner may immediately suspend the license, in which case
 63.21 the licensee shall surrender the license to the commissioner. Within 15 days the licensee
 63.22 may request an administrative hearing subject to chapter 14 to determine whether the license
 63.23 should be revoked. If no request is made within 15 days, the commissioner shall revoke the
 63.24 license.

63.25 Sec. 52. Minnesota Statutes 2022, section 223.17, subdivision 7a, is amended to read:

63.26 Subd. 7a. **Bond requirements; claims.** For entities licensed under this chapter and
 63.27 chapter 232, the bond requirements and ~~claims~~ actions against the bond are governed under
 63.28 section ~~232.22, subdivision 6a~~ 223.24, subdivision 13.

64.1 Sec. 53. Minnesota Statutes 2022, section 223.175, is amended to read:

64.2 **223.175 WRITTEN VOLUNTARY EXTENSION OF CREDIT CONTRACTS;**
64.3 **FORM.**

64.4 A written confirmation required under section 223.177, subdivision 2, and a written
64.5 voluntary extension of credit contract must include those items prescribed by the
64.6 commissioner by rule. A contract shall include a statement of the legal and financial
64.7 responsibilities of grain buyers and sellers established in this chapter. A contract shall also
64.8 include the following statement in not less than ten point, all capital type, framed in a box
64.9 with space provided for the seller's signature: "THIS CONTRACT CONSTITUTES A
64.10 VOLUNTARY EXTENSION OF CREDIT. ~~THIS CONTRACT IS NOT COVERED BY~~
64.11 ~~ANY GRAIN BUYER'S BOND~~ MAY NOT BE COVERED COMPLETELY BY THE
64.12 GRAIN INDEMNITY ACCOUNT." If a written contract is provided at the time the grain
64.13 is delivered to the grain buyer, the seller shall sign the contract in the space provided beneath
64.14 the statement. A transaction that does not meet the provisions of a voluntary extension of
64.15 credit, including the issuance and signing of a voluntary extension of credit contract, is a
64.16 cash sale.

64.17 Sec. 54. Minnesota Statutes 2022, section 223.19, is amended to read:

64.18 **223.19 RULES.**

64.19 The commissioner may make rules pursuant to chapter 14 to carry out the provisions of
64.20 sections 223.15 to ~~223.23~~ 223.24.

64.21 Sec. 55. [223.24] GRAIN INDEMNITY ACCOUNT.

64.22 Subdivision 1. Establishment. The grain indemnity account is established under the
64.23 direction and control of the commissioner of agriculture. The grain indemnity account shall
64.24 consist of grain indemnity premiums, money from any other source, and interest.

64.25 Subd. 2. Account; appropriation. (a) A grain indemnity account is established in the
64.26 agricultural fund. Money in the grain indemnity account, including interest, is appropriated
64.27 to the commissioner to pay valid claims and to administer this section.

64.28 (b) The commissioner shall direct payments from the grain indemnity account only for
64.29 the following purposes:

64.30 (1) the payment of valid claims;

64.31 (2) the payment of grain indemnity premium refunds;

65.1 (3) the payment of administrative expenses under paragraph (c);

65.2 (4) the payment of legal fees and legal expenses under subdivision 7; or

65.3 (5) the payment of a trustee appointed under subdivision 6.

65.4 (c) The commissioner shall allocate money from the grain indemnity account to a separate
65.5 administrative expenses account to pay or reimburse the agency for grain indemnity account
65.6 expenses. Administrative expenses under this paragraph include the actual cost of processing
65.7 payments and refunds, enforcement, record keeping, ordinary management and investment
65.8 fees connected with the operation of the grain indemnity account, and legal expenses.

65.9 Subd. 3. **Eligibility.** A producer is eligible to receive a grain indemnity payment from
65.10 the commissioner if the producer sold grain to a grain buyer as defined in this chapter or
65.11 stored grain with a public grain warehouse operator under chapter 232 and the producer is
65.12 damaged by the grain buyer's or public grain warehouse operator's failure to pay for or
65.13 redeliver grain.

65.14 Subd. 4. **Application.** (a) A producer asserting eligibility under subdivision 3 must file
65.15 a completed claim with the commissioner. The producer must state the facts constituting
65.16 the claim and all other information required by the commissioner.

65.17 (b) Upon receiving a claim, the commissioner must promptly determine the validity of
65.18 the claim and notify the claimant of the commissioner's determination.

65.19 (c) An aggrieved party may appeal the commissioner's determination by requesting,
65.20 within 15 days, that the commissioner initiate a contested case proceeding under chapter
65.21 14.

65.22 Subd. 5. **Payment limitation.** (a) For each failure as defined by section 223.16,
65.23 subdivision 3c, the commissioner must pay the eligible producer:

65.24 (1) the amount equal to the value of the grain sold on cash sale, grain assigned to
65.25 warehouse receipt, or grain assigned to open storage less than 180 days from the deposit;

65.26 (2) the amount equal to the value of grain sold up to \$300,000, or the lesser of \$750,000
65.27 or 75 percent of the amount owed to the seller for a contract in excess of \$300,000 for a
65.28 deferred or delayed payment contract for which a price has been established when the
65.29 contract originated within 120 days of the breach of contract;

65.30 (3) the lesser of \$750,000 or 75 percent of the amount owed to the seller for a voluntary
65.31 extension of credit contract for which no price has been established when the contract
65.32 originated within 180 days of the breach of contract;

66.1 (4) the lesser of \$500,000 or 50 percent for an open storage assignment or a voluntary
66.2 extension of credit contract when the open storage assignment or contract originated between
66.3 181 days and 18 months from the failure; or

66.4 (5) the lesser of \$250,000 or 25 percent for an open storage assignment or a voluntary
66.5 extension of credit contract when the open storage assignment or contract originated between
66.6 19 months and 36 months from the failure.

