



2.1 cottage food license exemption outreach and  
2.2 training materials.

2.3 (b) \$75,000 the first year and \$75,000 the  
2.4 second year are to coordinate the correctional  
2.5 facility vocational training program.

2.6 (c) \$388,000 the first year and \$388,000 the  
2.7 second year are from the remediation fund for  
2.8 administrative funding for the voluntary  
2.9 cleanup program.

2.10 (d) \$175,000 the first year and \$175,000 the  
2.11 second year are for compensation for  
2.12 destroyed or crippled animals under Minnesota  
2.13 Statutes, section 3.737. This appropriation  
2.14 may be spent to compensate for animals that  
2.15 were destroyed or crippled during fiscal year  
2.16 2017. If the amount in the first year is  
2.17 insufficient, the amount in the second year is  
2.18 available in the first year.

2.19 (e) \$125,000 the first year and \$125,000 the  
2.20 second year are for compensation for crop  
2.21 damage under Minnesota Statutes, section  
2.22 3.7371. If the amount in the first year is  
2.23 insufficient, the amount in the second year is  
2.24 available in the first year.

2.25 If the commissioner determines that claims  
2.26 made under Minnesota Statutes, section 3.737  
2.27 or 3.7371, are unusually high, amounts  
2.28 appropriated for either program may be  
2.29 transferred to the appropriation for the other  
2.30 program.

2.31 (f) \$300,000 the first year and \$300,000 the  
2.32 second year are for deposit in the noxious  
2.33 weed and invasive plant species assistance  
2.34 account established under Minnesota Statutes,

3.1 section 18.89, to be used to implement the  
 3.2 noxious weed grant program under Minnesota  
 3.3 Statutes, section 18.90, with preference given  
 3.4 to local units of government responding to  
 3.5 palmer amaranth or other weeds on the  
 3.6 eradicate list. This is a onetime appropriation.

3.7 (g) \$150,000 the first year and \$150,000 the  
 3.8 second year are for wolf-livestock conflict  
 3.9 prevention grants under section 10. The  
 3.10 commissioner must submit a report to the  
 3.11 chairs and ranking minority members of the  
 3.12 legislative committees with jurisdiction over  
 3.13 agriculture policy and finance by January 15,  
 3.14 2020, on the outcomes of the wolf-livestock  
 3.15 conflict prevention grants and whether  
 3.16 livestock compensation claims were reduced  
 3.17 in the areas that grants were awarded. This is  
 3.18 a onetime appropriation.

3.19 **Subd. 3. Agricultural Marketing and**  
 3.20 **Development**

4,096,000

3,996,000

3.21 (a) The commissioner must provide outreach  
 3.22 to urban farmers regarding the department's  
 3.23 financial and technical assistance programs  
 3.24 and must assist urban farmers in applying for  
 3.25 assistance.

3.26 (b) \$186,000 the first year and \$186,000 the  
 3.27 second year are for transfer to the Minnesota  
 3.28 grown account and may be used as grants for  
 3.29 Minnesota grown promotion under Minnesota  
 3.30 Statutes, section 17.102. Grants may be made  
 3.31 for one year. Notwithstanding Minnesota  
 3.32 Statutes, section 16A.28, the appropriations  
 3.33 encumbered under contract on or before June  
 3.34 30, 2019, for Minnesota grown grants in this  
 3.35 paragraph are available until June 30, 2021.

4.1 (c) \$634,000 the first year and \$634,000 the  
4.2 second year are for continuation of the dairy  
4.3 development and profitability enhancement  
4.4 and dairy business planning grant programs  
4.5 established under Laws 1997, chapter 216,  
4.6 section 7, subdivision 2, and Laws 2001, First  
4.7 Special Session chapter 2, section 9,  
4.8 subdivision 2. The commissioner may allocate  
4.9 the available sums among permissible  
4.10 activities, including efforts to improve the  
4.11 quality of milk produced in the state, in the  
4.12 proportions that the commissioner deems most  
4.13 beneficial to Minnesota's dairy farmers. The  
4.14 commissioner must submit a detailed  
4.15 accomplishment report and a work plan  
4.16 detailing future plans for, and anticipated  
4.17 accomplishments from, expenditures under  
4.18 this program to the chairs and ranking minority  
4.19 members of the legislative committees with  
4.20 jurisdiction over agriculture policy and finance  
4.21 on or before the start of each fiscal year. If  
4.22 significant changes are made to the plans in  
4.23 the course of the year, the commissioner must  
4.24 notify the chairs and ranking minority  
4.25 members.

4.26 (d) \$100,000 the first year is for grants to  
4.27 ethnic minority chambers of commerce to  
4.28 connect immigrants and new American  
4.29 citizens to farming opportunities in this state.

4.30 This is a onetime appropriation and is  
4.31 available until June 30, 2019.

4.32 (e) The commissioner may use funds  
4.33 appropriated in this subdivision for annual  
4.34 cost-share payments to resident farmers or  
4.35 entities that sell, process, or package

5.1 agricultural products in this state for the costs  
 5.2 of organic certification. The commissioner  
 5.3 may allocate these funds for assistance for  
 5.4 persons transitioning from conventional to  
 5.5 organic agriculture.

