

**SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION**

S.F. No. 3955

(SENATE AUTHORS: PUTNAM)

DATE	D-PG	OFFICIAL STATUS
02/19/2024	11653	Introduction and first reading
		Referred to Agriculture, Broadband, and Rural Development
04/18/2024	14334a	Comm report: To pass as amended and re-refer to Finance

1.1 A bill for an act

1.2 relating to state government; authorizing supplemental agriculture appropriations;

1.3 modifying appropriations; providing broadband appropriation transfer authority;

1.4 making policy and technical changes to agriculture provisions; establishing and

1.5 modifying agriculture programs; requiring an application for federal broadband

1.6 aid; requiring reports; appropriating money; amending Minnesota Statutes 2022,

1.7 sections 17.116, subdivision 2; 17.133, subdivision 1; 18C.70, subdivision 5;

1.8 18C.71, subdivision 4; 18C.80, subdivision 2; 28A.10; 31.94; 32D.30; 41B.047,

1.9 subdivision 1; 116J.396, by adding a subdivision; Minnesota Statutes 2023

1.10 Supplement, sections 17.055, subdivision 3; 17.133, subdivision 3; 18C.425,

1.11 subdivision 6; 35.155, subdivision 12; 41B.0391, subdivisions 1, 2, 4, 6; Laws

1.12 2023, chapter 43, article 1, section 2, subdivisions 1, 2, 3, 4, 5; repealing Minnesota

1.13 Statutes 2022, section 34.07.

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

1.15 **ARTICLE 1**

1.16 **APPROPRIATIONS**

1.17 Section 1. **APPROPRIATIONS.**

1.18 The sums shown in the columns marked "Appropriations" are added to or, if shown in

1.19 parenthesis, subtracted from the appropriation in Laws 2023, chapter 43, or appropriated

1.20 to the agencies and for the purposes specified in this article. The appropriations are from

1.21 the general fund or another named fund and are available for the fiscal years indicated for

1.22 each purpose. The figures "2024" and "2025" used in this article mean that the appropriations

1.23 listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025,

1.24 respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The

1.25 biennium" is fiscal years 2024 and 2025.

1.26 **APPROPRIATIONS**

1.27 **Available for the Year**

		<u>Ending June 30</u>	
		<u>2024</u>	<u>2025</u>
2.1			
2.2			
2.3	Sec. 2. <u>DEPARTMENT OF AGRICULTURE</u>	<u>\$ 475,000</u>	<u>\$ 1,650,000</u>
2.4	<u>(a) \$750,000 the second year is for home water</u>		
2.5	<u>treatment such as reverse osmosis treatment</u>		
2.6	<u>for private wells that are tested at or above the</u>		
2.7	<u>maximum contaminant level of 10 mg/L and</u>		
2.8	<u>located in Dodge, Fillmore, Goodhue,</u>		
2.9	<u>Houston, Mower, Olmsted, or Wabasha</u>		
2.10	<u>County. Priority must be given to households</u>		
2.11	<u>at or below 300 percent of the federal poverty</u>		
2.12	<u>guidelines and households with infants and</u>		
2.13	<u>pregnant individuals. This appropriation may</u>		
2.14	<u>also be used for education, outreach, and</u>		
2.15	<u>technical assistance to homeowners.</u>		
2.16	<u>Notwithstanding Minnesota Statutes, section</u>		
2.17	<u>16B.98, subdivision 14, the commissioner may</u>		
2.18	<u>use up to 6.5 percent of this appropriation for</u>		
2.19	<u>administrative costs. This appropriation is</u>		
2.20	<u>available until June 30, 2027. This is a onetime</u>		
2.21	<u>appropriation.</u>		
2.22	<u>By December 15 each year through 2027, the</u>		
2.23	<u>commissioner must report to the chairs and</u>		
2.24	<u>ranking minority members of the legislative</u>		
2.25	<u>committees with jurisdiction over agriculture</u>		
2.26	<u>and health detailing the use of this</u>		
2.27	<u>appropriation and the number of households</u>		
2.28	<u>served in each county.</u>		
2.29	<u>(b) \$500,000 the second year is for the soil</u>		
2.30	<u>health financial assistance program under</u>		
2.31	<u>Minnesota Statutes, section 17.134, for</u>		
2.32	<u>projects located in Dodge, Fillmore, Goodhue,</u>		
2.33	<u>Houston, Mower, Olmsted, or Wabasha</u>		
2.34	<u>County. The commissioner may award no</u>		
2.35	<u>more than \$50,000 of the appropriation each</u>		

3.1 year to a single recipient. Notwithstanding
3.2 Minnesota Statutes, section 16B.98,
3.3 subdivision 14, the commissioner may use up
3.4 to 6.5 percent of this appropriation for costs
3.5 incurred to administer the program.
3.6 Appropriations encumbered under contract on
3.7 or before June 30, 2025, for soil health
3.8 financial assistance grants are available until
3.9 June 30, 2027. This appropriation is in
3.10 addition to the appropriation in Laws 2023,
3.11 chapter 43, article 1, section 2, subdivision 2,
3.12 paragraph (b). This is a onetime appropriation.
3.13 (c) \$50,000 the first year is to convene a
3.14 working group of interested parties, including
3.15 representatives from the Department of
3.16 Natural Resources, to investigate and
3.17 recommend options for addressing crop and
3.18 fence destruction due to Cervidae. By
3.19 February 1, 2025, the commissioner must
3.20 submit a report on the findings and
3.21 recommendations of the working group to the
3.22 chairs and ranking minority members of the
3.23 legislative committees with jurisdiction over
3.24 agriculture policy and finance.
3.25 Notwithstanding Minnesota Statutes, section
3.26 16A.28, any unencumbered balance does not
3.27 cancel at the end of the first year and is
3.28 available in the second year. This is a onetime
3.29 appropriation.
3.30 (d) \$100,000 the second year is to develop and
3.31 enhance farm-to-school markets by providing
3.32 more fruits, vegetables, meat, poultry, grain,
3.33 and dairy for children in schools and early
3.34 childhood education centers, child care
3.35 centers, and family child care programs,

4.1 including, at the commissioner's discretion,
4.2 providing grants to reimburse schools, early
4.3 childhood education centers, child care
4.4 centers, and family child care programs for
4.5 purchasing equipment and agricultural
4.6 products. This appropriation is for the
4.7 agricultural growth, research, and innovation
4.8 program under Minnesota Statutes, section
4.9 41A.12. Any unencumbered balance at the
4.10 end of the second year may be used for other
4.11 purposes under the agricultural growth,
4.12 research, and innovation program and is
4.13 available until June 30, 2027. Notwithstanding
4.14 Minnesota Statutes, section 16B.98,
4.15 subdivision 14, the commissioner may use up
4.16 to 6.5 percent of this appropriation for
4.17 administrative costs. This appropriation is in
4.18 addition to the appropriation in Laws 2023,
4.19 chapter 43, article 1, section 2, subdivision 4,
4.20 paragraph (c). This is a onetime appropriation.

4.21 (e) \$300,000 the second year is for the
4.22 protecting livestock grant program for
4.23 producers to support the installation of
4.24 measures to prevent the transmission of avian
4.25 influenza. For the appropriation in this
4.26 paragraph, a grant applicant must document
4.27 a cost-share of 20 percent. An applicant's
4.28 cost-share amount may be reduced up to
4.29 \$2,000 to cover time and labor costs. This
4.30 appropriation is for the agricultural growth,
4.31 research, and innovation program under
4.32 Minnesota Statutes, section 41A.12.
4.33 Notwithstanding Minnesota Statutes, section
4.34 16B.98, subdivision 14, the commissioner may
4.35 use up to 6.5 percent of this appropriation for
4.36 administrative costs. This appropriation is

5.1 available until June 30, 2027. This is a onetime
5.2 appropriation.

5.3 (f) \$375,000 the first year is to provide grants
5.4 to secondary career and technical education
5.5 programs for the purpose of offering
5.6 instruction in meat cutting and butchery. This
5.7 appropriation is for the agricultural growth,
5.8 research, and innovation program under
5.9 Minnesota Statutes, section 41A.12.

5.10 Notwithstanding Minnesota Statutes, section
5.11 16B.98, subdivision 14, the commissioner may
5.12 use up to 6.5 percent of this appropriation for
5.13 administrative costs. This is a onetime
5.14 appropriation. Notwithstanding Minnesota
5.15 Statutes, section 16A.28, any unencumbered
5.16 balance does not cancel at the end of the first
5.17 year and is available in the second year. Grants
5.18 may be used for costs, including but not
5.19 limited to:

5.20 (1) equipment required for a meat cutting
5.21 program;

5.22 (2) facility renovation to accommodate meat
5.23 cutting; and

5.24 (3) training faculty to teach the fundamentals
5.25 of meat processing.

5.26 A grant recipient may be awarded a grant of
5.27 up to \$75,000 and may use up to ten percent
5.28 of the grant for faculty training. Priority may
5.29 be given to applicants who are coordinating
5.30 with meat cutting and butchery programs at
5.31 Minnesota State Colleges and Universities
5.32 institutions or with local industry partners.

5.33 By January 15, 2025, the commissioner must
5.34 report to the chairs and ranking minority

6.1 members of the legislative committees with
6.2 jurisdiction over agriculture finance and
6.3 education finance by listing the grants made
6.4 under this paragraph by county and noting the
6.5 number and amount of grant requests not
6.6 fulfilled. The report may include additional
6.7 information as determined by the
6.8 commissioner, including but not limited to
6.9 information regarding the outcomes produced
6.10 by these grants. If additional grants are
6.11 awarded under this paragraph that were not
6.12 covered in the report due by January 15, 2025,
6.13 the commissioner must submit an additional
6.14 report to the chairs and ranking minority
6.15 members of the legislative committees with
6.16 jurisdiction over agriculture finance and
6.17 education finance regarding all grants issued
6.18 under this paragraph by November 1, 2025.

6.19 (g) \$50,000 the first year is to prepare a report
6.20 on agricultural land trends. For the purposes
6.21 of this section, "agricultural land" means
6.22 property classified as class 2a agricultural land
6.23 or class 2b rural vacant land under Minnesota
6.24 Statutes, section 273.13, subdivision 23. The
6.25 report must include the following:

6.26 (1) information about agricultural land sales,
6.27 including the price, number of acres, type of
6.28 buyer, and type of financing used;

6.29 (2) information about agricultural land use,
6.30 including differences among regions; and

6.31 (3) legislative recommendations for ensuring
6.32 that agricultural land is available to farmers.

6.33 No data included in this report shall reveal
6.34 personally identifiable information. The

7.1 commissioner may contract with external
 7.2 experts to develop this report and may
 7.3 coordinate with the Department of Revenue,
 7.4 University of Minnesota Extension, and
 7.5 Minnesota State Colleges and Universities.
 7.6 No later than January 3, 2025, the
 7.7 commissioner must submit the report to the
 7.8 chairs and ranking minority members of the
 7.9 legislative committees and divisions with
 7.10 jurisdiction over agriculture. Notwithstanding
 7.11 Minnesota Statutes, section 16A.28, any
 7.12 unencumbered balance does not cancel at the
 7.13 end of the first year and is available in the
 7.14 second year. This is a onetime appropriation.

