

1.1 Senator moves to amend S.F. No. 780 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 AGRICULTURE AND RURAL DEVELOPMENT

1.5 Section 1. AGRICULTURE APPROPRIATIONS.

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

1.9 The figures "2018" and "2019" used in this article mean that the appropriations listed under
1.10 them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively.
1.11 "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium"
1.12 is fiscal years 2018 and 2019.

1.13		<u>APPROPRIATIONS</u>	
1.14		<u>Available for the Year</u>	
1.15		<u>Ending June 30</u>	
1.16		<u>2018</u>	<u>2019</u>

1.17 Sec. 2. DEPARTMENT OF AGRICULTURE

1.18	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 50,720,000</u>	<u>\$ 50,174,000</u>
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1.19 Appropriations by Fund

1.20		<u>2018</u>	<u>2019</u>
1.21	<u>General</u>	<u>50,332,000</u>	<u>49,786,000</u>
1.22	<u>Remediation</u>	<u>388,000</u>	<u>388,000</u>

1.23 The amounts that may be spent for each
1.24 purpose are specified in the following
1.25 subdivisions.

1.26	<u>Subd. 2. Protection Services</u>	<u>17,041,000</u>	<u>17,041,000</u>
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1.27 Appropriations by Fund

1.28		<u>2018</u>	<u>2019</u>
1.29	<u>General</u>	<u>16,653,000</u>	<u>16,653,000</u>
1.30	<u>Remediation</u>	<u>388,000</u>	<u>388,000</u>

1.31 (a) \$25,000 the first year and \$25,000 the
1.32 second year are to develop and maintain

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

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

18.9	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>50,798,000</u>	<u>\$</u>	<u>50,798,000</u>
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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	<u>Subd. 2. Challenge Program</u>		<u>13,525,000</u>		<u>13,525,000</u>
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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 Ill** 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	<u>Subd. 5. Family Homeless Prevention</u>	<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	<u>Subd. 6. Home Ownership Assistance Fund</u>	<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	<u>Subd. 7. Affordable Rental Investment Fund</u>	<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."