66.7 (b) Claims filed more than 36 months from the failure are not eligible for payment.

66.8 (c) For the purposes of this subdivision, multiple breaches of contract with a single entity
66.9 constitute one failure.

66.10 (d) If a grain buyer holds both a Minnesota grain buyer license, as defined in chapter
66.11 223, and a license with the United States Department of Agriculture (USDA) under the
66.12 United States Warehouse Act, a seller may only file a claim with the grain indemnity account
66.13 if the seller sold grain as a cash sale or under a voluntary extension of credit contract. The
66.14 commissioner must deny any claims for stored grain from a seller that holds both a Minnesota
66.15 grain buyer license and a license with the USDA under the United States Warehouse Act.

66.16 (e) If valid claims exceed the amount of money available in the grain indemnity account,
66.17 the commissioner must pay claims to producers in the order that the claims were received.
66.18 When additional money becomes available, the commissioner must resume issuing grain
66.19 indemnity payments to each eligible producer until each producer receives the maximum
66.20 amount payable under paragraph (a).

66.21 (f) If the grain indemnity account balance is insufficient to pay refunds under subdivision
66.22 11 and valid claims exist, once money is deposited into the grain indemnity account, the
66.23 commissioner must issue pending refunds for grain indemnity premium payments before
66.24 issuing payments to claimants.

66.25 Subd. 6. **Court order.** (a) The commissioner may apply to a district court for an order
66.26 appointing a trustee or receiver to manage and supervise the operations of a grain buyer or
66.27 public grain warehouse operator in default. The commissioner may participate in any
66.28 resulting court proceeding as an interested party.

66.29 (b) The commissioner may recover the cost of the appointed trustee using money
66.30 appropriated under subdivision 2.

66.31 Subd. 7. **Debt obligation; subrogated claim.** (a) Money paid by the commissioner to
66.32 satisfy a valid claim constitutes a debt obligation of the grain buyer or public grain warehouse
66.33 operator in default. The commissioner may take action against the grain buyer or public

67.1 grain warehouse operator to recover the amount of any claim payment plus reasonable costs,
67.2 attorney fees, and interest computed at the rate provided in section 270C.40. The
67.3 commissioner must deposit any amount recovered under this subdivision in the grain
67.4 indemnity account.

67.5 (b) As a condition of payment from the commissioner, a producer must subrogate the
67.6 producer's interest in a voluntary extension of credit contract to the commissioner in an
67.7 amount equal to any claim payment or payments that the producer received under this
67.8 section.

67.9 (c) The commissioner may recover any debt to the grain indemnity account from a
67.10 member of the board or management who acted negligently or fraudulently.

67.11 Subd. 8. Grain indemnity premiums. (a) Except as provided in subdivision 10,
67.12 producers of grain must be charged a grain indemnity premium as determined and published
67.13 by the commissioner not to exceed 0.2 percent of the price on all marketed grain that is sold
67.14 to a grain buyer as defined in chapter 223.

67.15 (b) The grain indemnity premiums required under this section are in addition to any
67.16 other fees or assessments required by law.

67.17 Subd. 9. Collection and submission of grain indemnity premiums. (a) Each producer
67.18 must pay to the commissioner a grain indemnity premium of not more than 0.2 percent of
67.19 the net proceeds from all grain sold by the producer to a grain buyer purchasing grain in
67.20 Minnesota. When grain is sold to a grain buyer, the grain buyer must deduct the grain
67.21 indemnity premium from the proceeds of the sale and pay the grain indemnity premium to
67.22 the commissioner on behalf of the producer.

67.23 (b) When purchasing grain from a producer, a grain buyer must deduct the grain
67.24 indemnity premium described in paragraph (a) from the proceeds of the sale and notify the
67.25 producer of the amount of the deduction in writing. The grain buyer must forward the grain
67.26 indemnity premium to the commissioner for a deposit into the grain indemnity account on
67.27 behalf of the producer as described in this subdivision.

67.28 (c) A grain buyer must clearly indicate the grain indemnity premiums collected under
67.29 paragraph (b) in the grain buyer's books and records. A grain buyer must retain books and
67.30 records containing the grain indemnity premiums for at least three years. A grain buyer
67.31 must make the grain buyer's books and records available for inspection by the commissioner
67.32 during regular business hours. The department must take steps reasonably necessary to
67.33 verify the accuracy of the grain indemnity premiums as recorded in the grain buyer's books
67.34 and records. Any record or portion thereof seized or copied by the commissioner is private

68.1 or nonpublic data as provided in section 13.02, except that the commissioner may disclose
68.2 this data to aid in the law enforcement process.

68.3 (d) A grain buyer must submit grain indemnity premiums collected under paragraph (a)
68.4 to the commissioner for the purpose of financing or contributing to the financing of the
68.5 grain indemnity account by:

68.6 (1) January 31 for grain indemnity premiums collected during the months of July, August,
68.7 September, October, November, and December; and

68.8 (2) July 31 for grain indemnity premiums collected during the months of January,
68.9 February, March, April, May, and June.

68.10 Subd. 10. Amount in grain indemnity account; basis for suspension and
68.11 reinstatement of grain indemnity premium collection. (a) The grain indemnity premiums
68.12 required under subdivision 8 must be collected until the grain indemnity account contains
68.13 more than \$15,000,000, as of June 30 of any given year.

68.14 (b) Except as provided in paragraph (c), after the grain indemnity account reaches
68.15 \$15,000,000, the commissioner must not require the collection of additional grain indemnity
68.16 premiums until the amount in the grain indemnity account drops below \$9,000,000. In a
68.17 year when the commissioner determines that the grain indemnity account is at or below
68.18 \$9,000,000, the commissioner may reinstate the collection described in this section.