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

7.16 Sec. 3. Laws 2023, chapter 43, article 1, section 2, subdivision 1, is amended to read:

7.17			<u>92,025,000</u>	<u>72,223,000</u>
7.18	Subdivision 1. Total Appropriation	\$	<u>88,025,000</u>	\$ <u>76,643,000</u>

7.19	Appropriations by Fund		
7.20		2024	2025
7.21		<u>91,626,000</u>	<u>71,824,000</u>
7.22	General	<u>87,626,000</u>	<u>76,244,000</u>
7.23	Remediation	399,000	399,000

7.24 The amounts that may be spent for each
 7.25 purpose are specified in the following
 7.26 subdivisions.

7.27 Sec. 4. Laws 2023, chapter 43, article 1, section 2, subdivision 2, is amended to read:

7.28 Subd. 2. **Protection Services**

7.29	Appropriations by Fund		
7.30		2024	2025
7.31			<u>18,743,000</u>
7.32	General	32,034,000	<u>18,818,000</u>
7.33	Remediation	399,000	399,000

8.1 (a) \$399,000 the first year and \$399,000 the
8.2 second year are from the remediation fund for
8.3 administrative funding for the voluntary
8.4 cleanup program.

8.5 (b) \$625,000 the first year and \$625,000 the
8.6 second year are for the soil health financial
8.7 assistance program under Minnesota Statutes,
8.8 section 17.134. The commissioner may award
8.9 no more than \$50,000 of the appropriation
8.10 each year to a single recipient. The
8.11 commissioner may use up to 6.5 percent of
8.12 this appropriation for costs incurred to
8.13 administer the program. Any unencumbered
8.14 balance does not cancel at the end of the first
8.15 year and is available in the second year.

8.16 Appropriations encumbered under contract on
8.17 or before June 30, 2025, for soil health
8.18 financial assistance grants are available until
8.19 June 30, 2027. The base for this appropriation
8.20 is \$639,000 in fiscal year 2026 and each year
8.21 thereafter.

8.22 (c) \$800,000 the first year is for transfer to the
8.23 pollinator research account established under
8.24 Minnesota Statutes, section 18B.051. The base
8.25 for this transfer is \$100,000 in fiscal year 2026
8.26 and each year thereafter.

8.27 (d) \$150,000 the first year and \$150,000 the
8.28 second year are for transfer to the noxious
8.29 weed and invasive plant species assistance
8.30 account established under Minnesota Statutes,
8.31 section 18.89, to award grants under
8.32 Minnesota Statutes, section 18.90, to counties,
8.33 municipalities, and other weed management
8.34 entities, including Minnesota Tribal

9.1 governments as defined in Minnesota Statutes,
9.2 section 10.65. This is a onetime appropriation.
9.3 (e) \$175,000 the first year and \$175,000 the
9.4 second year are for compensation for
9.5 destroyed or crippled livestock under
9.6 Minnesota Statutes, section 3.737. The first
9.7 year appropriation may be spent to compensate
9.8 for livestock that were destroyed or crippled
9.9 during fiscal year 2023. If the amount in the
9.10 first year is insufficient, the amount in the
9.11 second year is available in the first year. The
9.12 commissioner may use up to \$5,000 each year
9.13 to reimburse expenses incurred by university
9.14 extension educators to provide fair market
9.15 values of destroyed or crippled livestock. If
9.16 the commissioner receives federal dollars to
9.17 pay claims for destroyed or crippled livestock,
9.18 an equivalent amount of this appropriation
9.19 may be used to reimburse nonlethal prevention
9.20 methods performed by federal wildlife services
9.21 staff.

9.22 (f) \$155,000 the first year and ~~\$155,000~~
9.23 \$230,000 the second year are for compensation
9.24 for crop damage under Minnesota Statutes,
9.25 section 3.7371. If the amount in the first year
9.26 is insufficient, the amount in the second year
9.27 is available in the first year. The commissioner
9.28 may use up to \$10,000 of the appropriation
9.29 each year to reimburse expenses incurred by
9.30 the commissioner or the commissioner's
9.31 approved agent to investigate and resolve
9.32 claims, as well as for costs associated with
9.33 training for approved agents. The
9.34 commissioner may use up to \$40,000 of the
9.35 appropriation each year to make grants to

10.1 producers for measures to protect stored crops
10.2 from elk damage. If the commissioner
10.3 determines that claims made under Minnesota
10.4 Statutes, section 3.737 or 3.7371, are
10.5 unusually high, amounts appropriated for
10.6 either program may be transferred to the
10.7 appropriation for the other program. The base
10.8 for this appropriation is \$155,000 in fiscal year
10.9 2026 and each year thereafter.

10.10 (g) \$825,000 the first year and \$825,000 the
10.11 second year are to replace capital equipment
10.12 in the Department of Agriculture's analytical
10.13 laboratory.

10.14 (h) \$75,000 the first year and \$75,000 the
10.15 second year are to support a meat processing
10.16 liaison position to assist new or existing meat
10.17 and poultry processing operations in getting
10.18 started, expanding, growing, or transitioning
10.19 into new business models.

10.20 (i) \$2,200,000 the first year and \$1,650,000
10.21 the second year are additional funding to
10.22 maintain the current level of service delivery
10.23 for programs under this subdivision. The base
10.24 for this appropriation is \$1,925,000 for fiscal
10.25 year 2026 and each year thereafter.

10.26 (j) \$250,000 the first year and \$250,000 the
10.27 second year are for grants to organizations in
10.28 Minnesota to develop enterprises, supply
10.29 chains, and markets for continuous-living
10.30 cover crops and cropping systems in the early
10.31 stages of commercial development. For the
10.32 purposes of this paragraph, "continuous-living
10.33 cover crops and cropping systems" refers to
10.34 agroforestry, perennial biomass, perennial
10.35 forage, perennial grains, and winter-annual

11.1 cereal grains and oilseeds that have market
11.2 value as harvested or grazed commodities. By
11.3 February 1 each year, the commissioner must
11.4 submit a report to the chairs and ranking
11.5 minority members of the legislative
11.6 committees with jurisdiction over agriculture
11.7 finance and policy detailing uses of the funds
11.8 in this paragraph, including administrative
11.9 costs, and the achievements these funds
11.10 contributed to. The commissioner may use up
11.11 to 6.5 percent of this appropriation for
11.12 administrative costs. This is a onetime
11.13 appropriation.

11.14 (k) \$45,000 the first year and \$45,000 the
11.15 second year are appropriated for
11.16 wolf-livestock conflict-prevention grants. The
11.17 commissioner may use some of this
11.18 appropriation to support nonlethal prevention
11.19 work performed by federal wildlife services.
11.20 This is a onetime appropriation.

11.21 (l) \$10,000,000 the first year is for transfer to
11.22 the grain indemnity account established in
11.23 Minnesota Statutes, section 223.24. This is a
11.24 onetime transfer.

11.25 (m) \$125,000 the first year and \$125,000 the
11.26 second year are for the PFAS in pesticides
11.27 review. This is a onetime appropriation.

11.28 (n) \$1,941,000 the first year is for transfer to
11.29 the food handler license account. This is a
11.30 onetime transfer.

12.1 Sec. 5. Laws 2023, chapter 43, article 1, section 2, subdivision 3, is amended to read:

12.2 **Subd. 3. Agricultural Marketing and**
 12.3 **Development**

5,165,000

4,985,000

12.4 (a) \$150,000 the first year and \$150,000 the
 12.5 second year are to expand international trade
 12.6 opportunities and markets for Minnesota
 12.7 agricultural products.

12.8 (b) \$186,000 the first year and \$186,000 the
 12.9 second year are for transfer to the Minnesota
 12.10 grown account and may be used as grants for
 12.11 Minnesota grown promotion under Minnesota
 12.12 Statutes, section 17.102. Notwithstanding
 12.13 Minnesota Statutes, section 16A.28, the
 12.14 appropriations encumbered under contract on
 12.15 or before June 30, 2025, for Minnesota grown
 12.16 grants in this paragraph are available until June
 12.17 30, 2027.

12.18 (c) \$634,000 the first year and \$634,000 the
 12.19 second year are for the continuation of the
 12.20 dairy development and profitability
 12.21 enhancement programs, including dairy
 12.22 profitability teams and dairy business planning
 12.23 grants under Minnesota Statutes, section
 12.24 32D.30.

12.25 (d) The commissioner may use funds
 12.26 appropriated in this subdivision for annual
 12.27 cost-share payments to resident farmers or
 12.28 entities that sell, process, or package
 12.29 agricultural products in this state for the costs
 12.30 of organic certification. The commissioner
 12.31 may allocate these funds for assistance to
 12.32 persons transitioning from conventional to
 12.33 organic agriculture.

13.1 (e) \$600,000 the first year and \$420,000 the
13.2 second year are to maintain the current level
13.3 of service delivery. The base for this
13.4 appropriation is ~~\$490,000~~ \$510,000 for fiscal
13.5 year 2026 and each year thereafter.

13.6 (f) \$100,000 the first year and \$100,000 the
13.7 second year are for mental health outreach and
13.8 support to farmers, ranchers, and others in the
13.9 agricultural community and for farm safety
13.10 grant and outreach programs under Minnesota
13.11 Statutes, section 17.1195. Mental health
13.12 outreach and support may include a 24-hour
13.13 hotline, stigma reduction, and education.
13.14 Notwithstanding Minnesota Statutes, section
13.15 16A.28, any unencumbered balance does not
13.16 cancel at the end of the first year and is
13.17 available in the second year. This is a onetime
13.18 appropriation.

13.19 (g) \$100,000 the first year and \$100,000 the
13.20 second year are to award and administer grants
13.21 ~~for infrastructure~~ and other forms of financial
13.22 assistance to support EBT, SNAP, SFMNP,
13.23 and related programs at farmers markets.
13.24 Grants may be used for staff costs associated
13.25 with program administration, compliance, and
13.26 reporting. The commissioner may use up to
13.27 6.5 percent of the appropriation each year to
13.28 administer the grant program. Notwithstanding
13.29 Minnesota Statutes, section 16A.28, any
13.30 unencumbered balance does not cancel at the
13.31 end of the first year and is available in the
13.32 second year. This is a onetime appropriation.

13.33 (h) \$200,000 the first year and \$200,000 the
13.34 second year are to award cooperative grants
13.35 under Minnesota Statutes, section 17.1016.

14.1 The commissioner may use up to 6.5 percent
 14.2 of the appropriation each year to administer
 14.3 the grant program. Notwithstanding Minnesota
 14.4 Statutes, section 16A.28, any unencumbered
 14.5 balance does not cancel at the end of the first
 14.6 year and is available in the second year. This
 14.7 is a onetime appropriation.

