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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 3263

02/10/2022

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The bill was read for the first time and referred to the Committee on Agriculture Finance and Policy

1.1 A bill for an act
1.2 relating to agriculture; establishing a farm down payment assistance program;
1.3 appropriating money; proposing coding for new law in Minnesota Statutes, chapter
1.4 17.

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

1.6 Section 1. [17.133] FARM DOWN PAYMENT ASSISTANCE GRANTS.

1.7 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
1.8 the meanings given.

1.9 (b) "Eligible farmer" means an individual who at the time that the grant is awarded:

1.10 (1) is a resident of Minnesota who intends to acquire farmland located within the state
1.11 and provide the majority of the day-to-day physical labor and management of the farm;

1.12 (2) grosses no more than \$250,000 per year from the sale of farm products; and

1.13 (3) has not, and whose spouse has not, at any time had a direct or indirect ownership
1.14 interest in farmland.

1.15 (c) "Farm down payment" means an initial, partial payment required by a lender or seller
1.16 to purchase farmland.

1.17 Subd. 2. Grants. The commissioner must award farm down payment assistance grants
1.18 of up to \$15,000 per eligible farmer. An eligible farmer must match the grant with at least
1.19 an equivalent amount of other funding. An eligible farmer must commit to own and farm
1.20 the land purchased with assistance provided under this section for at least five years. For
1.21 each year that a grant recipient does not own and farm the land during the five-year period,

2.1 the grant recipient must pay a penalty to the commissioner equal to 20 percent of the grant
2.2 amount.

2.3 Sec. 2. **APPROPRIATION.**

2.4 \$3,000,000 in fiscal year 2023 is appropriated from the general fund to the commissioner
2.5 of agriculture to award and administer grants under section 1.