68.19 (c) The commissioner shall announce the intention to collect the premiums described
68.20 in this section by May 1 with collection to begin July 1 until the grain indemnity account
68.21 contains at least \$15,000,000. The commissioner must notify the public of the commissioner's
68.22 intent to reinstate collection of additional grain indemnity premiums through publication
68.23 in the State Register and by notifying each licensee of the licensee's obligation to collect
68.24 premiums.

68.25 Subd. 11. Grain indemnity refund; opt out. (a) Subject to subdivision 9, a producer
68.26 that has paid a grain indemnity premium may receive a refund of that premium from the
68.27 grain indemnity account by submitting a written demand for a refund to the commissioner,
68.28 delivered personally or by first-class mail within 12 months after the producer paid the grain
68.29 indemnity premium.

68.30 (b) A producer must submit a demand for a refund of a grain indemnity premium under
68.31 paragraph (a) on a demand for refund form developed by the commissioner. The
68.32 commissioner must make the form available to a licensee, producer, or member of the public
68.33 upon request.

69.1 (c) If a producer is entitled to a refund of a grain indemnity premium under this section,
69.2 the commissioner must pay the refund within 90 days of receiving the demand for a refund.
69.3 If the grain indemnity account balance is insufficient to pay refunds under this subdivision
69.4 and valid claims exist, once money is deposited into the grain indemnity account, the
69.5 commissioner must issue pending refunds for grain indemnity premium payments before
69.6 issuing payments to claimants.

69.7 (d) If the commissioner announces grain indemnity premiums as required under
69.8 subdivision 10 by June 30, the commissioner must send a notice to each producer who
69.9 requested a refund of a grain indemnity premium during the previous three fiscal years. The
69.10 notice must inform the producer of the deadline for and method of submitting a demand for
69.11 a refund to the commissioner under paragraphs (a) and (b) and the method for reentering
69.12 the grain indemnity program under paragraph (e).

69.13 (e) A producer that receives a refund of a grain indemnity premium under paragraph (a)
69.14 is not entitled to participate in the grain indemnity program or to receive any payment under
69.15 this section unless the producer reenters the grain indemnity program by meeting all of the
69.16 following conditions:

69.17 (1) the producer must submit a request for reentry into the grain indemnity program to
69.18 the commissioner. The producer must submit the request on the form required by the
69.19 commissioner and must deliver the request to the commissioner;

69.20 (2) the producer's request is approved by the commissioner; and

69.21 (3) the producer must pay into the grain indemnity account all grain indemnity premiums
69.22 that were refunded to the producer and interest on the refunds as determined by the
69.23 commissioner.

69.24 (f) A producer that reenters the grain indemnity program under paragraph (e) is eligible
69.25 to be reimbursed for claims under the grain indemnity program for any breach of contract
69.26 that occurs at least 120 days after reentry.

69.27 (g) A producer is not eligible for a refund of a grain indemnity premium under this
69.28 section if the producer has received payment from the grain indemnity account for a valid
69.29 claim within the preceding 36 months.

69.30 Subd. 12. **Penalties; enforcement action; costs and expenses.** (a) In addition to any
69.31 other penalty or remedy provided by law, a person who knowingly or intentionally commits
69.32 any of the following is subject to civil penalties under section 18J.10:

70.1 (1) refusing or failing to collect any grain indemnity premiums as required under this
70.2 section;

70.3 (2) refusing or failing to pay to the commissioner any grain indemnity premiums collected
70.4 under this section;

70.5 (3) making a false statement, representation, or certification, or knowingly failing to
70.6 make a required statement, representation, or certification in a record, report, or other
70.7 document required under this section or filed with the commissioner; or

70.8 (4) resisting, preventing, impeding, or interfering with the commissioner in the
70.9 performance of the commissioner's duties under this section.

70.10 (b) In addition to the civil penalty described in paragraph (a), the commissioner in an
70.11 enforcement action for a violation described in paragraph (a), clause (1) or (2), must order
70.12 the grain buyer to pay into the grain indemnity account any grain indemnity premiums
70.13 collected by the grain buyer that the grain buyer owes to the grain indemnity account and
70.14 may order the grain buyer to pay interest on the amount that the grain buyer owes to the
70.15 grain indemnity account.

70.16 Subd. 13. **Grain bonds; new license holders.** (a) Except as provided in paragraph (b),
70.17 before the commissioner issues a grain buyer or public grain warehouse operator license,
70.18 a person who has not been licensed to buy grain or operate a public grain warehouse in the
70.19 previous licensing period must file with the commissioner a grain bond in a penal sum of
70.20 \$100,000. A grain bond must remain in effect for the first three years of the license.

70.21 (b) A grain buyer who purchases grain immediately upon delivery solely with cash; a
70.22 certified check; a cashier's check; or a postal, bank, or express money order is exempt from
70.23 this subdivision if the grain buyer's gross annual purchases are \$1,000,000 or less.

70.24 (c) The commissioner may require a supplemental bond in an amount prescribed by the
70.25 commissioner based on the financial statements required in section 223.17, subdivision 6.

70.26 (d) A grain bond must be on a form provided by the commissioner.

70.27 (e) A grain bond required under paragraphs (a) and (c) must provide for the payment of
70.28 any loss caused by the grain buyer's failure to pay upon the owner's demand, including loss
70.29 caused by the grain buyer's failure to pay within the time required. The grain bond must be
70.30 conditioned upon the grain buyer being duly licensed. A grain bond required under paragraphs
70.31 (a) and (c) that is obtained by a public grain warehouse operator must be conditioned that
70.32 the public grain warehouse operator issuing a grain warehouse receipt is liable to the depositor
70.33 for the delivery of the kind, grade, and net quantity of grain called for by the receipt. A

71.1 grain bond must be conditioned upon the operator being duly licensed. For those entities
 71.2 licensed under this chapter, the entire grain bond must be available to any claims against
 71.3 the grain bond filed under this chapter.