5.6 **Subd. 4. Agriculture, Bioenergy, and Bioproduct**  
 5.7 **Advancement**

21,860,000

21,860,000

5.8 (a) \$8,500,000 the first year and \$8,500,000  
 5.9 the second year are for transfer to the  
 5.10 agriculture research, education, extension, and  
 5.11 technology transfer account under Minnesota  
 5.12 Statutes, section 41A.14, subdivision 3. Of  
 5.13 these amounts, at least \$600,000 each year is  
 5.14 for agriculture rapid response under Minnesota  
 5.15 Statutes, section 41A.14, subdivision 1, clause  
 5.16 (2). Of the amount appropriated in this  
 5.17 paragraph, for fiscal years 2018 and 2019  
 5.18 only, \$1,000,000 each year is for transfer to  
 5.19 the Board of Regents of the University of  
 5.20 Minnesota for research on avian influenza,  
 5.21 including prevention measures that can be  
 5.22 taken. Of the amount appropriated in this  
 5.23 paragraph, \$2,000,000 each year is for grants  
 5.24 to the Minnesota Agriculture Education  
 5.25 Leadership Council to enhance agricultural  
 5.26 education with priority given to Farm Business  
 5.27 Management challenge grants.

5.28 To the extent practicable, funds expended  
 5.29 under Minnesota Statutes, section 41A.14,  
 5.30 subdivision 1, clauses (1) and (2), must  
 5.31 supplement and not supplant existing sources  
 5.32 and levels of funding. The commissioner may  
 5.33 use up to 4.5 percent of this appropriation for  
 5.34 costs incurred to administer the program.

6.1 (b) \$350,000 the first year and \$350,000 the  
6.2 second year are for grants to the Board of  
6.3 Regents of the University of Minnesota for  
6.4 potato breeding. This is a onetime  
6.5 appropriation.

6.6 (c) \$450,000 the first year and \$450,000 the  
6.7 second year are for grants to the Board of  
6.8 Regents of the University of Minnesota for  
6.9 the cultivated wild rice breeding project at the  
6.10 North Central Research and Outreach Center.  
6.11 This is a onetime appropriation.

6.12 (d) \$12,535,000 the first year and \$12,535,000  
6.13 the second year are for the agricultural growth,  
6.14 research, and innovation program in  
6.15 Minnesota Statutes, section 41A.12. Grants  
6.16 may be awarded in the following areas:  
6.17 developing new markets for Minnesota  
6.18 farmers; developing urban agriculture;  
6.19 beginning or expanding livestock operations;  
6.20 assisting value-added agricultural businesses  
6.21 to begin or expand; development or expansion  
6.22 of food hubs and other community-based food  
6.23 distribution systems; expanding or improving  
6.24 biofuels infrastructure at the retail and  
6.25 distribution level; farm business management  
6.26 scholarships; and research on bioenergy,  
6.27 biobased content, or biobased formulated  
6.28 products.

6.29 Of the amount appropriated for the agricultural  
6.30 growth, research, and innovation program in  
6.31 Minnesota Statutes, section 41A.12:

6.32 (1) \$1,000,000 the first year and \$1,000,000  
6.33 the second year are for distribution in equal  
6.34 amounts to each of the state's county fairs to  
6.35 preserve and promote Minnesota agriculture;

7.1 (2) \$1,500,000 the first year and \$1,500,000  
7.2 the second year are for incentive payments  
7.3 under Minnesota Statutes, section 41A.16,  
7.4 41A.17, and 41A.18;

7.5 (3) \$3,000,000 the first year and \$3,000,000  
7.6 the second year are for livestock investment  
7.7 grants under Minnesota Statutes, section  
7.8 17.118;

7.9 (4) \$3,000,000 the first year and \$3,000,000  
7.10 the second year are for value-added agriculture  
7.11 grants;

7.12 (5) \$1,000,000 the first year and \$1,000,000  
7.13 the second year are for grants to install  
7.14 equipment necessary to store or dispense  
7.15 biofuels to the public in order to meet the  
7.16 biofuel requirement goals established under  
7.17 Minnesota Statutes, section 239.7911; and

7.18 (6) \$350,000 the first year and \$350,000 the  
7.19 second year are for grants to expand  
7.20 Minnesota agriculture, including  
7.21 Minnesota-grown hemp, to new markets.

7.22 For value-added agriculture grants under  
7.23 clause (4), the commissioner may award up  
7.24 to two grants of up to \$750,000 per grant for  
7.25 new or expanding livestock product processing  
7.26 facilities or dairy product processing facilities  
7.27 that provide significant economic impact to  
7.28 the region. The remaining value-added  
7.29 agriculture grants are for awards between  
7.30 \$1,000 and \$200,000 per grant. The  
7.31 appropriations in clauses (3), (4), (5), and (6),  
7.32 are onetime. If the appropriation for incentive  
7.33 payments in clause (2) exceeds the total  
7.34 amount for which all producers are eligible in

8.1 a fiscal year, the balance of the appropriation  
8.2 is available for the agricultural growth,  
8.3 research, and innovation program. Any  
8.4 unencumbered balance does not cancel at the  
8.5 end of the first year and is available for the  
8.6 second year.