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

14.9 Sec. 6. Laws 2023, chapter 43, article 1, section 2, subdivision 4, is amended to read:

14.10	Subd. 4. Agriculture, Bioenergy, and Bioproduct	<u>37,809,000</u>	<u>33,809,000</u>
14.11	Advancement	<u>33,809,000</u>	<u>38,154,000</u>

14.12 (a) \$10,702,000 the first year and \$10,702,000
 14.13 the second year are for the agriculture
 14.14 research, education, extension, and technology
 14.15 transfer program under Minnesota Statutes,
 14.16 section 41A.14. Except as provided below,
 14.17 the appropriation each year is for transfer to
 14.18 the agriculture research, education, extension,
 14.19 and technology transfer account under
 14.20 Minnesota Statutes, section 41A.14,
 14.21 subdivision 3, and the commissioner shall
 14.22 transfer funds each year to the Board of
 14.23 Regents of the University of Minnesota for
 14.24 purposes of Minnesota Statutes, section
 14.25 41A.14. To the extent practicable, money
 14.26 expended under Minnesota Statutes, section
 14.27 41A.14, subdivision 1, clauses (1) and (2),
 14.28 must supplement and not supplant existing
 14.29 sources and levels of funding. The
 14.30 commissioner may use up to one percent of
 14.31 this appropriation for costs incurred to
 14.32 administer the program.

14.33 Of the amount appropriated for the agriculture
 14.34 research, education, extension, and technology

15.1 transfer grant program under Minnesota
15.2 Statutes, section 41A.14:

15.3 (1) \$600,000 the first year and \$600,000 the
15.4 second year are for the Minnesota Agricultural
15.5 Experiment Station's agriculture rapid
15.6 response fund under Minnesota Statutes,
15.7 section 41A.14, subdivision 1, clause (2);

15.8 (2) up to \$1,000,000 the first year and up to
15.9 \$1,000,000 the second year are for research
15.10 on avian influenza, salmonella, and other
15.11 turkey-related diseases and disease prevention
15.12 measures;

15.13 (3) \$2,250,000 the first year and \$2,250,000
15.14 the second year are for grants to the Minnesota
15.15 Agricultural Education Leadership Council to
15.16 enhance agricultural education with priority
15.17 given to Farm Business Management
15.18 challenge grants;

15.19 (4) \$450,000 the first year is for the cultivated
15.20 wild rice breeding project at the North Central
15.21 Research and Outreach Center to include a
15.22 tenure track/research associate plant breeder;

15.23 (5) \$350,000 the first year and \$350,000 the
15.24 second year are for potato breeding;

15.25 (6) \$802,000 the first year and \$802,000 the
15.26 second year are to fund the Forever Green
15.27 Initiative and protect the state's natural
15.28 resources while increasing the efficiency,
15.29 profitability, and productivity of Minnesota
15.30 farmers by incorporating perennial and
15.31 winter-annual crops into existing agricultural
15.32 practices. The base for the allocation under
15.33 this clause is \$802,000 in fiscal year 2026 and
15.34 each year thereafter. By February 1 each year,

16.1 the dean of the College of Food, Agricultural
 16.2 and Natural Resource Sciences must submit
 16.3 a report to the chairs and ranking minority
 16.4 members of the legislative committees with
 16.5 jurisdiction over agriculture finance and policy
 16.6 and higher education detailing uses of the
 16.7 funds in this paragraph, including
 16.8 administrative costs, and the achievements
 16.9 these funds contributed to; ~~and~~
 16.10 (7) \$350,000 each year is for farm-scale winter
 16.11 greenhouse research and development
 16.12 coordinated by University of Minnesota
 16.13 Extension Regional Sustainable Development
 16.14 Partnerships. The allocation in this clause is
 16.15 onetime; ;
 16.16 (8) \$200,000 the second year is for research
 16.17 on natural stands of wild rice; and
 16.18 (9) \$250,000 the second year is for the
 16.19 cultivated wild rice forward selection project
 16.20 at the North Central Research and Outreach
 16.21 Center, including a tenure track or research
 16.22 associate plant scientist.
 16.23 (b) The base for the agriculture research,
 16.24 education, extension, and technology transfer
 16.25 program is \$10,352,000 in fiscal year 2026
 16.26 and \$10,352,000 in fiscal year 2027.
 16.27 (c) ~~\$27,107,000~~ \$23,107,000 the first year ~~and~~
 16.28 ~~\$23,107,000 the second year are~~ is for the
 16.29 agricultural growth, research, and innovation
 16.30 program under Minnesota Statutes, section
 16.31 41A.12. Except as provided below, the
 16.32 commissioner may allocate this appropriation
 16.33 ~~each year~~ among the following areas:
 16.34 facilitating the start-up, modernization,

17.1 improvement, or expansion of livestock
17.2 operations, including beginning and
17.3 transitioning livestock operations with
17.4 preference given to robotic dairy-milking
17.5 equipment; assisting value-added agricultural
17.6 businesses to begin or expand, to access new
17.7 markets, or to diversify, including aquaponics
17.8 systems, with preference given to hemp fiber
17.9 processing equipment; facilitating the start-up,
17.10 modernization, or expansion of other
17.11 beginning and transitioning farms, including
17.12 by providing loans under Minnesota Statutes,
17.13 section 41B.056; sustainable agriculture
17.14 on-farm research and demonstration; the
17.15 development or expansion of food hubs and
17.16 other alternative community-based food
17.17 distribution systems; enhancing renewable
17.18 energy infrastructure and use; crop research,
17.19 including basic and applied turf seed research;
17.20 Farm Business Management tuition assistance;
17.21 and good agricultural practices and good
17.22 handling practices certification assistance. The
17.23 commissioner may use up to 6.5 percent of
17.24 this appropriation for costs incurred to
17.25 administer the program.

17.26 Of the amount appropriated for the agricultural
17.27 growth, research, and innovation program
17.28 under Minnesota Statutes, section 41A.12:

17.29 (1) ~~\$1,000,000 the first year and \$1,000,000~~
17.30 ~~the second year are~~ is for distribution in equal
17.31 amounts to each of the state's county fairs to
17.32 preserve and promote Minnesota agriculture;

17.33 (2) ~~\$5,750,000 the first year and \$5,750,000~~
17.34 ~~the second year are~~ is for incentive payments
17.35 under Minnesota Statutes, sections 41A.16,

18.1 41A.17, 41A.18, and 41A.20. Notwithstanding
18.2 Minnesota Statutes, section 16A.28, the first
18.3 year appropriation is available until June 30,
18.4 2025, and the second year appropriation is
18.5 available until June 30, 2026. If this
18.6 appropriation exceeds the total amount for
18.7 which all producers are eligible in a fiscal
18.8 year, the balance of the appropriation is
18.9 available for other purposes under this
18.10 paragraph. ~~The base under this clause is~~
18.11 ~~\$3,000,000 in fiscal year 2026 and each year~~
18.12 ~~thereafter;~~
18.13 (3) \$3,375,000 the first year and ~~\$3,375,000~~
18.14 ~~the second year~~ are is for grants that enable
18.15 retail petroleum dispensers, fuel storage tanks,
18.16 and other equipment to dispense biofuels to
18.17 the public in accordance with the biofuel
18.18 replacement goals established under
18.19 Minnesota Statutes, section 239.7911. A retail
18.20 petroleum dispenser selling petroleum for use
18.21 in spark ignition engines for vehicle model
18.22 years after 2000 is eligible for grant money
18.23 under this clause if the retail petroleum
18.24 dispenser has no more than ~~10~~ 20 retail
18.25 petroleum dispensing sites and each site is
18.26 located in Minnesota. The grant money must
18.27 be used to replace or upgrade equipment that
18.28 does not have the ability to be certified for
18.29 E25. A grant award must not exceed 65
18.30 percent of the cost of the appropriate
18.31 technology. A grant award must not exceed
18.32 \$200,000 per station. The commissioner must
18.33 cooperate with biofuel stakeholders in the
18.34 implementation of the grant program. The
18.35 commissioner, in cooperation with any
18.36 economic or community development

19.1 financial institution and any other entity with
19.2 which the commissioner contracts, must
19.3 submit a report on the biofuels infrastructure
19.4 financial assistance program by January 15 of
19.5 each year to the chairs and ranking minority
19.6 members of the legislative committees and
19.7 divisions with jurisdiction over agriculture
19.8 policy and finance. The annual report must
19.9 include but not be limited to a summary of the
19.10 following metrics: (i) the number and types
19.11 of projects financed; (ii) the amount of dollars
19.12 leveraged or matched per project; (iii) the
19.13 geographic distribution of financed projects;
19.14 (iv) any market expansion associated with
19.15 upgraded infrastructure; (v) the demographics
19.16 of the areas served; (vi) the costs of the
19.17 program; and (vii) the number of grants to
19.18 minority-owned or female-owned businesses.
19.19 ~~The base under this clause is \$3,000,000 for~~
19.20 ~~fiscal year 2026 and each year thereafter;~~
19.21 (4) \$1,250,000 the first year ~~and \$1,250,000~~
19.22 ~~the second year are~~ is for grants to facilitate
19.23 the start-up, modernization, or expansion of
19.24 meat, poultry, egg, and milk processing
19.25 facilities. A grant award under this clause must
19.26 not exceed \$200,000. Any unencumbered
19.27 balance at the end of the second year does not
19.28 cancel until June 30, 2026, and may be used
19.29 for other purposes under this paragraph. ~~The~~
19.30 ~~base under this clause is \$250,000 in fiscal~~
19.31 ~~year 2026 and each year thereafter;~~
19.32 (5) \$1,150,000 the first year ~~and \$1,150,000~~
19.33 ~~the second year are for~~ is to develop and
19.34 enhance farm-to-school markets for Minnesota
19.35 farmers by providing more fruits, vegetables,

20.1 meat, poultry, grain, and dairy for children in
 20.2 ~~school and~~ schools, early childhood education
 20.3 centers, child care centers, and family child
 20.4 care programs, including, at the
 20.5 commissioner's discretion, providing grants
 20.6 to reimburse schools ~~and~~, early childhood
 20.7 education centers, child care centers, and
 20.8 family child care programs, for purchasing
 20.9 equipment and agricultural products. Of the
 20.10 amount appropriated, \$150,000 each year is
 20.11 for a statewide coordinator of
 20.12 farm-to-institution strategy and programming.
 20.13 The coordinator must consult with relevant
 20.14 stakeholders and provide technical assistance
 20.15 and training for participating farmers and
 20.16 eligible grant recipients. ~~The base under this~~
 20.17 ~~clause is \$1,294,000 in fiscal year 2026 and~~
 20.18 ~~each year thereafter;~~
 20.19 ~~(6) \$4,000,000 the first year is for Dairy~~
 20.20 ~~Assistance, Investment, Relief Initiative~~
 20.21 ~~(DAIRI) grants and other forms of financial~~
 20.22 ~~assistance to Minnesota dairy farms that enroll~~
 20.23 ~~in coverage under a federal dairy risk~~
 20.24 ~~protection program and produced no more~~
 20.25 ~~than 16,000,000 pounds of milk in 2022. The~~
 20.26 ~~commissioner must make DAIRI payments~~
 20.27 ~~based on the amount of milk produced in~~
 20.28 ~~2022, up to 5,000,000 pounds per participating~~
 20.29 ~~farm, at a rate determined by the commissioner~~
 20.30 ~~within the limits of available funding. Any~~
 20.31 ~~unencumbered balance does not cancel at the~~
 20.32 ~~end of the first year and is available in the~~
 20.33 ~~second year. Any unencumbered balance at~~
 20.34 ~~the end of the second year does not cancel~~
 20.35 ~~until June 30, 2026, and may be used for other~~