71.4 (f) A grain bond must not be cumulative from one licensing period to the next. The
 71.5 maximum liability of the grain bond must be the grain bond's face value for the licensing
 71.6 period.

71.7 (g) A grain bond must be continuous until canceled. To cancel a grain bond, a surety
 71.8 must provide 90 days' written notice of the grain bond's termination date to the licensee and
 71.9 the commissioner.

71.10 (h) Upon the commissioner's determination that a claim is valid, the surety for any claims
 71.11 against the grain bond must make payments to the grain indemnity account.

71.12 **EFFECTIVE DATE.** This section is effective July 1, 2023.

71.13 Sec. 56. Minnesota Statutes 2022, section 232.22, subdivision 5, is amended to read:

71.14 Subd. 5. **Statement of grain in storage; reports.** ~~(a) All public grain warehouse operators~~
 71.15 ~~must by February 15 of each year file with the commissioner on a form approved by the~~
 71.16 ~~commissioner a report showing the annual average liability of all grain outstanding on grain~~
 71.17 ~~warehouse receipts, open storage, and grain stored for feed processing that occurred during~~
 71.18 ~~the preceding calendar year. This report shall be used for the purpose of establishing the~~
 71.19 ~~penal sum of the bond.~~

71.20 ~~(b) Warehouse operators that are at a maximum bond and want to continue at maximum~~
 71.21 ~~bond do not need to file this report.~~

71.22 ~~(c) It is a violation of this chapter for any public grain warehouse operator to fail to file~~
 71.23 ~~the report required in paragraph (a).~~

71.24 ~~(d)~~ (a) Every public grain warehouse operator shall keep in a place of safety complete
 71.25 and accurate records and accounts relating to any grain warehouse operated. The records
 71.26 shall reflect each commodity received and shipped daily, the balance remaining in the grain
 71.27 warehouse at the close of each business day, a listing of all unissued grain warehouse receipts
 71.28 in the operator's possession, a record of all grain warehouse receipts issued which remain
 71.29 outstanding and a record of all grain warehouse receipts which have been returned for
 71.30 cancellation. Copies of grain warehouse receipts or other documents evidencing ownership
 71.31 of grain by a depositor, or other liability of the grain warehouse operator, shall be retained
 71.32 as long as the liability exists but must be kept for a minimum of three years.

72.1 ~~(e)~~ (b) Every public grain warehouse operator must maintain in the grain warehouse at
72.2 all times grain of proper grade and sufficient quantity to meet delivery obligations on all
72.3 outstanding grain warehouse receipts.

72.4 Sec. 57. Laws 2022, chapter 95, article 2, section 29, subdivision 6, is amended to read:

72.5 Subd. 6. **Expiration.** This section expires ~~June 30~~ December 31, 2024.

72.6 Sec. 58. **REPORT REQUIRED; FERAL PIGS AND MINK.**

72.7 By February 15, 2024, the commissioner of natural resources, in cooperation with the
72.8 Board of Animal Health and the commissioners of agriculture and health, must submit a
72.9 report to the chairs and ranking minority members of the legislative committees with
72.10 jurisdiction over agriculture and environment and natural resources that:

72.11 (1) identifies the responsibilities of the Board of Animal Health and the commissioners
72.12 of natural resources, health, and agriculture in managing feral pigs and mink;

72.13 (2) recommends any clarifications or modifications to the responsibilities identified in
72.14 clause (1); and

72.15 (3) includes policy recommendations for managing feral pigs and mink to further prevent
72.16 negative impacts on the environment and human health.

72.17 Sec. 59. **REPORT REQUIRED; GRAIN ADVISORY GROUP.**

72.18 The commissioner of agriculture must convene members of the Grain Advisory Group
72.19 and develop recommendations regarding bonding requirements for licensed grain buyers
72.20 and public grain warehouse operators to better protect farmers who sell and store grain in
72.21 this state. No later than February 1, 2024, the commissioner must report recommendations
72.22 to the legislative committees with jurisdiction over agriculture. Participating stakeholders
72.23 must be given an opportunity to include written testimony in the commissioner's report.

72.24 Sec. 60. **REPEALER.**

72.25 Subdivision 1. **Grain buyers and warehouses.** Minnesota Statutes 2022, sections
72.26 223.17, subdivisions 4 and 8; and 232.22, subdivisions 4, 6, 6a, and 7, are repealed.

72.27 Subd. 2. **Bioincentive programs.** Minnesota Statutes 2022, sections 41A.16, subdivision
72.28 7; 41A.17, subdivision 6; 41A.18, subdivision 6; and 41A.21, subdivision 6, are repealed.

72.29 Subd. 3. **Plants, nurseries, and hemp.** Minnesota Statutes 2022, sections 18H.02,
72.30 subdivisions 21, 22, and 23; 18H.07, subdivisions 2 and 3; 18K.05; and 18K.09, are repealed.

73.1 Subd. 4. **Emerging farmers.** Minnesota Statutes 2022, section 17.055, subdivision 2,
 73.2 is repealed.

73.3 Subd. 5. **Federal funds.** Minnesota Statutes 2022, section 35.156, subdivision 2, is
 73.4 repealed.

73.5 **EFFECTIVE DATE.** This section is effective July 1, 2023, except subdivision 1 is
 73.6 effective July 1, 2024.