8.7 Notwithstanding Minnesota Statutes, section  
8.8 16A.28, the appropriations encumbered under  
8.9 contract before June 30, 2019 under the  
8.10 agricultural growth, research, and innovation  
8.11 program in Minnesota Statutes, section  
8.12 41A.12. The commissioner may use up to 6.5  
8.13 percent of this appropriation for costs incurred  
8.14 to administer the program.

8.15 The base budget for the agricultural growth,  
8.16 research, and innovation program for fiscal  
8.17 year 2020 and later is \$14,166,000 each fiscal  
8.18 year. Of this amount:

8.19 (1) \$1,000,000 each year is for distribution in  
8.20 equal amounts to each of the state's county  
8.21 fairs to preserve and promote Minnesota  
8.22 agriculture;

8.23 (2) \$1,500,000 each year is for incentive  
8.24 payments under Minnesota Statutes, section  
8.25 41A.16, 41A.17, and 41A.18;

8.26 (3) \$3,000,000 each year is for siding  
8.27 production incentive payments under  
8.28 Minnesota Statutes, section 41A.20; and

8.29 (4) \$5,000,000 each year is for shrimp  
8.30 production incentive payments under  
8.31 Minnesota Statutes, section 41A.21.

8.32 (e) \$25,000 the first year and \$25,000 the  
8.33 second year are for grants to the Southern  
8.34 Minnesota Initiative Foundation to promote

9.1 local foods through an annual event that raises  
 9.2 public awareness of local foods and connects  
 9.3 local food producers and processors with  
 9.4 potential buyers.

9.5 **Subd. 5. Administration and Financial Assistance** 7,723,000 7,277,000

9.6 (a) \$474,000 the first year and \$474,000 the  
 9.7 second year are for payments to county and  
 9.8 district agricultural societies and associations  
 9.9 under Minnesota Statutes, section 38.02,  
 9.10 subdivision 1. Aid payments to county and  
 9.11 district agricultural societies and associations  
 9.12 shall be disbursed no later than July 15 of each  
 9.13 year. These payments are the amount of aid  
 9.14 from the state for an annual fair held in the  
 9.15 previous calendar year.

9.16 (b) \$1,000 the first year and \$1,000 the second  
 9.17 year are for grants to the Minnesota State  
 9.18 Poultry Association.

9.19 (c) \$18,000 the first year and \$18,000 the  
 9.20 second year are for grants to the Minnesota  
 9.21 Livestock Breeders Association.

9.22 (d) \$47,000 the first year and \$47,000 the  
 9.23 second year are for the Northern Crops  
 9.24 Institute. These appropriations may be spent  
 9.25 to purchase equipment.

9.26 (e) \$200,000 the first year and \$200,000 the  
 9.27 second year for farm advocate services.

9.28 (f) \$17,000 the first year and \$17,000 the  
 9.29 second year are for grants to the Minnesota  
 9.30 Horticultural Society.

9.31 (g) \$108,000 the first year and \$108,000 the  
 9.32 second year are for annual grants to the  
 9.33 Minnesota Turf Seed Council for basic and  
 9.34 applied research on: (1) the improved

10.1 production of forage and turf seed related to  
10.2 new and improved varieties; and (2) native  
10.3 plants, including plant breeding, nutrient  
10.4 management, pest management, disease  
10.5 management, yield, and viability. The grant  
10.6 recipient may subcontract with a qualified  
10.7 third party for some or all of the basic or  
10.8 applied research. Any unencumbered balance  
10.9 does not cancel at the end of the first year and  
10.10 is available for the second year. This is a  
10.11 onetime appropriation.

10.12 (h) \$113,000 the first year and \$113,000 the  
10.13 second year are for transfer to the Board of  
10.14 Trustees of the Minnesota State Colleges and  
10.15 Universities for statewide mental health  
10.16 counseling support to farm families and  
10.17 business operators. South Central College shall  
10.18 serve as the fiscal agent.

10.19 (i) \$550,000 the first year and \$550,000 the  
10.20 second year are for grants to Second Harvest  
10.21 Heartland on behalf of Minnesota's six  
10.22 Feeding America food banks for the purchase  
10.23 of milk for distribution to Minnesota's food  
10.24 shelves and other charitable organizations that  
10.25 are eligible to receive food from the food  
10.26 banks. Milk purchased under the grants must  
10.27 be acquired from Minnesota milk processors  
10.28 and based on low-cost bids. The milk must be  
10.29 allocated to each Feeding America food bank  
10.30 serving Minnesota according to the formula  
10.31 used in the distribution of United States  
10.32 Department of Agriculture commodities under  
10.33 The Emergency Food Assistance Program  
10.34 (TEFAP). Second Harvest Heartland must  
10.35 submit quarterly reports to the commissioner

11.1 on forms prescribed by the commissioner. The  
11.2 reports must include, but are not limited to,  
11.3 information on the expenditure of funds, the  
11.4 amount of milk purchased, and the  
11.5 organizations to which the milk was  
11.6 distributed. Second Harvest Heartland may  
11.7 enter into contracts or agreements with food  
11.8 banks for shared funding or reimbursement of  
11.9 the direct purchase of milk. Each food bank  
11.10 receiving money from this appropriation may  
11.11 use up to two percent of the grant for  
11.12 administrative expenses. Any unencumbered  
11.13 balance does not cancel at the end of the first  
11.14 year and is available for the second year.