21.1 ~~purposes under this paragraph. The allocation~~
 21.2 ~~in this clause is onetime;~~
 21.3 ~~(7) (6) \$2,000,000 the first year and~~
 21.4 ~~\$2,000,000 the second year are~~ is for urban
 21.5 youth agricultural education or urban
 21.6 agriculture community development; and
 21.7 ~~(8) (7) \$1,000,000 the first year and~~
 21.8 ~~\$1,000,000 the second year are~~ is for the good
 21.9 food access program under Minnesota
 21.10 Statutes, section 17.1017.
 21.11 Notwithstanding Minnesota Statutes, section
 21.12 16A.28, any unencumbered balance does not
 21.13 cancel at the end of the first year and is
 21.14 available for the second year, and
 21.15 appropriations encumbered under contract on
 21.16 or before June 30, 2025, for agricultural
 21.17 growth, research, and innovation grants are
 21.18 available until June 30, 2028.
 21.19 (d) \$27,452,000 the second year is for the
 21.20 agricultural growth, research, and innovation
 21.21 program under Minnesota Statutes, section
 21.22 41A.12. Except as provided below, the
 21.23 commissioner may allocate this appropriation
 21.24 among the following areas: facilitating the
 21.25 start-up, modernization, improvement, or
 21.26 expansion of livestock operations, including
 21.27 beginning and transitioning livestock
 21.28 operations with preference given to robotic
 21.29 dairy-milking equipment; assisting
 21.30 value-added agricultural businesses to begin
 21.31 or expand, to access new markets, or to
 21.32 diversify, including aquaponics systems, with
 21.33 preference given to hemp fiber processing
 21.34 equipment; facilitating the start-up,
 21.35 modernization, or expansion of other

22.1 beginning and transitioning farms, including
22.2 by providing loans under Minnesota Statutes,
22.3 section 41B.056; sustainable agriculture
22.4 on-farm research and demonstration; the
22.5 development or expansion of food hubs and
22.6 other alternative community-based food
22.7 distribution systems; enhancing renewable
22.8 energy infrastructure and use; crop research,
22.9 including basic and applied turf seed research;
22.10 Farm Business Management tuition assistance;
22.11 and good agricultural practices and good
22.12 handling practices certification assistance. The
22.13 commissioner may use up to 6.5 percent of
22.14 this appropriation for costs incurred to
22.15 administer the program.

22.16 Of the amount appropriated for the agricultural
22.17 growth, research, and innovation program
22.18 under Minnesota Statutes, section 41A.12:

22.19 (1) \$1,000,000 the second year is for
22.20 distribution in equal amounts to each of the
22.21 state's county fairs to preserve and promote
22.22 Minnesota agriculture;

22.23 (2) \$5,750,000 the second year is for incentive
22.24 payments under Minnesota Statutes, sections
22.25 41A.16, 41A.17, 41A.18, and 41A.20.
22.26 Notwithstanding Minnesota Statutes, section
22.27 16A.28, this appropriation is available until
22.28 June 30, 2027. If this appropriation exceeds
22.29 the total amount for which all producers are
22.30 eligible in a fiscal year, the balance of the
22.31 appropriation is available for other purposes
22.32 under this paragraph. The base under this
22.33 clause is \$3,000,000 in fiscal year 2026 and
22.34 each year thereafter;

23.1 (3) \$3,375,000 the second year is for grants
23.2 that enable retail petroleum dispensers, fuel
23.3 storage tanks, and other equipment to dispense
23.4 biofuels to the public in accordance with the
23.5 biofuel replacement goals established under
23.6 Minnesota Statutes, section 239.7911. A retail
23.7 petroleum dispenser selling petroleum for use
23.8 in spark ignition engines for vehicle model
23.9 years after 2000 is eligible for grant money
23.10 under this clause if the retail petroleum
23.11 dispenser has no more than 20 retail petroleum
23.12 dispensing sites and each site is located in
23.13 Minnesota. The grant money must be used to
23.14 replace or upgrade equipment that does not
23.15 have the ability to be certified for E25. A grant
23.16 award must not exceed 65 percent of the cost
23.17 of the appropriate technology. A grant award
23.18 must not exceed \$200,000 per station. The
23.19 commissioner must cooperate with biofuel
23.20 stakeholders in the implementation of the grant
23.21 program. The commissioner, in cooperation
23.22 with any economic or community development
23.23 financial institution and any other entity with
23.24 which the commissioner contracts, must
23.25 submit a report on the biofuels infrastructure
23.26 financial assistance program by January 15 of
23.27 each year to the chairs and ranking minority
23.28 members of the legislative committees and
23.29 divisions with jurisdiction over agriculture
23.30 policy and finance. The annual report must
23.31 include but not be limited to a summary of the
23.32 following metrics: (i) the number and types
23.33 of projects financed; (ii) the amount of dollars
23.34 leveraged or matched per project; (iii) the
23.35 geographic distribution of financed projects;
23.36 (iv) any market expansion associated with

24.1 upgraded infrastructure; (v) the demographics
24.2 of the areas served; (vi) the costs of the
24.3 program; and (vii) the number of grants to
24.4 minority-owned or female-owned businesses.
24.5 The base under this clause is \$3,000,000 for
24.6 fiscal year 2026 and each year thereafter;
24.7 (4) \$1,250,000 the second year is for grants
24.8 to facilitate the start-up, modernization, or
24.9 expansion of meat, poultry, egg, and milk
24.10 processing facilities. A grant award under this
24.11 clause must not exceed \$200,000. Any
24.12 unencumbered balance at the end of the second
24.13 year does not cancel until June 30, 2027, and
24.14 may be used for other purposes under this
24.15 paragraph. The base under this clause is
24.16 \$250,000 in fiscal year 2026 and each year
24.17 thereafter;
24.18 (5) \$1,150,000 the first year is to develop and
24.19 enhance farm-to-school markets for Minnesota
24.20 farmers by providing more fruits, vegetables,
24.21 meat, poultry, grain, and dairy for children in
24.22 schools, early childhood education centers,
24.23 child care centers, and family child care
24.24 programs, including, at the commissioner's
24.25 discretion, providing grants to reimburse
24.26 schools, early childhood education centers,
24.27 child care centers, and family child care
24.28 programs for purchasing equipment and
24.29 agricultural products. Of the amount
24.30 appropriated, \$150,000 each year is for a
24.31 statewide coordinator of farm-to-institution
24.32 strategy and programming. The coordinator
24.33 must consult with relevant stakeholders and
24.34 provide technical assistance and training for
24.35 participating farmers and eligible grant

25.1 recipients. The base under this clause is
25.2 \$1,294,000 in fiscal year 2026 and each year
25.3 thereafter;

25.4 (6) \$4,000,000 the second year is for Dairy
25.5 Assistance, Investment, Relief Initiative
25.6 (DAIRI) grants and other forms of financial
25.7 assistance to Minnesota dairy farms that enroll
25.8 in coverage under a federal dairy risk
25.9 protection program and produced no more
25.10 than 16,000,000 pounds of milk in 2022. The
25.11 commissioner must make DAIRI payments
25.12 based on the amount of milk produced in
25.13 2022, up to 5,000,000 pounds per participating
25.14 farm, at a rate determined by the commissioner
25.15 within the limits of available funding. Any
25.16 unencumbered balance on June 30, 2026, may
25.17 be used for other purposes under this
25.18 paragraph. The allocation in this clause is
25.19 onetime;

25.20 (7) \$2,000,000 the second year is for urban
25.21 youth agricultural education or urban
25.22 agriculture community development; and

25.23 (8) \$1,000,000 the second year is for the good
25.24 food access program under Minnesota
25.25 Statutes, section 17.1017.

25.26 Notwithstanding Minnesota Statutes, section
25.27 16A.28, this appropriation does not cancel at
25.28 the end of the second year and is available
25.29 until June 30, 2027. Appropriations
25.30 encumbered under contract on or before June
25.31 30, 2027, for agricultural growth, research,
25.32 and innovation grants are available until June
25.33 30, 2030.

26.1 ~~(d)~~ (e) The base for the agricultural growth,
 26.2 research, and innovation program is
 26.3 ~~\$16,294,000~~ \$17,582,000 in fiscal year 2026
 26.4 and each year thereafter and includes \$200,000
 26.5 each year for cooperative development grants.

26.6 Sec. 7. Laws 2023, chapter 43, article 1, section 2, subdivision 5, is amended to read:

26.7 **Subd. 5. Administration and Financial**
 26.8 **Assistance**

16,618,000

14,287,000

26.9 (a) \$474,000 the first year and \$474,000 the
 26.10 second year are for payments to county and
 26.11 district agricultural societies and associations
 26.12 under Minnesota Statutes, section 38.02,
 26.13 subdivision 1. Aid payments to county and
 26.14 district agricultural societies and associations
 26.15 must be disbursed no later than July 15 of each
 26.16 year. These payments are the amount of aid
 26.17 from the state for an annual fair held in the
 26.18 previous calendar year.

26.19 (b) \$350,000 the first year and \$350,000 the
 26.20 second year are for grants to the Minnesota
 26.21 Agricultural Education and Leadership
 26.22 Council for programs of the council under
 26.23 Minnesota Statutes, chapter 41D. The base for
 26.24 this appropriation is \$250,000 in fiscal year
 26.25 2026 and each year thereafter.

26.26 (c) \$2,000 the first year is for a grant to the
 26.27 Minnesota State Poultry Association. This is
 26.28 a onetime appropriation. Notwithstanding
 26.29 Minnesota Statutes, section 16A.28, any
 26.30 unencumbered balance does not cancel at the
 26.31 end of the first year and is available for the
 26.32 second year.

26.33 (d) \$18,000 the first year and \$18,000 the
 26.34 second year are for grants to the Minnesota

27.1 Livestock Breeders Association. This is a
27.2 onetime appropriation.

27.3 (e) \$60,000 the first year and \$60,000 the
27.4 second year are for grants to the Northern
27.5 Crops Institute that may be used to purchase
27.6 equipment. This is a onetime appropriation.