73.7 **ARTICLE 3**

73.8 **BROADBAND**

73.9 Section 1. **BROADBAND DEVELOPMENT APPROPRIATIONS.**

73.10 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
 73.11 and for the purposes specified in this article. The appropriations are from the general fund,
 73.12 or another named fund, and are available for the fiscal years indicated for each purpose.
 73.13 The figures "2024" and "2025" used in this article mean that the appropriations listed under
 73.14 them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively.
 73.15 "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium"
 73.16 is fiscal years 2024 and 2025.

73.17	<u>APPROPRIATIONS</u>	
73.18	<u>Available for the Year</u>	
73.19	<u>Ending June 30</u>	
73.20	<u>2024</u>	<u>2025</u>
73.21	<u>Sec. 2. DEPARTMENT OF EMPLOYMENT</u>	
73.22	<u>AND ECONOMIC DEVELOPMENT</u>	
	<u>\$</u>	<u>\$</u>
	<u>73,350,000</u>	<u>50,350,000</u>

73.23 (a) \$350,000 each year is for the Office of
 73.24 Broadband Development.

73.25 (b) \$75,000,000 the first year and \$50,000,000
 73.26 the second year are for transfer to the
 73.27 border-to-border broadband fund account
 73.28 established in Minnesota Statutes, section
 73.29 116J.396. Of the amount transferred each year,
 73.30 \$20,000,000 is for lower population density
 73.31 program grants under Minnesota Statutes,
 73.32 section 116J.3952. This is a onetime
 73.33 appropriation.

74.1 Sec. 3. Minnesota Statutes 2022, section 116J.395, subdivision 7, is amended to read:

74.2 Subd. 7. **Limitation.** (a) No grant awarded under this section may fund more than 50
74.3 percent of the total cost of a project.

74.4 (b) Grants awarded to a single project under this section must not exceed ~~\$5,000,000~~
74.5 \$10,000,000.

74.6 Sec. 4. **[116J.3952] LOWER POPULATION DENSITY GRANT PROGRAM.**

74.7 Subdivision 1. **Establishment.** A lower population density grant program is established
74.8 in the Department of Employment and Economic Development. The purpose of the lower
74.9 population density grant program is to provide broadband service to unserved and
74.10 underserved areas of the state where a 50 percent match formula is not adequate to make a
74.11 business case for the extension of broadband facilities.

74.12 Subd. 2. **Grants.** Grants awarded under this section may fund up to 75 percent of the
74.13 total cost of a project and must otherwise adhere to section 116J.395, subdivisions 1 to 6
74.14 and subdivision 7, paragraph (b).

74.15 Sec. 5. Minnesota Statutes 2022, section 116J.396, subdivision 2, is amended to read:

74.16 Subd. 2. **Expenditures.** Money in the account may be used only:

74.17 (1) for grant awards made under sections 116J.395 ~~and to 116J.3951~~ 116J.3952, including
74.18 costs incurred by the Department of Employment and Economic Development to administer
74.19 that section;

74.20 (2) to supplement revenues raised by bonds sold by local units of government for
74.21 broadband infrastructure development; or

74.22 (3) to contract for the collection of broadband deployment data from providers and the
74.23 creation of maps showing the availability of broadband service.

74.24 Sec. 6. Laws 2022, chapter 95, article 4, section 2, is amended to read:

74.25 Sec. 2. **LOWER POPULATION DENSITY PILOT PROGRAM.**

74.26 (a) The commissioner of employment and economic development must establish a pilot
74.27 program to provide broadband service to unserved and underserved areas, as defined in
74.28 Minnesota Statutes, section 116J.394, of the state where a 50 percent match formula is not
74.29 adequate to make a business case for the extension of broadband facilities. Grants awarded
74.30 under this section shall adhere to all other requirements of Minnesota Statutes, section

75.1 116J.395, subdivisions 1 to 6, and may fund up to 75 percent of the total cost of a project,
75.2 notwithstanding Minnesota Statutes section 116J.395, subdivision 7. Grants awarded to a
75.3 single project under this section may not exceed \$10,000,000.

75.4 (b) The commissioner of employment and economic development may use up to
75.5 \$30,000,000 from the appropriations in sections 3 and 4 for the lower population density
75.6 pilot program under paragraph (a).

75.7 (c) No later than December 31, 2023, the Office of Broadband Development must submit
75.8 a report to the chairs and ranking minority members of the senate and house of representatives
75.9 committees with primary jurisdiction over broadband policy and finance analyzing the
75.10 impacts of this section on the number and amounts of grants awarded under Minnesota
75.11 Statutes, section 116J.395.

75.12 (d) This section expires December 31, 2026.

17.055 EMERGING FARMERS.

Subd. 2. **Expiration.** This section expires August 1, 2025.

18H.02 DEFINITIONS.

Subd. 21. **Nursery stock broker.** "Nursery stock broker" means a nursery stock dealer engaged in the business of selling or reselling certified nursery stock as a business transaction without taking ownership or handling the nursery stock.

Subd. 22. **Nursery stock dealer.** "Nursery stock dealer" means a person involved in the acquisition and further distribution of certified nursery stock; the utilization of certified nursery stock for landscaping or purchase of certified nursery stock for other persons; or the distribution of certified nursery stock with a mechanical digger, commonly known as a tree spade, or by any other means. A person who purchases more than half of the certified nursery stock offered for sale at a sales location during the current certificate year is considered a nursery stock dealer rather than a nursery stock grower for the purposes of determining a proper fee schedule. Nursery stock brokers, landscapers, and tree spade operators are considered nursery stock dealers for purposes of determining proper certification.

Subd. 23. **Nursery stock grower.** "Nursery stock grower" includes, but is not limited to, a person who raises, grows, or propagates nursery stock, outdoors or indoors. A person who grows more than half of the certified nursery stock offered for sale at a sales location during the current certificate year is considered a nursery stock grower for the purpose of determining a proper fee schedule.

18H.07 FEE SCHEDULE.