11.15 (j) \$1,100,000 the first year and \$1,100,000  
11.16 the second year are for grants to Second  
11.17 Harvest Heartland on behalf of the six Feeding  
11.18 America food banks that serve Minnesota to  
11.19 compensate agricultural producers and  
11.20 processors for costs incurred to harvest and  
11.21 package for transfer surplus fruits, vegetables,  
11.22 and other agricultural commodities that would  
11.23 otherwise go unharvested, be discarded, or  
11.24 sold in a secondary market. Surplus  
11.25 commodities must be distributed statewide to  
11.26 food shelves and other charitable organizations  
11.27 that are eligible to receive food from the food  
11.28 banks. Surplus food acquired under this  
11.29 appropriation must be from Minnesota  
11.30 producers and processors. Second Harvest  
11.31 Heartland must report when required by, and  
11.32 in the form prescribed by, the commissioner.  
11.33 Second Harvest Heartland may use up to 11  
11.34 percent of any grant received for  
11.35 administrative expenses, and up to four percent  
11.36 of the grant for transportation expenses. Any

- 12.1 unencumbered balance does not cancel at the  
12.2 end of the first year and is available for the  
12.3 second year.
- 12.4 (k) \$150,000 the first year and \$150,000 the  
12.5 second year are for grants to the Center for  
12.6 Rural Policy and Development.
- 12.7 (l) \$235,000 the first year and \$235,000 the  
12.8 second year are for grants to the Minnesota  
12.9 Agricultural Education and Leadership  
12.10 Council for programs of the council under  
12.11 Minnesota Statutes, chapter 41D.
- 12.12 (m) \$600,000 the first year and \$600,000 the  
12.13 second year are for grants to the Board of  
12.14 Regents of the University of Minnesota to  
12.15 develop, in consultation with the  
12.16 commissioner of agriculture and the Board of  
12.17 Animal Health, a software tool or application  
12.18 through the Veterinary Diagnostic Laboratory  
12.19 that empowers veterinarians and producers to  
12.20 understand the movement of unique pathogen  
12.21 strains in livestock and poultry production  
12.22 systems, monitor antibiotic resistance, and  
12.23 implement effective biosecurity measures that  
12.24 promote animal health and limit production  
12.25 losses. This is a onetime appropriation.
- 12.26 (n) \$150,000 the first year is for tractor  
12.27 rollover protection grants under Minnesota  
12.28 Statutes, section 17.119. This is a onetime  
12.29 appropriation and is available until June 30,  
12.30 2019.
- 12.31 (o) \$296,000 the first year is for a grant to the  
12.32 Board of Regents of the University of  
12.33 Minnesota to fund the Forever Green  
12.34 Agriculture initiative to protect the state's

13.1 natural resources while increasing the  
 13.2 efficiency, profitability, and productivity of  
 13.3 Minnesota farmers by incorporating perennial  
 13.4 and winter annual crops into existing  
 13.5 agricultural practices. This is a onetime  
 13.6 appropriation and is available until June 30,  
 13.7 2021.

13.8 By January 15, 2018, the commissioner shall  
 13.9 submit a report to the chairs and ranking  
 13.10 minority members of the legislative  
 13.11 committees with jurisdiction over agricultural  
 13.12 policy and finance with a list of inspections  
 13.13 the department conducts at more frequent  
 13.14 intervals than federal law requires, an  
 13.15 explanation of why the additional inspections  
 13.16 are necessary, and provide recommendations  
 13.17 for eliminating any unnecessary inspections.

13.18 **Sec. 3. BOARD OF ANIMAL HEALTH                   \$           5,384,000 \$           5,384,000**

13.19 **Sec. 4. AGRICULTURAL UTILIZATION**  
 13.20 **RESEARCH INSTITUTE                                   \$           3,793,000 \$           3,793,000**

13.21     Sec. 5. Minnesota Statutes 2016, section 17.119, subdivision 1, is amended to read:

13.22         Subdivision 1. **Grants; eligibility.** (a) The commissioner must award ~~cost-share~~ grants  
 13.23 to Minnesota farmers who retrofit eligible tractors and Minnesota schools that retrofit eligible  
 13.24 tractors with eligible rollover protective structures.