27.7 (f) \$34,000 the first year and \$34,000 the
27.8 second year are for grants to the Minnesota
27.9 State Horticultural Society. This is a onetime
27.10 appropriation.

27.11 (g) \$25,000 the first year and \$25,000 the
27.12 second year are for grants to the Center for
27.13 Rural Policy and Development. This is a
27.14 onetime appropriation.

27.15 (h) \$75,000 the first year and \$75,000 the
27.16 second year are appropriated from the general
27.17 fund to the commissioner of agriculture for
27.18 grants to the Minnesota Turf Seed Council for
27.19 basic and applied research on: (1) the
27.20 improved production of forage and turf seed
27.21 related to new and improved varieties; and (2)
27.22 native plants, including plant breeding,
27.23 nutrient management, pest management,
27.24 disease management, yield, and viability. The
27.25 Minnesota Turf Seed Council may subcontract
27.26 with a qualified third party for some or all of
27.27 the basic or applied research. Any
27.28 unencumbered balance does not cancel at the
27.29 end of the first year and is available in the
27.30 second year. The Minnesota Turf Seed Council
27.31 must prepare a report outlining the use of the
27.32 grant money and related accomplishments. No
27.33 later than January 15, 2025, the council must
27.34 submit the report to the chairs and ranking
27.35 minority members of the legislative

28.1 committees and divisions with jurisdiction
28.2 over agriculture finance and policy. This is a
28.3 onetime appropriation.

28.4 (i) \$100,000 the first year and \$100,000 the
28.5 second year are for grants to GreenSeam for
28.6 assistance to agriculture-related businesses to
28.7 support business retention and development,
28.8 business attraction and creation, talent
28.9 development and attraction, and regional
28.10 branding and promotion. These are onetime
28.11 appropriations. No later than December 1,
28.12 2024, and December 1, 2025, GreenSeam
28.13 must report to the chairs and ranking minority
28.14 members of the legislative committees with
28.15 jurisdiction over agriculture and rural
28.16 development with information on new and
28.17 existing businesses supported, number of new
28.18 jobs created in the region, new educational
28.19 partnerships and programs supported, and
28.20 regional branding and promotional efforts.

28.21 (j) \$1,950,000 the first year and \$1,950,000
28.22 the second year are for grants to Second
28.23 Harvest Heartland on behalf of Minnesota's
28.24 six Feeding America food banks for the
28.25 following purposes:

28.26 (1) at least \$850,000 each year must be
28.27 allocated to purchase milk for distribution to
28.28 Minnesota's food shelves and other charitable
28.29 organizations that are eligible to receive food
28.30 from the food banks. Milk purchased under
28.31 the grants must be acquired from Minnesota
28.32 milk processors and based on low-cost bids.
28.33 The milk must be allocated to each Feeding
28.34 America food bank serving Minnesota
28.35 according to the formula used in the

29.1 distribution of United States Department of
29.2 Agriculture commodities under The
29.3 Emergency Food Assistance Program. Second
29.4 Harvest Heartland may enter into contracts or
29.5 agreements with food banks for shared funding
29.6 or reimbursement of the direct purchase of
29.7 milk. Each food bank that receives funding
29.8 under this clause may use up to two percent
29.9 for administrative expenses. Notwithstanding
29.10 Minnesota Statutes, section 16A.28, any
29.11 unencumbered balance the first year does not
29.12 cancel and is available the second year;

29.13 (2) to compensate agricultural producers and
29.14 processors for costs incurred to harvest and
29.15 package for transfer surplus fruits, vegetables,
29.16 and other agricultural commodities that would
29.17 otherwise go unharvested, be discarded, or be
29.18 sold in a secondary market. Surplus
29.19 commodities must be distributed statewide to
29.20 food shelves and other charitable organizations
29.21 that are eligible to receive food from the food
29.22 banks. Surplus food acquired under this clause
29.23 must be from Minnesota producers and
29.24 processors. Second Harvest Heartland may
29.25 use up to 15 percent of each grant awarded
29.26 under this clause for administrative and
29.27 transportation expenses; and

29.28 (3) to purchase and distribute protein products,
29.29 including but not limited to pork, poultry, beef,
29.30 dry legumes, cheese, and eggs to Minnesota's
29.31 food shelves and other charitable organizations
29.32 that are eligible to receive food from the food
29.33 banks. Second Harvest Heartland may use up
29.34 to two percent of each grant awarded under
29.35 this clause for administrative expenses. Protein

30.1 products purchased under the grants must be
30.2 acquired from Minnesota processors and
30.3 producers.

30.4 Second Harvest Heartland must submit
30.5 quarterly reports to the commissioner and the
30.6 chairs and ranking minority members of the
30.7 legislative committees with jurisdiction over
30.8 agriculture finance in the form prescribed by
30.9 the commissioner. The reports must include
30.10 but are not limited to information on the
30.11 expenditure of funds, the amount of milk or
30.12 other commodities purchased, and the
30.13 organizations to which this food was
30.14 distributed. The base for this appropriation is
30.15 \$1,700,000 for fiscal year 2026 and each year
30.16 thereafter.

30.17 (k) \$25,000 the first year and \$25,000 the
30.18 second year are for grants to the Southern
30.19 Minnesota Initiative Foundation to promote
30.20 local foods through an annual event that raises
30.21 public awareness of local foods and connects
30.22 local food producers and processors with
30.23 potential buyers.

30.24 (l) \$300,000 the first year and \$300,000 the
30.25 second year are for grants to The Good Acre
30.26 for the Local Emergency Assistance Farmer
30.27 Fund (LEAFF) program to compensate
30.28 emerging farmers for crops donated to hunger
30.29 relief organizations in Minnesota. This is a
30.30 onetime appropriation.

30.31 (m) \$750,000 the first year and \$750,000 the
30.32 second year are to expand the Emerging
30.33 Farmers Office and provide services to
30.34 beginning and emerging farmers to increase
30.35 connections between farmers and market

31.1 opportunities throughout the state. This
31.2 appropriation may be used for grants,
31.3 translation services, training programs, or
31.4 other purposes in line with the
31.5 recommendations of the Emerging Farmer
31.6 Working Group established under Minnesota
31.7 Statutes, section 17.055, subdivision 1. The
31.8 base for this appropriation is \$1,000,000 in
31.9 fiscal year 2026 and each year thereafter.

31.10 (n) \$50,000 the first year is to provide
31.11 technical assistance and leadership in the
31.12 development of a comprehensive and
31.13 well-documented state aquaculture plan. The
31.14 commissioner must provide the state
31.15 aquaculture plan to the legislative committees
31.16 with jurisdiction over agriculture finance and
31.17 policy by February 15, 2025.

31.18 (o) \$337,000 the first year and \$337,000 the
31.19 second year are for farm advocate services.
31.20 Of these amounts, \$50,000 the first year and
31.21 \$50,000 the second year are for the
31.22 continuation of the farmland transition
31.23 programs and may be used for grants to
31.24 farmland access teams to provide technical
31.25 assistance to potential beginning farmers.
31.26 Farmland access teams must assist existing
31.27 farmers and beginning farmers with
31.28 transitioning farm ownership and farm
31.29 operation. Services provided by teams may
31.30 include but are not limited to mediation
31.31 assistance, designing contracts, financial
31.32 planning, tax preparation, estate planning, and
31.33 housing assistance.

31.34 (p) \$260,000 the first year and \$260,000 the
31.35 second year are for a pass-through grant to

32.1 Region Five Development Commission to
32.2 provide, in collaboration with Farm Business
32.3 Management, statewide mental health
32.4 counseling support to Minnesota farm
32.5 operators, families, and employees, and
32.6 individuals who work with Minnesota farmers
32.7 in a professional capacity. Region Five
32.8 Development Commission may use up to 6.5
32.9 percent of the grant awarded under this
32.10 paragraph for administration.

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

32.14 (r) \$1,084,000 the first year and \$500,000 the
32.15 second year are to support IT modernization
32.16 efforts, including laying the technology
32.17 foundations needed for improving customer
32.18 interactions with the department for licensing
32.19 and payments. This is a onetime appropriation.

32.20 (s) \$275,000 the first year is for technical
32.21 assistance grants to certified community
32.22 development financial institutions that
32.23 participate in United States Department of
32.24 Agriculture loan or grant programs for small
32.25 or emerging farmers, including but not limited
32.26 to the Increasing Land, Capital, and Market
32.27 Access Program. For purposes of this
32.28 paragraph, "emerging farmer" has the meaning
32.29 given in Minnesota Statutes, section 17.055,
32.30 subdivision 1. The commissioner may use up
32.31 to 6.5 percent of this appropriation for costs
32.32 incurred to administer the program.

32.33 Notwithstanding Minnesota Statutes, section
32.34 16A.28, any unencumbered balance does not
32.35 cancel at the end of the first year and is

33.1 available in the second year. This is a onetime
33.2 appropriation.

33.3 (t) \$1,425,000 the first year and \$1,425,000
33.4 the second year are for transfer to the
33.5 agricultural and environmental revolving loan
33.6 account established under Minnesota Statutes,
33.7 section 17.117, subdivision 5a, for low-interest
33.8 loans under Minnesota Statutes, section
33.9 17.117.

33.10 (u) \$150,000 the first year and \$150,000 the
33.11 second year are for administrative support for
33.12 the Rural Finance Authority.

33.13 (v) The base in fiscal years 2026 and 2027 is
33.14 \$150,000 each year to coordinate
33.15 climate-related activities and services within
33.16 the Department of Agriculture and
33.17 counterparts in local, state, and federal
33.18 agencies and to hire a full-time climate
33.19 implementation coordinator. The climate
33.20 implementation coordinator must coordinate
33.21 efforts seeking federal funding for Minnesota's
33.22 agricultural climate adaptation and mitigation
33.23 efforts and develop strategic partnerships with
33.24 the private sector and nongovernment
33.25 organizations.

33.26 (w) \$1,200,000 the first year and \$930,000 the
33.27 second year are to maintain the current level
33.28 of service delivery. The base for this
33.29 appropriation is ~~\$1,085,000~~ \$1,065,000 in
33.30 fiscal year 2026 and ~~\$1,085,000~~ \$1,065,000
33.31 in fiscal year 2027.

33.32 (x) \$250,000 the first year is for a grant to the
33.33 Board of Regents of the University of
33.34 Minnesota to purchase equipment for the

34.1 Veterinary Diagnostic Laboratory to test for
34.2 chronic wasting disease, African swine fever,
34.3 avian influenza, and other animal diseases.
34.4 The Veterinary Diagnostic Laboratory must
34.5 report expenditures under this paragraph to
34.6 the legislative committees with jurisdiction
34.7 over agriculture finance and higher education
34.8 with a report submitted by January 3, 2024,
34.9 and a final report submitted by December 31,
34.10 2024. The reports must include a list of
34.11 equipment purchased, including the cost of
34.12 each item.