Subd. 2. **Nursery stock grower certificate.** (a) A nursery stock grower must pay an annual fee based on the area of all acreage on which nursery stock is grown as follows:

- (1) less than one-half acre, \$150;
- (2) from one-half acre to two acres, \$200;
- (3) over two acres up to five acres, \$300;
- (4) over five acres up to ten acres, \$350;
- (5) over ten acres up to 20 acres, \$500;
- (6) over 20 acres up to 40 acres, \$650;
- (7) over 40 acres up to 50 acres, \$800;
- (8) over 50 acres up to 200 acres, \$1,100;
- (9) over 200 acres up to 500 acres, \$1,500; and
- (10) over 500 acres, \$1,500 plus \$2 for each additional acre.

(b) In addition to the fees in paragraph (a), a penalty of ten percent of the fee due must be charged for each month, or portion thereof, that the fee is delinquent up to a maximum of 30 percent for any application for renewal not postmarked or electronically date stamped by December 31 of the current year.

(c) A nursery stock grower found operating without a valid nursery stock grower certificate cannot offer for sale or sell nursery stock until: (1) payment is received by the commissioner for (i) the certificate fee due, and (ii) a penalty equal to the certificate fee owed; and (2) a new certificate is issued to the nursery stock grower by the commissioner.

Subd. 3. **Nursery stock dealer certificate.** (a) A nursery stock dealer must pay an annual fee based on the dealer's gross sales of certified nursery stock per location during the most recent certificate year. A certificate applicant operating for the first time must pay the minimum fee. The fees per sales location are:

- (1) gross sales up to \$5,000, \$150;
- (2) gross sales over \$5,000 up to \$20,000, \$175;
- (3) gross sales over \$20,000 up to \$50,000, \$300;
- (4) gross sales over \$50,000 up to \$75,000, \$425;

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- (5) gross sales over \$75,000 up to \$100,000, \$550;
- (6) gross sales over \$100,000 up to \$200,000, \$675; and
- (7) gross sales over \$200,000, \$800.

(b) In addition to the fees in paragraph (a), a penalty of ten percent of the fee due must be charged for each month, or portion thereof, that the fee is delinquent up to a maximum of 30 percent for any application for renewal not postmarked or electronically date stamped by December 31 of the current year.

(c) A nursery stock dealer found operating without a valid nursery stock dealer certificate cannot offer for sale or sell nursery stock until: (1) payment is received by the commissioner for (i) the certificate fee due, and (ii) a penalty equal to the certificate fee owed; and (2) a new certificate is issued to the nursery stock dealer by the commissioner.

18K.05 ANNUAL REPORT; SALES NOTIFICATION.

(a) Annually, a licensee must file with the commissioner:

(1) documentation demonstrating to the commissioner's satisfaction that the seeds planted by the licensee are of a type and variety that contain no more than three-tenths of one percent delta-9 tetrahydrocannabinol; and

(2) a copy of any contract to grow industrial hemp.

(b) Within 30 days, a licensee must notify the commissioner of each sale or distribution of industrial hemp grown by the licensee including, but not limited to, the name and address of the person receiving the industrial hemp and the amount of industrial hemp sold or distributed.

18K.09 PILOT PROGRAM; OTHER RESEARCH AUTHORIZED.

Subdivision 1. **Authorized activity.** The commissioner may grow or cultivate industrial hemp pursuant to a pilot program administered by the commissioner to study the growth, cultivation, or marketing of industrial hemp. The commissioner may: (1) authorize institutions of higher education to grow or cultivate industrial hemp as part of the commissioner's pilot program or as is necessary to perform other agricultural, renewable energy, or academic research; and (2) contract with public or private entities for testing or other activities authorized under this subdivision. Authorized activity under this section may include collecting seed from wild hemp sources.

Subd. 2. **Site registration.** Before growing or cultivating industrial hemp pursuant to this section, each site must be registered with and certified by the commissioner. A person must register each site annually in the form prescribed by the commissioner and must pay the annual registration and certification fee established by the commissioner in accordance with section 16A.1285, subdivision 2.

Subd. 3. **Rulemaking.** The commissioner may adopt rules that govern the pilot program pursuant to this section and Public Law 113-79.

35.156 CHRONIC WASTING DISEASE.

Subd. 2. **Federal fund account.** Money granted to the state by the federal government for purposes of chronic wasting disease must be credited to a separate account in the federal fund and is annually appropriated to the commissioner of agriculture for the purposes for which the federal grant was made according to section 17.03.

41A.16 ADVANCED BIOFUEL PRODUCTION INCENTIVE.

Subd. 7. **Eligibility for participants after April 1, 2023.** (a) A facility eligible for payment under this section must source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or less from the state border, raw materials may be sourced from within a 100-mile radius. Raw materials must be from agricultural or forestry sources or from solid waste. The facility must be located in Minnesota, must begin production at a specific location after April 1, 2023, and before June 30, 2025, and must not begin operating above 23,750 MMbtu of quarterly biofuel production before July 1, 2015. Eligible facilities include existing companies and facilities that are adding advanced biofuel production capacity, or retrofitting existing capacity, as well as new companies and facilities. Production of conventional corn ethanol and conventional biodiesel is not eligible. Eligible advanced biofuel facilities must produce at least 23,750 MMbtu of biofuel quarterly.

(b) No payments shall be made for advanced biofuel production that occurs after June 30, 2035, for those eligible biofuel producers under paragraph (a).

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(c) An eligible producer of advanced biofuel shall not transfer the producer's eligibility for payments under this section to an advanced biofuel facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

(e) Renewable chemical production for which payment has been received under section 41A.17, and biomass thermal production for which payment has been received under section 41A.18, are not eligible for payment under this section.

(f) Biobutanol is eligible under this section.