13.25         (b) Grants for farmers are limited to 70 percent of the farmer's or school's documented  
 13.26 cost to purchase, ship, and install an eligible rollover protective structure. The commissioner  
 13.27 must increase the a farmer's grant award amount over the 70 percent grant limitation  
 13.28 requirement if necessary to limit a farmer's or school's cost per tractor to no more than \$500.

13.29         (c) Schools are eligible for grants that cover the full amount of a school's documented  
 13.30 cost to purchase, ship, and install an eligible rollover protective structure.

14.1 ~~(b)~~ (d) A rollover protective structure is eligible if it ~~meets or exceeds SAE International~~  
14.2 ~~standard J2194~~ is certified to appropriate national or international rollover protection structure  
14.3 standards with a seat belt.

14.4 ~~(e)~~ (e) A tractor is eligible if the tractor was built before 1987.

14.5 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2016.

14.6 Sec. 6. Minnesota Statutes 2016, section 17.119, subdivision 2, is amended to read:

14.7 Subd. 2. **Promotion; administration.** The commissioner may spend up to ~~20~~ six percent  
14.8 of total program dollars each fiscal year to promote and administer the program to Minnesota  
14.9 farmers and schools.

14.10 Sec. 7. Minnesota Statutes 2016, section 18.79, subdivision 18, is amended to read:

14.11 Subd. 18. **Noxious weed education and notification.** (a) The commissioner shall  
14.12 disseminate information and conduct educational campaigns with respect to control of  
14.13 noxious weeds or invasive plants to enhance regulatory compliance and voluntary efforts  
14.14 to eliminate or manage these plants. The commissioner shall call and attend meetings and  
14.15 conferences dealing with the subject of noxious weeds. The commissioner shall maintain  
14.16 on the department's Web site noxious weed management information including but not  
14.17 limited to the roles and responsibilities of citizens and government entities under sections  
14.18 18.76 to 18.91 and specific guidance as to whom a person should contact to report a noxious  
14.19 weed issue.

14.20 (b) The commissioner shall post notice on the commissioner's Web site and in appropriate  
14.21 agricultural media when a weed on the eradicate list is confirmed for the first time in a  
14.22 county. The commissioner shall work with stakeholders, including the Board of Water and  
14.23 Soil Resources, the commissioner of natural resources, soil and water conservation districts,  
14.24 University of Minnesota Extension, county agricultural inspectors, and local weed inspectors  
14.25 to eradicate the weed in Minnesota.

14.26 Sec. 8. Minnesota Statutes 2016, section 18B.03, is amended by adding a subdivision to  
14.27 read:

14.28 Subd. 5. **Label compliance.** Unless explicitly required by the FIFRA, the commissioner  
14.29 must not require an applicator to demonstrate label compliance or need prior to applying a  
14.30 pesticide.

15.1 Sec. 9. Minnesota Statutes 2016, section 41A.20, subdivision 2, is amended to read:

15.2 Subd. 2. **Eligibility.** (a) A facility eligible for payment under this section must source  
15.3 at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or less from  
15.4 the state border, raw materials may be sourced from within a 100-mile radius. Raw materials  
15.5 must be from forest resources. The facility must be located in Minnesota, must begin  
15.6 production at a specific location by June 30, 2025, and must not begin operating before July  
15.7 1, ~~2017~~ 2019. Eligible facilities include existing companies and facilities that are adding  
15.8 siding production capacity, or retrofitting existing capacity, as well as new companies and  
15.9 facilities. Eligible siding production facilities must produce at least 200,000,000 siding  
15.10 square feet on a 3/8 inch nominal basis of siding each year.

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

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

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

15.17 Sec. 10. **[41A.21] SHRIMP PRODUCTION INCENTIVE.**

15.18 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this  
15.19 subdivision have the meanings given them.

15.20 (b) "Commissioner" means the commissioner of agriculture.

15.21 (c) "Feed" means pelletized material produced from agricultural sources.

15.22 Subd. 2. **Eligibility.** (a) A facility eligible for payment under this section must acquire  
15.23 at least 80 percent of feed from Minnesota. The facility must be located in Minnesota, must  
15.24 begin production at a specific location by June 30, 2025, and must not begin production  
15.25 before July 1, 2019. Eligible facilities include existing companies and facilities that are  
15.26 adding shrimp production capacity, or retrofitting existing capacity, as well as new companies  
15.27 and facilities. Eligible shrimp production facilities must produce at least 25,000 pounds of  
15.28 shrimp each quarter.

15.29 (b) No payments shall be made for shrimp production that occurs after June 30, 2030,  
15.30 for those eligible producers under paragraph (a).

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

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

16.3 Subd. 3. **Payment amounts; limits.** (a) The commissioner shall make payments to  
16.4 eligible producers of shrimp. The amount of the payment for each eligible producer's  
16.5 quarterly production is 69 cents per pound of shrimp produced at a specific location for five  
16.6 years after the start of production.

16.7 (b) Total payments under this section to an eligible shrimp producer in a quarter may  
16.8 not exceed the amount necessary for 2,000,000 pounds of shrimp produced. Total payments  
16.9 under this section to all eligible shrimp producers in a quarter may not exceed \$1,250,000.  
16.10 If the total amount for which all shrimp producers are eligible in a quarter exceeds the  
16.11 amount available for payments, the commissioner shall award payments on a pro rata basis  
16.12 within the limits of available funding.