34.13 (y) \$1,000,000 the first year and \$1,000,000
34.14 the second year are to award and administer
34.15 down payment assistance grants under
34.16 Minnesota Statutes, section 17.133, with
34.17 priority given to ~~emerging~~ farmers
34.18 experiencing limited land access as defined in
34.19 Minnesota Statutes, section ~~17.055~~,
34.20 ~~subdivision 1~~ 17.133, subdivision 1, or farmers
34.21 who had a net farm profit of \$100,000 or less
34.22 the previous year. Notwithstanding Minnesota
34.23 Statutes, section 16A.28, any unencumbered
34.24 balance at the end of the first year does not
34.25 cancel and is available in the second year and
34.26 appropriations encumbered under contract by
34.27 June 30, 2025, are available until June 30,
34.28 2027.

34.29 (z) \$222,000 the first year and \$322,000 the
34.30 second year are for meat processing training
34.31 and retention incentive grants under section
34.32 5. The commissioner may use up to 6.5
34.33 percent of this appropriation for costs incurred
34.34 to administer the program. Notwithstanding
34.35 Minnesota Statutes, section 16A.28, any

35.1 unencumbered balance does not cancel at the
35.2 end of the first year and is available in the
35.3 second year. This is a onetime appropriation.

35.4 (aa) \$300,000 the first year and \$300,000 the
35.5 second year are for transfer to the Board of
35.6 Regents of the University of Minnesota to
35.7 evaluate, propagate, and maintain the genetic
35.8 diversity of oilseeds, grains, grasses, legumes,
35.9 and other plants including flax, timothy,
35.10 barley, rye, triticale, alfalfa, orchard grass,
35.11 clover, and other species and varieties that
35.12 were in commercial distribution and use in
35.13 Minnesota before 1970, excluding wild rice.
35.14 This effort must also protect traditional seeds
35.15 brought to Minnesota by immigrant
35.16 communities. This appropriation includes
35.17 funding for associated extension and outreach
35.18 to small and Black, Indigenous, and People of
35.19 Color (BIPOC) farmers. This is a onetime
35.20 appropriation.

35.21 (bb) The commissioner shall continue to
35.22 increase connections with ethnic minority and
35.23 immigrant farmers to farming opportunities
35.24 and farming programs throughout the state.

35.25 **Sec. 8. COMMISSIONER OF HEALTH; APPROPRIATIONS.**

35.26 (a) \$2,000,000 in fiscal year 2025 is appropriated from the general fund to the
35.27 commissioner of health to establish a mitigation program for contaminated wells, including
35.28 testing, repairing, and replacing wells and providing home water treatment, such as reverse
35.29 osmosis treatment, for private wells that are tested at or above the maximum contaminant
35.30 level of 10 mg/L located in Dodge, Fillmore, Goodhue, Houston, Mower, Olmsted, or
35.31 Wabasha County. This appropriation is available until June 30, 2027. This is a onetime
35.32 appropriation. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the
35.33 commissioner may use up to 6.5 percent of this appropriation for administrative costs.

36.1 (b) By December 15 each year through 2027, the commissioner must report to the chairs
 36.2 and ranking minority members of the legislative committees with jurisdiction over agriculture
 36.3 and health detailing the use of the appropriation in this section and the number of households
 36.4 served in each county.

36.5 ARTICLE 2

36.6 AGRICULTURE POLICY

36.7 Section 1. Minnesota Statutes 2023 Supplement, section 17.055, subdivision 3, is amended
 36.8 to read:

36.9 Subd. 3. **Beginning farmer equipment and infrastructure grants.** (a) The commissioner
 36.10 may award and administer equipment and infrastructure grants to beginning farmers. The
 36.11 commissioner shall give preference to applicants who are ~~emerging~~ farmers experiencing
 36.12 limited land access as defined in section 17.133, subdivision 1. Grant money may be used
 36.13 for equipment and infrastructure development.

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

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

36.17 Sec. 2. Minnesota Statutes 2022, section 17.116, subdivision 2, is amended to read:

36.18 Subd. 2. **Eligibility.** (a) Grants may ~~only~~ be made to farmers, and organizations such as
 36.19 farms, agricultural cooperatives, educational institutions, individuals at educational
 36.20 institutions, ~~or~~ nonprofit organizations, Tribal governments, or local units of government
 36.21 residing or located in the state for research or demonstrations on farms in the state.

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

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

36.24 (2) a positive effect or reduced adverse effect on the environment; or

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

36.27 Sec. 3. Minnesota Statutes 2022, section 17.133, subdivision 1, is amended to read:

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

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

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

37.3 (2) has participated in the business operation of a farm for at least three years;

37.4 ~~(2)~~ (3) grosses no more than \$250,000 per year from the sale of farm products; and

37.5 ~~(3)~~ (4) has not, and whose spouse has not, at any time had a direct or indirect ownership
37.6 interest in farmland.

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

37.9 (d) "Incubator farm" means a farm where people are given temporary, exclusive, and
37.10 affordable access to small parcels of land, infrastructure, and often training, for the purposes
37.11 of honing skills and launching farm businesses.

37.12 (e) "Limited land access" means farming without ownership of land and:

37.13 (1) under a lease or other rental arrangement of no more than three years in duration
37.14 when the person leasing or renting the land is not related to the lessee or renter by blood or
37.15 marriage;

37.16 (2) farming by renting land from an incubator farm as defined in this section;

37.17 (3) farming with no current lease or other rental arrangement; or

37.18 (4) farming where access to land is constrained by Tribal land ownership patterns,
37.19 treaties, or federal and Tribal laws and regulations.

37.20 Sec. 4. Minnesota Statutes 2023 Supplement, section 17.133, subdivision 3, is amended
37.21 to read:

37.22 Subd. 3. **Report to legislature.** No later than December 1, 2023, and annually thereafter,
37.23 the commissioner must provide a report to the chairs and ranking minority members of the
37.24 legislative committees having jurisdiction over agriculture and rural development, in
37.25 compliance with sections 3.195 and 3.197, on the farm down payment assistance grants
37.26 under this section. The report must include:

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

37.30 (2) the number and amount of grants;

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

38.1 (4) the number of grant recipients who are ~~emerging~~ farmers experiencing limited land
38.2 access or who have a net farm profit of \$100,000 or less the previous year;

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

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

38.6 (7) the number and amount of grant applications that exceeded the allocation available
38.7 in each year.

38.8 Sec. 5. Minnesota Statutes 2023 Supplement, section 18C.425, subdivision 6, is amended
38.9 to read:

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

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

38.16 (c) The person responsible for payment of the inspection fees for fertilizers, soil
38.17 amendments, or plant amendments sold and used in this state must pay the inspection fee
38.18 set under paragraph (e), and until June 30, ~~2024~~ 2034, an additional 40 cents per ton, of
38.19 fertilizer, soil amendment, and plant amendment sold or distributed in this state, with a
38.20 minimum of \$10 on all tonnage reports. Notwithstanding section 18C.131, the commissioner
38.21 must deposit all revenue from the additional 40 cents per ton fee in the agricultural fertilizer
38.22 research and education account in section 18C.80. Products sold or distributed to
38.23 manufacturers or exchanged between them are exempt from the inspection fee imposed by
38.24 this subdivision if the products are used exclusively for manufacturing purposes.

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

38.28 (e) By commissioner's order, the commissioner must set the inspection fee at no less
38.29 than 39 cents per ton and no more than 70 cents per ton. The commissioner must hold a
38.30 public meeting before increasing the fee by more than five cents per ton.

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

39.1 Sec. 6. Minnesota Statutes 2022, section 18C.70, subdivision 5, is amended to read:

39.2 Subd. 5. **Expiration.** This section expires June 30, ~~2025~~ 2035.

39.3 Sec. 7. Minnesota Statutes 2022, section 18C.71, subdivision 4, is amended to read:

39.4 Subd. 4. **Expiration.** This section expires June 30, ~~2025~~ 2035.

39.5 Sec. 8. Minnesota Statutes 2022, section 18C.80, subdivision 2, is amended to read:

39.6 Subd. 2. **Expiration.** This section expires June 30, ~~2025~~ 2035.

39.7 Sec. 9. Minnesota Statutes 2022, section 28A.10, is amended to read:

39.8 **28A.10 POSTING OF LICENSE; RULES.**

39.9 All such licenses shall be issued for a period of one year and shall be posted or displayed
 39.10 in a conspicuous place at the place of business so licensed. ~~Except as provided in sections~~
 39.11 ~~29.22, subdivision 4 and 31.39, all such license fees and penalties collected by the~~
 39.12 ~~commissioner shall be deposited into the state treasury and credited to the general fund.~~

39.13 The commissioner may adopt such rules in conformity with law as the commissioner deems
 39.14 necessary to effectively and efficiently carry out the provisions of sections 28A.01 to 28A.16.

39.15 Sec. 10. Minnesota Statutes 2022, section 31.94, is amended to read:

39.16 **31.94 ORGANIC AGRICULTURE; COMMISSIONER DUTIES.**

39.17 (a) In order to promote opportunities for organic agriculture in Minnesota, the
 39.18 commissioner shall:

39.19 (1) survey producers and support services and organizations to determine information
 39.20 and research needs in the area of organic agriculture practices;

39.21 (2) work with the University of Minnesota and other research and education institutions
 39.22 to demonstrate the on-farm applicability of organic agriculture practices to conditions in
 39.23 this state;

39.24 (3) direct the programs of the department so as to work toward the promotion of organic
 39.25 agriculture in this state;

39.26 (4) inform agencies about state or federal programs that support organic agriculture
 39.27 practices; and

39.28 (5) work closely with producers, producer organizations, the University of Minnesota,
 39.29 and other appropriate agencies and organizations to identify opportunities and needs as well

40.1 as ensure coordination and avoid duplication of state agency efforts regarding research,
40.2 teaching, marketing, and extension work relating to organic agriculture.

40.3 (b) By November 15 of each year that ends in a zero or a five, the commissioner, in
40.4 conjunction with the task force created in paragraph (c), shall report on the status of organic
40.5 agriculture in Minnesota to the legislative policy and finance committees and divisions with
40.6 jurisdiction over agriculture. The report must include available data on organic acreage and
40.7 production, available data on the sales or market performance of organic products, and
40.8 recommendations regarding programs, policies, and research efforts that will benefit
40.9 Minnesota's organic agriculture sector.

40.10 (c) A Minnesota Organic Advisory Task Force shall advise the commissioner and the
40.11 University of Minnesota on policies and programs that will improve organic agriculture in
40.12 Minnesota, including how available resources can most effectively be used for outreach,
40.13 education, research, and technical assistance that meet the needs of the organic agriculture
40.14 sector. The task force must consist of the following residents of the state:

40.15 (1) three organic farmers;

40.16 (2) one wholesaler or distributor of organic products;

40.17 (3) one representative of organic certification agencies;

40.18 (4) two organic processors;

40.19 (5) one representative from University of Minnesota Extension;

40.20 (6) one University of Minnesota faculty member;

40.21 (7) one representative from a nonprofit organization representing producers;

40.22 (8) two public members;

40.23 (9) one representative from the United States Department of Agriculture;

40.24 (10) one retailer of organic products; and

40.25 (11) one organic consumer representative.