41A.17 RENEWABLE CHEMICAL PRODUCTION INCENTIVE.

Subd. 6. **Eligibility for participants after April 1, 2023.** (a) A facility eligible for payment under this program must source at least 80 percent biobased content from Minnesota. For the purposes of this subdivision, "biobased content" means a chemical, polymer, monomer, or plastic that is not sold primarily for use as food, feed, or fuel and that has a biobased percentage of at least 51 percent as determined by testing representative samples using American Society for Testing and Materials specification D6866. If a facility is sited 50 miles or less from the state border, biobased content must be sourced from within a 100-mile radius. Biobased content must be from agricultural or forestry sources or from solid waste. The facility must be located in Minnesota, must begin production at a specific location after April 1, 2023, and before June 30, 2025, and must not begin production of 750,000 pounds or more of chemicals quarterly before January 1, 2015. Eligible facilities include existing companies and facilities that are adding production capacity, or retrofitting existing capacity, as well as new companies and facilities. Eligible renewable chemical facilities must produce at least 750,000 pounds of renewable chemicals quarterly. Renewable chemicals produced through processes that are fully commercial before January 1, 2000, are not eligible.

(b) No payments shall be made for renewable chemical production that occurs after June 30, 2025, for those eligible renewable chemical producers under paragraph (a).

(c) An eligible producer of renewable chemicals shall not transfer the producer's eligibility for payments under this section to a renewable chemical facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

(e) Advanced biofuel production for which payment has been received under section 41A.16, and biomass thermal production for which payment has been received under section 41A.18, are not eligible for payment under this section.

41A.18 BIOMASS THERMAL PRODUCTION INCENTIVE.

Subd. 6. **Eligibility for participants after April 1, 2023.** (a) A facility eligible for payment under this section must source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or less from the state border, raw materials should be sourced from within a 100-mile radius. Raw materials must be from agricultural or forestry sources. The facility must be located in Minnesota, must have begun production at a specific location after April 1, 2023, and before June 30, 2025, and must not begin before July 1, 2015. Eligible facilities include existing companies and facilities that are adding production capacity, or retrofitting existing capacity, as well as new companies and facilities. Eligible biomass thermal production facilities must produce at least 250 MMbtu of biomass thermal quarterly.

(b) No payments shall be made for biomass thermal production that occurs after June 30, 2025, for those eligible biomass thermal producers under paragraph (a).

(c) An eligible producer of biomass thermal production shall not transfer the producer's eligibility for payments under this section to a biomass thermal production facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

(e) Biofuel production for which payment has been received under section 41A.16, and renewable chemical production for which payment has been received under section 41A.17, are not eligible for payment under this section.

41A.21 ORIENTED STRAND BOARD PRODUCTION INCENTIVE.

Subd. 6. **Appropriation.** (a) In fiscal year 2025, a sum sufficient to make the payments required by this section, not to exceed \$1,500,000, is appropriated from the general fund to the commissioner. This is a onetime appropriation.

(b) From fiscal year 2026 through fiscal year 2034, a sum sufficient to make the payments required by this section, not to exceed \$3,000,000 in a fiscal year, is annually appropriated from the general fund to the commissioner.

223.17 LICENSES; BONDING; CLAIMS; DISBURSEMENTS.

Subd. 4. **Bond.** (a) Except as provided in paragraphs (c) to (e), before a grain buyer's license is issued, the applicant for the license must file with the commissioner a bond in a penal sum prescribed by the commissioner but not less than the following amounts:

- (1) \$10,000 for grain buyers whose gross annual purchases are \$100,000 or less;
- (2) \$20,000 for grain buyers whose gross annual purchases are more than \$100,000 but not more than \$750,000;
- (3) \$30,000 for grain buyers whose gross annual purchases are more than \$750,000 but not more than \$1,500,000;
- (4) \$40,000 for grain buyers whose gross annual purchases are more than \$1,500,000 but not more than \$3,000,000;
- (5) \$50,000 for grain buyers whose gross annual purchases are more than \$3,000,000 but not more than \$6,000,000;
- (6) \$70,000 for grain buyers whose gross annual purchases are more than \$6,000,000 but not more than \$12,000,000;
- (7) \$125,000 for grain buyers whose gross annual purchases are more than \$12,000,000 but not more than \$24,000,000; and
- (8) \$150,000 for grain buyers whose gross annual purchases exceed \$24,000,000.

(b) The amount of the bond shall be based on the most recent gross annual grain purchase report of the grain buyer.

(c) A first-time applicant for a grain buyer's license shall file a \$50,000 bond with the commissioner. This bond shall remain in effect for the first year of the license. Thereafter, the licensee shall comply with the applicable bonding requirements contained in paragraph (a), clauses (1) to (8).

(d) In lieu of the bond required by this subdivision the applicant may deposit with the commissioner of management and budget an irrevocable bank letter of credit as defined in section 336.5-102, in the same amount as would be required for a bond.

(e) A grain buyer who purchases grain immediately upon delivery solely with cash; a certified check; a cashier's check; or a postal, bank, or express money order is exempt from this subdivision if the grain buyer's gross annual purchases are \$1,000,000 or less.

(f) Bonds must be continuous until canceled. To cancel a bond, a surety must provide 90 days' written notice of the bond's termination date to the licensee and the commissioner.

Subd. 8. **Bond disbursement.** (a) The bond required under subdivision 4 shall provide for payment of loss caused by the grain buyer's failure to pay, upon the owner's demand, the purchase price of grain sold to the grain buyer in the manner provided by subdivision 5, including loss caused by failure to pay within the time required. The bond shall be conditioned upon the grain buyer being duly licensed as provided herein.