16.13 (c) For purposes of this section, an entity that holds a controlling interest in more than  
16.14 one shrimp facility is considered a single eligible producer.

16.15 Subd. 4. **Claims.** (a) By the last day of October, January, April, and July, each eligible  
16.16 shrimp producer shall file a claim for payment for shrimp production during the preceding  
16.17 three calendar months. An eligible shrimp producer that files a claim under this subdivision  
16.18 shall include a statement of the eligible producer's total pounds of shrimp produced during  
16.19 the quarter covered by the claim. For each claim and statement of total pounds of shrimp  
16.20 filed under this subdivision, the pounds of shrimp produced must be examined by a certified  
16.21 public accounting firm with a valid permit to practice under chapter 326A, in accordance  
16.22 with Statements on Standards for Attestation Engagements established by the American  
16.23 Institute of Certified Public Accountants.

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

16.26 Subd. 5. **Report.** By January 15 each year, the commissioner shall report on the program  
16.27 under this section to the legislative committees with jurisdiction over agricultural policy  
16.28 and finance. The report shall include information on production and incentive expenditures  
16.29 under the program.

16.30 Sec. 11. **WOLF-LIVESTOCK CONFLICT PREVENTION PILOT PROGRAM.**

16.31 (a) The commissioner of agriculture may award grants to livestock producers to prevent  
16.32 wolf-livestock conflicts. Livestock producers located in Minnesota are eligible to apply for

17.1 reimbursement for the cost of practices to prevent wolf-livestock conflicts. The commissioner  
17.2 may establish a cap on the amount a recipient may receive annually.

17.3 (b) To be eligible for the grant under this section, a livestock producer must raise livestock  
17.4 within Minnesota's wolf range or on property determined by the commissioner to be affected  
17.5 by wolf-livestock conflicts.

17.6 (c) Eligible wolf-livestock conflict prevention activities include, but are not limited to:

17.7 (1) the purchase of guard animals;

17.8 (2) veterinary costs for guard animals;

17.9 (3) the installation of wolf barriers; wolf barriers may include pens, fladry, and fencing;

17.10 (4) the installation of wolf-detering lights and alarms; and

17.11 (5) calving or lambing shelters.

17.12 (d) Eligible grant recipients must:

17.13 (1) make a good-faith effort to avoid wolf-livestock conflicts;

17.14 (2) make a good-faith effort to care for guard animals paid for under this section;

17.15 (3) retain proper documentation of expenses;

17.16 (4) report annually to the commissioner on the effectiveness of the nonlethal methods  
17.17 employed; and

17.18 (5) allow follow-up evaluation and monitoring by the commissioner.

17.19 (e) Grant recipients shall continue to be eligible for depredation payments under  
17.20 Minnesota Statutes, section 3.737.

17.21 **Sec. 12. REPEALER.**

17.22 Minnesota Statutes 2016, section 41A.20, subdivision 6, is repealed.

17.23 **ARTICLE 2**

17.24 **HOUSING**

17.25 **Section 1. HOUSING APPROPRIATIONS.**

17.26 The sums shown in the columns marked "Appropriations" are appropriated to the agencies  
17.27 and for the purposes specified in this article. The appropriations are from the general fund,  
17.28 or another named fund, and are available for the fiscal years indicated for each purpose.

17.29 The figures "2018" and "2019" used in this article mean that the appropriations listed under

18.1 them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively.  
 18.2 "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium"  
 18.3 is fiscal years 2018 and 2019.

18.4		<b><u>APPROPRIATIONS</u></b>	
18.5		<b><u>Available for the Year</u></b>	
18.6		<b><u>Ending June 30</u></b>	
18.7		<b><u>2018</u></b>	<b><u>2019</u></b>

18.8 **Sec. 2. HOUSING FINANCE AGENCY**

18.9	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>50,798,000</u></b>	<b><u>\$</u></b>	<b><u>50,798,000</u></b>
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18.10 The amounts that may be spent for each  
 18.11 purpose are specified in the following  
 18.12 subdivisions.

18.13 Unless otherwise specified, this appropriation  
 18.14 is for transfer to the housing development fund  
 18.15 for the programs specified in this section.

18.16 Except as otherwise indicated, this transfer is  
 18.17 part of the agency's permanent budget base.

18.18	<b><u>Subd. 2. Challenge Program</u></b>		<b><u>13,525,000</u></b>		<b><u>13,525,000</u></b>
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18.19 (a) \$12,925,000 the first year and \$12,925,000  
 18.20 the second year are for the economic  
 18.21 development and housing challenge program  
 18.22 under Minnesota Statutes, section 462A.33.

18.23 Of this amount, \$1,208,000 each year shall be  
 18.24 made available during the first 11 months of  
 18.25 the fiscal year exclusively for housing projects  
 18.26 for American Indians. Any funds not  
 18.27 committed to housing projects for American  
 18.28 Indians in the first 11 months of the fiscal year  
 18.29 shall be available for any eligible activity  
 18.30 under Minnesota Statutes, section 462A.33.