40.26 The commissioner, in consultation with the director of the Minnesota Agricultural Experiment
40.27 Station; the dean and director of University of Minnesota Extension and the dean of the
40.28 College of Food, Agricultural and Natural Resource Sciences, shall appoint members to
40.29 serve three-year terms.

40.30 Compensation and removal of members are governed by section 15.059, subdivision 6.
40.31 The task force must meet at least twice each year and expires on June 30, ~~2024~~ 2034.

41.1 (d) For the purposes of expanding, improving, and developing production and marketing
 41.2 of the organic products of Minnesota agriculture, the commissioner may receive funds from
 41.3 state and federal sources and spend them, including through grants or contracts, to assist
 41.4 producers and processors to achieve certification, to conduct education or marketing
 41.5 activities, to enter into research and development partnerships, or to address production or
 41.6 marketing obstacles to the growth and well-being of the industry.

41.7 (e) The commissioner may facilitate the registration of state organic production and
 41.8 handling operations including those exempt from organic certification according to Code
 41.9 of Federal Regulations, title 7, section 205.101, and accredited certification agencies
 41.10 operating within the state.

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

41.12 Sec. 11. Minnesota Statutes 2022, section 32D.30, is amended to read:

41.13 **32D.30 DAIRY DEVELOPMENT AND PROFITABILITY ENHANCEMENT.**

41.14 Subdivision 1. **Program.** The commissioner must implement a dairy development and
 41.15 profitability enhancement program consisting of a dairy profitability enhancement teams
 41.16 and program, dairy business planning grants, and other services to support the dairy industry.

41.17 Subd. 2. **Dairy profitability enhancement teams program.** (a) The dairy profitability
 41.18 enhancement teams program must provide ~~one-on-one~~ information and technical assistance
 41.19 to dairy farms of all sizes to enhance their financial success and long-term sustainability.
 41.20 ~~Teams~~ The program must assist dairy producers in all dairy-producing regions of the state
 41.21 ~~and.~~ Assistance to producers from the program may consist of be provided individually, as
 41.22 a team, or through other methods by farm business management instructors, dairy extension
 41.23 specialists, and other dairy industry partners. ~~Teams~~ The program may engage in activities
 41.24 ~~including such as~~ comprehensive financial analysis, risk management education, enhanced
 41.25 milk marketing tools and technologies, ~~and~~ facilitating or improving production systems,
 41.26 including rotational grazing and other sustainable agriculture methods, and value-added
 41.27 opportunities.

41.28 (b) The commissioner must make grants to regional or statewide organizations qualified
 41.29 to manage the various components of the teams program and serve as program administrators.
 41.30 Each regional or statewide organization must designate a coordinator responsible for
 41.31 overseeing the program and submitting periodic reports to the commissioner regarding
 41.32 aggregate changes in producer financial stability, productivity, product quality, animal
 41.33 health, environmental protection, and other performance measures attributable to the program.

42.1 The organizations must submit this information in a format that maintains the confidentiality
42.2 of individual dairy producers.

42.3 Subd. 3. **Dairy business planning grants.** The commissioner may award dairy business
42.4 planning grants of up to \$5,000 per producer or dairy processor to ~~develop comprehensive~~
42.5 ~~business plans~~ use technical assistance services for evaluating operations, transitional
42.6 changes, expansions, improvements, and other business modifications. Producers and
42.7 processors must not use dairy business planning grants for capital improvements.

42.8 Subd. 4. **Funding allocation.** Except as specified in law, the commissioner may allocate
42.9 dairy development and profitability enhancement program dollars ~~among~~ for the permissible
42.10 uses specified in this section and other needs to support the dairy industry, including efforts
42.11 to improve the quality of milk produced in the state, in the proportions that the commissioner
42.12 deems most beneficial to the state's dairy farmers.

42.13 Subd. 5. **Reporting.** No later than July 1 each year, the commissioner must submit a
42.14 detailed accomplishment report and work plan detailing future plans for, and the actual and
42.15 anticipated accomplishments from, expenditures under this section to the chairs and ranking
42.16 minority members of the legislative committees and divisions with jurisdiction over
42.17 agriculture policy and finance. If the commissioner significantly modifies a submitted work
42.18 plan during the fiscal year, the commissioner must notify the chairs and ranking minority
42.19 members.

42.20 Sec. 12. Minnesota Statutes 2023 Supplement, section 35.155, subdivision 12, is amended
42.21 to read:

42.22 Subd. 12. **Importation.** (a) A person must not import live Cervidae into the state from
42.23 a state or province where chronic wasting disease has been detected in the farmed or wild
42.24 cervid population in the last five years unless the animal has tested not detected for chronic
42.25 wasting disease with a validated live-animal test.

42.26 (b) Live Cervidae or Cervidae semen must originate from a herd that has been subject
42.27 to a state-, federal-, or provincial-approved chronic wasting disease herd certification program
42.28 and that has reached a status equivalent to the highest certification.

42.29 (c) Cervidae imported in violation of this section may be seized and destroyed by the
42.30 commissioner of natural resources.

42.31 (d) This subdivision does not apply to the interstate transfer of animals between two
42.32 facilities accredited by the Association of Zoos and Aquariums.

43.1 (e) Notwithstanding this subdivision, the commissioner of natural resources may issue
 43.2 a permit allowing the importation of orphaned wild cervid species that are not susceptible
 43.3 to chronic wasting disease from another state to an Association of Zoos and Aquariums
 43.4 accredited institution in Minnesota following a joint risk-based assessment conducted by
 43.5 the commissioner and the institution.

43.6 (f) Notwithstanding this subdivision, the state veterinarian may issue a permit to a zoo
 43.7 that is a United States Department of Agriculture-licensed exhibitor of regulated animals
 43.8 to import live Cervidae from another state if the Cervidae are part of a herd that is:

43.9 (1) in the United States Department of Agriculture Herd Certification program; or

43.10 (2) subject to similar equivalent disease surveillance at the discretion of the state
 43.11 veterinarian.

43.12 Sec. 13. Minnesota Statutes 2023 Supplement, section 41B.0391, subdivision 1, is amended
 43.13 to read:

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

43.16 (b) "Agricultural assets" means agricultural land, livestock, facilities, buildings, and
 43.17 machinery used for farming in Minnesota.

43.18 (c) "Beginning farmer" means an individual or LLC owned by an individual who:

43.19 (1) is a resident of Minnesota;

43.20 (2) is seeking entry, or has entered within the last ten years, into farming;

43.21 (3) intends to farm land located within the state borders of Minnesota;

43.22 (4) except as provided in subdivision 2, paragraph (f), is not and whose spouse is not a
 43.23 family member of the owner of the agricultural assets from whom the beginning farmer is
 43.24 seeking to purchase or rent agricultural assets;

43.25 (5) except as provided in subdivision 2, paragraph (f), is not and whose spouse is not a
 43.26 family member of a partner, member, shareholder, or trustee of the owner of agricultural
 43.27 assets from whom the beginning farmer is seeking to purchase or rent agricultural assets;
 43.28 and

43.29 (6) meets the following eligibility requirements as determined by the authority:

43.30 (i) has a net worth that does not exceed the limit provided under section 41B.03,
 43.31 subdivision 3, paragraph (a), clause (2);

- 44.1 (ii) provides the majority of the day-to-day physical labor and management of the farm;
- 44.2 (iii) has, by the judgment of the authority, adequate farming experience or demonstrates
44.3 knowledge in the type of farming for which the beginning farmer seeks assistance from the
44.4 authority;
- 44.5 (iv) demonstrates to the authority a profit potential by submitting projected earnings
44.6 statements;
- 44.7 (v) asserts to the satisfaction of the authority that farming will be a significant source
44.8 of income for the beginning farmer;
- 44.9 (vi) is enrolled in or has completed within ten years of their first year of farming a
44.10 financial management program approved by the authority or the commissioner of agriculture;
- 44.11 (vii) agrees to notify the authority if the beginning farmer no longer meets the eligibility
44.12 requirements within the three-year certification period, in which case the beginning farmer
44.13 is no longer eligible for credits under this section; and
- 44.14 (viii) has other qualifications as specified by the authority.

44.15 The authority may waive the requirement in item (vi) if the participant requests a waiver
44.16 and has a four-year degree in an agricultural program or related field, reasonable agricultural
44.17 job-related experience, or certification as an adult farm management instructor.

44.18 (d) "Emerging farmer" means an emerging farmer within the meaning of section 17.055,
44.19 subdivision 1.

44.20 (e) "Family member" means a family member within the meaning of the Internal Revenue
44.21 Code, section 267(c)(4).

44.22 (f) "Farm product" means plants and animals useful to humans and includes, but is not
44.23 limited to, forage and sod crops, oilseeds, grain and feed crops, dairy and dairy products,
44.24 poultry and poultry products, livestock, fruits, and vegetables.

44.25 (g) "Farming" means the active use, management, and operation of real and personal
44.26 property for the production of a farm product.

44.27 (h) "Limited land access" has the meaning given in section 17.133, subdivision 1.

44.28 ~~(h)~~ (i) "Owner of agricultural assets" means an individual, trust, or pass-through entity
44.29 that is the owner in fee of agricultural land or has legal title to any other agricultural asset.
44.30 Owner of agricultural assets does not mean an equipment dealer, livestock dealer defined
44.31 in section 17A.03, subdivision 7, or comparable entity that is engaged in the business of
44.32 selling agricultural assets for profit and that is not engaged in farming as its primary business

45.1 activity. An owner of agricultural assets approved and certified by the authority under
45.2 subdivision 4 must notify the authority if the owner no longer meets the definition in this
45.3 paragraph within the three year certification period and is then no longer eligible for credits
45.4 under this section.

45.5 ~~(j)~~ (j) "Resident" has the meaning given in section 290.01, subdivision 7.

45.6 ~~(k)~~ (k) "Share rent agreement" means a rental agreement in which the principal
45.7 consideration given to the owner of agricultural assets is a predetermined portion of the
45.8 production of farm products produced from the rented agricultural assets and which provides
45.9 for sharing production costs or risk of loss, or both.

45.10 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
45.11 31, 2024.

45.12 Sec. 14. Minnesota Statutes 2023 Supplement, section 41B.0391, subdivision 2, is amended
45.13 to read:

45.14 Subd. 2. **Tax credit for owners of agricultural assets.** (a) An owner of agricultural
45.15 assets may take a credit against the tax due under chapter 290 for the sale or rental of
45.16 agricultural assets to a beginning farmer in the amount allocated by the authority under
45.17 subdivision 4. An owner of agricultural assets is eligible for allocation of a credit equal to:

45.18 (1) eight percent of the lesser of the sale price or the fair market value of the agricultural
45.19 asset, up to a maximum of \$50,000;

45.20 (2) ten percent of the gross rental income in each of the first, second, and third years of
45.21 a rental agreement, up to a maximum of \$7,000 per year; or

45.22 (3) 15 percent of the cash equivalent of the gross rental income in each of the first,
45.23 second, and third years of a share rent agreement, up to a maximum of \$10,000 per year.