(b) The commissioner shall promptly determine the validity of all claims filed and notify the claimants of the determination. An aggrieved party may appeal the commissioner's determination by requesting, within 15 days, that the commissioner initiate a contested case proceeding. In the absence of such a request, or following the issuance of a final order in a contested case, the surety company shall issue payment promptly to those claimants entitled to payment. The commissioner may apply to the district court for an order appointing a trustee or receiver to manage and supervise the operations of the grain buyer in default. The commissioner may participate in any resulting court proceeding as an interested party.

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(c) If a grain buyer has become liable to more than one producer by reason of breaches of the conditions of the bond and the amount of the bond is insufficient to pay the entire liability to all producers entitled to the protection of the bond, the proceeds of the bond shall be apportioned among the bona fide claimants.

(d) The bond shall not be cumulative from one licensing period to the next. The maximum liability of the bond shall be its face value for the licensing period.

(e) The bond disbursement shall occur 200 days from the date the commissioner publishes a public notice of a claim. At the end of this time period, the commissioner shall initiate bond payments on all valid claims received by the commissioner.

232.22 LICENSES, BONDING CLAIMS, DISBURSEMENTS.

Subd. 4. **Bonding.** (a) Before a license is issued, except as provided under paragraph (c), the applicant for a public grain warehouse operator's license shall file with the commissioner a bond in a penal sum prescribed by the commissioner based on the annual average storage liability as stated on the statement of grain in storage report or on the gross annual grain purchase report, whichever is greater, and applying the following amounts:

(1) \$10,000 for storages with annual average storage liability of more than \$0 but not more than \$25,000;

(2) \$20,000 for storages with annual average storage liability of more than \$25,001 but not more than \$50,000;

(3) \$30,000 for storages with annual average storage liability of more than \$50,001 but not more than \$75,000;

(4) \$50,000 for storages with annual average storage liability of more than \$75,001 but not more than \$100,000;

(5) \$75,000 for storages with annual average storage liability of more than \$100,001 but not more than \$200,000;

(6) \$125,000 for storages with annual average storage liability of more than \$200,001 but not more than \$300,000;

(7) \$175,000 for storages with annual average storage liability of more than \$300,001 but not more than \$400,000;

(8) \$225,000 for storages with annual average storage liability of more than \$400,001 but not more than \$500,000;

(9) \$275,000 for storages with annual average storage liability of more than \$500,001 but not more than \$600,000;

(10) \$325,000 for storages with annual average storage liability of more than \$600,001 but not more than \$700,000;

(11) \$375,000 for storages with annual average storage liability of more than \$700,001 but not more than \$800,000;

(12) \$425,000 for storages with annual average storage liability of more than \$800,001 but not more than \$900,000;

(13) \$475,000 for storages with annual average storage liability of more than \$900,001 but not more than \$1,000,000; and

(14) \$500,000 for storages with annual average storage liability of more than \$1,000,000.

(b) Bonds must be continuous until canceled. To cancel a bond, a surety must provide 90 days' written notice of the bond's termination date to the licensee and the commissioner.

(c) In lieu of the bond required by this subdivision, the applicant may deposit with the commissioner of management and budget an irrevocable bank letter of credit as defined in section 336.5-102, in the same amount as would be required for a bond.

Subd. 6. **Bond claims.** A person claiming to be damaged by a breach of the conditions of a bond of a licensed public grain warehouse operator may file a written claim with the commissioner stating the facts constituting the claim. The claim must be filed with the commissioner within 180 days of the breach of the conditions of the bond. If the commissioner has reason to believe that a

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claim is valid, the commissioner may immediately suspend the license of the public grain warehouse operator and the licensee must surrender the license to the commissioner. Within 15 days the licensee may request an administrative hearing subject to chapter 14 to determine whether the license should be revoked. If no request is made within 15 days the commissioner shall revoke the license.

Subd. 6a. **Bond determinations.** If a public grain warehouse operator is licensed under both this chapter and chapter 223, the warehouse shall have its bond determined by its gross annual grain purchase amount or its annual average grain storage value, whichever is greater. For those entities licensed under this chapter and chapter 223, the entire bond shall be available to any claims against the bond for claims filed under this chapter and chapter 223.

Subd. 7. **Bond disbursement.** (a) The bond of a public grain warehouse operator must be conditioned that the public grain warehouse operator issuing a grain warehouse receipt is liable to the depositor for the delivery of the kind, grade and net quantity of grain called for by the receipt.

(b) Upon notification of default, the commissioner shall determine the validity of all claims and notify all parties having filed claims. Any aggrieved party may appeal the commissioner's determination by requesting, within 15 days, that the commissioner initiate a contested case proceeding. In the absence of such a request, or following the issuance of a final order in a contested case, the surety company shall issue payment to those claimants entitled to payment. If the commissioner determines it is necessary, the commissioner may apply to the district court for an order appointing a trustee or receiver to manage and supervise the operations of the grain warehouse operator in default. The commissioner may participate in any resulting court proceeding as an interested party.

(c) For the purpose of determining the amount of bond disbursement against all valid claims under a condition one bond, all grain owned or stored in the public grain warehouse shall be sold and the combined proceeds deposited in a special fund. Payment shall be made from the special fund satisfying the valid claims of grain warehouse receipt holders.

(d) If a public grain warehouse operator has become liable to more than one depositor or producer by reason of breaches of the conditions of the bond and the amount of the bond is insufficient to pay, beyond the proceeds of the special fund, the entire liability to all valid claimants, the proceeds of the bond and special fund shall be apportioned among the valid claimants on a pro rata basis.

(e) A bond is not cumulative from one licensing period to the next. The maximum liability of the bond shall be its face value for the licensing period.

(f) The bond disbursement shall occur 200 days from the date the commissioner publishes a public notice of a claim. At the end of this time period, the commissioner shall initiate bond payments on all valid claims received by the department.