18.31 The appropriation may be used to finance the  
 18.32 construction or replacement of real property  
 18.33 that is located in Melrose affected by the fire  
 18.34 on September 8, 2016.

19.1 (b) (1) \$600,000 each year is for housing in  
 19.2 communities and regions that have: low  
 19.3 housing vacancy rates; cooperatively  
 19.4 developed a plan that identifies current and  
 19.5 future housing needs; evidence of anticipated  
 19.6 job expansion; are located outside the  
 19.7 metropolitan area as defined in Minnesota  
 19.8 Statutes, section 473.121, subdivision 2; and  
 19.9 have a significant portion of area employees  
 19.10 who commute more than 30 miles between  
 19.11 their residence and their employment; and  
 19.12 (2) among comparable housing proposals,  
 19.13 preference must be given to proposals that:  
 19.14 include a meaningful contribution from area  
 19.15 employers that reduces the need for deferred  
 19.16 loan or grant funds from state resources; or  
 19.17 provide housing opportunities for an expanded  
 19.18 range of household incomes within a  
 19.19 community or that provide housing  
 19.20 opportunities for a wide range of incomes  
 19.21 within the development.

19.22 **Subd. 3. Housing Trust Fund** 11,646,000 11,646,000

19.23 This appropriation is for deposit in the housing  
 19.24 trust fund account created under Minnesota  
 19.25 Statutes, section 462A.201, and may be used  
 19.26 for the purposes provided in that section.

19.27 **Subd. 4. Rental Assistance for Mentally III** 4,088,000 4,088,000

19.28 This appropriation is for the rental housing  
 19.29 assistance program for persons with a mental  
 19.30 illness or families with an adult member with  
 19.31 a mental illness under Minnesota Statutes,  
 19.32 section 462A.2097. Among comparable  
 19.33 proposals, the agency shall prioritize those  
 19.34 proposals that target, in part, eligible persons

20.1	<u>who desire to move to more integrated,</u>		
20.2	<u>community-based settings.</u>		
20.3	<b><u>Subd. 5. Family Homeless Prevention</u></b>	<u>8,519,000</u>	<u>8,519,000</u>
20.4	<u>This appropriation is for the family homeless</u>		
20.5	<u>prevention and assistance programs under</u>		
20.6	<u>Minnesota Statutes, section 462A.204.</u>		
20.7	<b><u>Subd. 6. Home Ownership Assistance Fund</u></b>	<u>885,000</u>	<u>885,000</u>
20.8	<u>This appropriation is for the home ownership</u>		
20.9	<u>assistance program under Minnesota Statutes,</u>		
20.10	<u>section 462A.21, subdivision 8. The base</u>		
20.11	<u>amount for fiscal year 2020 and later is</u>		
20.12	<u>\$1,385,000 each fiscal year.</u>		
20.13	<b><u>Subd. 7. Affordable Rental Investment Fund</u></b>	<u>4,218,000</u>	<u>4,218,000</u>
20.14	<u>(a) This appropriation is for the affordable</u>		
20.15	<u>rental investment fund program under</u>		
20.16	<u>Minnesota Statutes, section 462A.21,</u>		
20.17	<u>subdivision 8b, to finance the acquisition,</u>		
20.18	<u>rehabilitation, and debt restructuring of</u>		
20.19	<u>federally assisted rental property and for</u>		
20.20	<u>making equity take-out loans under Minnesota</u>		
20.21	<u>Statutes, section 462A.05, subdivision 39.</u>		
20.22	<u>(b) The owner of federally assisted rental</u>		
20.23	<u>property must agree to participate in the</u>		
20.24	<u>applicable federally assisted housing program</u>		
20.25	<u>and to extend any existing low-income</u>		
20.26	<u>affordability restrictions on the housing for</u>		
20.27	<u>the maximum term permitted. The owner must</u>		
20.28	<u>also enter into an agreement that gives local</u>		
20.29	<u>units of government, housing and</u>		
20.30	<u>redevelopment authorities, and nonprofit</u>		
20.31	<u>housing organizations the right of first refusal</u>		
20.32	<u>if the rental property is offered for sale.</u>		
20.33	<u>Priority must be given among comparable</u>		
20.34	<u>federally assisted rental properties to</u>		

21.1 properties with the longest remaining term  
 21.2 under an agreement for federal assistance.  
 21.3 Priority must also be given among comparable  
 21.4 rental housing developments to developments  
 21.5 that are or will be owned by local government  
 21.6 units, a housing and redevelopment authority,  
 21.7 or a nonprofit housing organization.

21.8 (c) The appropriation also may be used to  
 21.9 finance the acquisition, rehabilitation, and debt  
 21.10 restructuring of existing supportive housing  
 21.11 properties. For purposes of this paragraph,  
 21.12 "supportive housing" means affordable rental  
 21.13 housing with links to services necessary for  
 21.14 individuals, youth, and families with children  
 21.15 to maintain housing stability.