45.24 (b) A qualifying rental agreement includes cash rent of agricultural assets or a share rent
45.25 agreement. The agricultural asset must be rented at prevailing community rates as determined
45.26 by the authority.

45.27 (c) The credit may be claimed only after approval and certification by the authority, and
45.28 is limited to the amount stated on the certificate issued under subdivision 4. An owner of
45.29 agricultural assets must apply to the authority for certification and allocation of a credit, in
45.30 a form and manner prescribed by the authority.

45.31 (d) An owner of agricultural assets or beginning farmer may terminate a rental agreement,
45.32 including a share rent agreement, for reasonable cause upon approval of the authority. If a

46.1 rental agreement is terminated without the fault of the owner of agricultural assets, the tax
46.2 credits shall not be retroactively disallowed. In determining reasonable cause, the authority
46.3 must look at which party was at fault in the termination of the agreement. If the authority
46.4 determines the owner of agricultural assets did not have reasonable cause, the owner of
46.5 agricultural assets must repay all credits received as a result of the rental agreement to the
46.6 commissioner of revenue. The repayment is additional income tax for the taxable year in
46.7 which the authority makes its decision or when a final adjudication under subdivision 5,
46.8 paragraph (a), is made, whichever is later.

46.9 (e) The credit is limited to the liability for tax as computed under chapter 290 for the
46.10 taxable year. If the amount of the credit determined under this section for any taxable year
46.11 exceeds this limitation, the excess is a beginning farmer incentive credit carryover according
46.12 to section 290.06, subdivision 37.

46.13 (f) For purposes of the credit for the sale of agricultural land only, the family member
46.14 definitional exclusions in subdivision 1, paragraph (c), clauses (4) and (5), do not apply.
46.15 For a sale to a family member to qualify for the credit, the sales price of the agricultural
46.16 land must equal or exceed the assessed value of the land as of the date of the sale. For
46.17 purposes of this paragraph, "sale to a family member" means a sale to a beginning farmer
46.18 in which the beginning farmer or the beginning farmer's spouse is a family member of:

46.19 (1) the owner of the agricultural land; or

46.20 (2) a partner, member, shareholder, or trustee of the owner of the agricultural land.

46.21 (g) For a sale to ~~an emerging~~ a farmer experiencing limited land access, the credit rate
46.22 under paragraph (a), clause (1), is twelve percent rather than eight percent.

46.23 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
46.24 31, 2024.

46.25 Sec. 15. Minnesota Statutes 2023 Supplement, section 41B.0391, subdivision 4, is amended
46.26 to read:

46.27 Subd. 4. **Authority duties.** (a) The authority shall:

46.28 (1) approve and certify or recertify beginning farmers as eligible for the program under
46.29 this section;

46.30 (2) approve and certify or recertify owners of agricultural assets as eligible for the tax
46.31 credit under subdivision 2 subject to the allocation limits in paragraph (c);

47.1 (3) provide necessary and reasonable assistance and support to beginning farmers for
47.2 qualification and participation in financial management programs approved by the authority;

47.3 (4) refer beginning farmers to agencies and organizations that may provide additional
47.4 pertinent information and assistance; and

47.5 (5) notwithstanding section 41B.211, the Rural Finance Authority must share information
47.6 with the commissioner of revenue to the extent necessary to administer provisions under
47.7 this subdivision and section 290.06, subdivisions 37 and 38. The Rural Finance Authority
47.8 must annually notify the commissioner of revenue of approval and certification or
47.9 recertification of beginning farmers and owners of agricultural assets under this section.
47.10 For credits under subdivision 2, the notification must include the amount of credit approved
47.11 by the authority and stated on the credit certificate.

47.12 (b) The certification of a beginning farmer or an owner of agricultural assets under this
47.13 section is valid for the year of the certification and the two following years, after which
47.14 time the beginning farmer or owner of agricultural assets must apply to the authority for
47.15 recertification.

47.16 (c) For credits for owners of agricultural assets allowed under subdivision 2, the authority
47.17 must not allocate more than \$6,500,000 for taxable years beginning after December 31,
47.18 2022, and before January 1, 2024, and \$4,000,000 for taxable years beginning after December
47.19 31, 2023. The authority must allocate credits on a first-come, first-served basis beginning
47.20 on January 1 of each year, except that recertifications for the second and third years of
47.21 credits under subdivision 2, paragraph (a), clauses (1) and (2), have first priority. Any
47.22 amount authorized but not allocated for taxable years ending before January 1, 2023, is
47.23 canceled and is not allocated for future taxable years. For taxable years beginning after
47.24 December 31, 2022, any amount authorized but not allocated in any taxable year does not
47.25 cancel and is added to the allocation for the next taxable year. For each taxable year, 50
47.26 percent of newly allocated credits must be allocated to ~~emerging farmers~~ owners of
47.27 agricultural assets who sell or rent agricultural assets to beginning farmers who are
47.28 experiencing limited land access. Any portion of a taxable year's newly allocated credits
47.29 that is reserved for ~~emerging sales or rentals to farmers~~ experiencing limited land access
47.30 that is not allocated by September 30 of the taxable year is available for allocation to other
47.31 credit allocations beginning on October 1.

47.32 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
47.33 31, 2024.

48.1 Sec. 16. Minnesota Statutes 2023 Supplement, section 41B.0391, subdivision 6, is amended
48.2 to read:

48.3 Subd. 6. **Report to legislature.** (a) No later than February 1, 2024, the Rural Finance
48.4 Authority, in consultation with the commissioner of revenue, must provide a report to the
48.5 chairs and ranking minority members of the legislative committees having jurisdiction over
48.6 agriculture, economic development, rural development, and taxes, in compliance with
48.7 sections 3.195 and 3.197, on the beginning farmer tax credits under this section issued in
48.8 tax years beginning after December 31, 2017, and before January 1, 2024.

48.9 (b) The report must include background information on beginning farmers in Minnesota
48.10 and any other information the commissioner and authority find relevant to evaluating the
48.11 effect of the credits on increasing opportunities for and the number of beginning farmers.

48.12 (c) For credits issued under subdivision 2, paragraph (a), clauses (1) to (3), the report
48.13 must include:

48.14 (1) the number and amount of credits issued under each clause;

48.15 (2) the geographic distribution of credits issued under each clause;

48.16 (3) the type of agricultural assets for which credits were issued under clause (1);

48.17 (4) the number and geographic distribution of beginning farmers whose purchase or
48.18 rental of assets resulted in credits for the seller or owner of the asset;

48.19 (5) the number and amount of credits disallowed under subdivision 2, paragraph (d);

48.20 (6) data on the number of beginning farmers by geographic region in calendar years
48.21 2017 through 2023, including:

48.22 (i) the number of beginning farmers by race and ethnicity, as those terms are applied in
48.23 the 2020 United States Census; and

48.24 (ii) the number of beginning farmers who are experiencing limited land access and, to
48.25 the extent available, the number of beginning farmers who are emerging farmers; and

48.26 (7) the number and amount of credit applications that exceeded the allocation available
48.27 in each year.

48.28 (d) For credits issued under subdivision 3, the report must include:

48.29 (1) the number and amount of credits issued;

48.30 (2) the geographic distribution of credits;

49.1 (3) a listing and description of each approved financial management program for which
49.2 credits were issued; and

49.3 (4) a description of the approval procedure for financial management programs not on
49.4 the list maintained by the authority, as provided in subdivision 3, paragraph (a).

49.5 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
49.6 31, 2024.

49.7 Sec. 17. Minnesota Statutes 2022, section 41B.047, subdivision 1, is amended to read:

49.8 Subdivision 1. **Establishment.** The authority shall establish and implement a disaster
49.9 recovery loan program to help farmers:

49.10 (1) clean up, repair, or replace farm structures and septic and water systems, as well as
49.11 replace seed, other crop inputs, feed, and livestock;

49.12 (2) purchase watering systems, irrigation systems, ~~and~~ other drought mitigation systems
49.13 and practices, and feed when drought is the cause of the purchase;

49.14 (3) restore farmland;

49.15 (4) replace flocks or livestock, make building improvements, or cover the loss of revenue
49.16 when the replacement, improvements, or loss of revenue is due to the confirmed presence
49.17 of a highly contagious animal disease in a commercial poultry or game flock, or a commercial
49.18 livestock operation, located in Minnesota; or

49.19 (5) cover the loss of revenue when the revenue loss is due to an infectious human disease
49.20 for which the governor has declared a peacetime emergency under section 12.31.

49.21 Sec. 18. **SUPERSEDING EFFECT.**

49.22 The amendment to Minnesota Statutes, section 35.155, subdivision 12, in section 12 of
49.23 this article is intended to supersede the amendment in article 1, section 18, in S.F. No. 4225.

49.24 Sec. 19. **REPEALER.**

49.25 Minnesota Statutes 2022, section 34.07, is repealed.

50.1

ARTICLE 3

50.2

BROADBAND

50.3 Section 1. Minnesota Statutes 2022, section 116J.396, is amended by adding a subdivision
50.4 to read:

50.5 Subd. 4. **Transfer.** The commissioner may transfer up to \$5,000,000 of a fiscal year
50.6 appropriation between the border-to-border broadband program, low density population
50.7 broadband program, and the broadband line extension program to meet demand. The
50.8 commissioner must inform the chairs and ranking minority members of the legislative
50.9 committees with jurisdiction over broadband finance in writing when this transfer authority
50.10 is used. The written notice must include how much money was transferred and why the
50.11 transfer was made. The written notice must also be filed with the Legislative Reference
50.12 Library in compliance with Minnesota Statutes, section 3.195.

50.13 Sec. 2. **BROADBAND DEVELOPMENT; APPLICATION FOR FEDERAL**
50.14 **FUNDING; APPROPRIATION.**

50.15 (a) The commissioner of employment and economic development must prepare and
50.16 submit an application to the United States Department of Commerce requesting State Digital
50.17 Equity Capacity Grant funding made available under Public Law 117-58, the Infrastructure
50.18 Investment and Jobs Act.

50.19 (b) The amount awarded to Minnesota pursuant to the application submitted under
50.20 paragraph (a) is appropriated to the commissioner of employment and economic development
50.21 for purposes of the commissioner's Minnesota Digital Opportunity Plan.

APPENDIX
Repealed Minnesota Statutes: S3955-1

34.07 BEVERAGE INSPECTION ACCOUNT; APPROPRIATION.

A beverage inspection account is created in the agricultural fund. All fees and fines collected under this chapter shall be credited to the beverage inspection account. Money in the account is appropriated to the commissioner for inspection and supervision under this chapter.