21.16 **Subd. 8. Housing Rehabilitation** 5,915,000 5,915,000

21.17 This appropriation is for the housing  
 21.18 rehabilitation program under Minnesota  
 21.19 Statutes, section 462A.05, subdivision 14. Of  
 21.20 this amount, \$2,772,000 each year is for the  
 21.21 rehabilitation of owner-occupied housing and  
 21.22 \$3,143,000 each year is for the rehabilitation  
 21.23 of eligible rental housing. In administering a  
 21.24 rehabilitation program for rental housing, the  
 21.25 agency may apply the processes and priorities  
 21.26 adopted for administration of the economic  
 21.27 development and housing challenge program  
 21.28 under Minnesota Statutes, section 462A.33.

21.29 **Subd. 9. Manufactured Home Park**  
 21.30 **Infrastructure Grants** 500,000 500,000

21.31 This appropriation is for manufactured home  
 21.32 park infrastructure grants under Minnesota  
 21.33 Statutes, section 462A.2035, subdivision 1b.  
 21.34 This is a onetime appropriation and is  
 21.35 available until June 30, 2021.

- 22.1 Subd. 10. Homeownership Education,  
 22.2 Counseling, and Training 857,000 857,000
- 22.3 This appropriation is for the homeownership  
 22.4 education, counseling, and training program  
 22.5 under Minnesota Statutes, section 462A.209.  
 22.6 Build Wealth MN shall be eligible for a grant  
 22.7 under this subdivision.
- 22.8 Subd. 11. Capacity-Building Grants 645,000 645,000
- 22.9 This appropriation is for nonprofit  
 22.10 capacity-building grants under Minnesota  
 22.11 Statutes, section 462A.21, subdivision 3b. Of  
 22.12 this amount, \$125,000 each year is for support  
 22.13 of the Homeless Management Information  
 22.14 System (HMIS).
- 22.15 Sec. 3. Minnesota Statutes 2016, section 462A.2035, is amended to read:
- 22.16 **462A.2035 MANUFACTURED HOME PARK REDEVELOPMENT PROGRAM.**
- 22.17 Subdivision 1. **Establishment.** The agency shall establish a manufactured home park  
 22.18 redevelopment program for the purpose of making manufactured home park redevelopment  
 22.19 grants or loans to cities, counties, ~~or~~ community action programs, nonprofit organizations,  
 22.20 and cooperatives created under chapter 308A or 308B.
- 22.21 Subd. 1a. Individual assistance grants. Cities, counties, and community action programs  
 22.22 Eligible recipients may use individual assistance grants and loans under this program to:
- 22.23 (1) provide current residents of manufactured home parks with buy-out assistance not  
 22.24 to exceed \$4,000 per home with preference given to older manufactured homes; and
- 22.25 (2) provide down-payment assistance for the purchase of new and preowned manufactured  
 22.26 homes that comply with the current version of the State Building Code in effect at the time  
 22.27 of the sale, not to exceed \$10,000 per home; ~~and~~.
- 22.28 ~~(3) make improvements in manufactured home parks as requested by the grant recipient.~~
- 22.29 Subd. 1b. Park infrastructure grants. Eligible recipients may use park infrastructure  
 22.30 grants under this program for:
- 22.31 (1) improvements in manufactured home parks; and
- 22.32 (2) infrastructure, including storm shelters and community facilities.

23.1 Subd. 2. **Eligibility requirements.** For individual assistance grants under subdivision  
23.2 1a, households assisted ~~under this section~~ must have an annual household income at or  
23.3 below 80 percent of the area median household income. Cities, counties, or community  
23.4 action programs receiving funds under the program must give preference to households at  
23.5 or below 50 percent of the area median household income. Participation in the program is  
23.6 voluntary and no park resident shall be required to participate.

23.7 Subd. 3. **Statewide program.** The agency shall attempt to make grants and loans in  
23.8 approximately equal amounts to applicants outside and within the metropolitan area. Grants  
23.9 and loans under this section shall be provided in a manner consistent with the agency's  
23.10 policies and purposes in section 462A.02.

23.11 Subd. 4. **Infrastructure repair and replacement fund.** Each recipient receiving a grant  
23.12 under subdivision 1b shall provide from year-to-year, on a cumulative basis, for adequate  
23.13 reserve funds to cover the repair and replacement of the private infrastructure systems  
23.14 serving the community.

23.15 Sec. 4. **MINNESOTA HOUSING FINANCE AGENCY REPORT.**

23.16 By February 1, 2018, and February 1, 2019, the Housing Finance Agency shall provide  
23.17 to the chairs and ranking minority members of the house of representatives and senate  
23.18 committees with jurisdiction over the agency:

23.19 (1) a draft and final versions of its affordable housing plan before and after it has been  
23.20 submitted to the agency board for consideration; and

23.21 (2) a report on the actual and anticipated funds available within the Housing Affordability  
23.22 Fund, or Pool 3, and the actual and anticipated uses of those funds."