Senator .................... moves to amend S.F. No. 4019 as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
AGRICULTURE APPROPRIATIONS

Section 1. Laws 2021, First Special Session chapter 3, article 1, section 2, is amended to read:

Sec. 2. DEPARTMENT OF AGRICULTURE

Subdivision 1. Total Appropriation

<table>
<thead>
<tr>
<th>Appropriations by Fund</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>59,410,000</td>
<td>63,800,000</td>
</tr>
<tr>
<td>Remediation</td>
<td>399,000</td>
<td>399,000</td>
</tr>
</tbody>
</table>

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

Subd. 2. Protection Services

<table>
<thead>
<tr>
<th>Appropriations by Fund</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>19,610,000</td>
<td>20,660,000</td>
</tr>
<tr>
<td>Remediation</td>
<td>399,000</td>
<td>399,000</td>
</tr>
</tbody>
</table>

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

(b) $175,000 the first year and $175,000 the second year are for compensation for destroyed or crippled livestock under Minnesota Statutes, section 3.737. The first year appropriation may be spent to compensate for livestock that were destroyed or crippled.
during fiscal year 2021. If the amount in the
first year is insufficient, the amount in the
second year is available in the first year. The
commissioner may use up to $5,000 each year
to reimburse expenses incurred by university
extension educators to provide fair market
values of destroyed or crippled livestock. If
the commissioner receives federal dollars to
pay claims for destroyed or crippled livestock,
an equivalent amount of this appropriation
may be used to reimburse nonlethal prevention
methods performed by federal wildlife services
staff.

(c) $155,000 the first year and $155,000 the
second year are for compensation for crop
damage under Minnesota Statutes, section
3.7371. If the amount in the first year is
insufficient, the amount in the second year is
available in the first year. The commissioner
may use up to $10,000 of the appropriation
each year to reimburse expenses incurred by
the commissioner or the commissioner's
approved agent to investigate and resolve
claims, as well as for costs associated with
training for approved agents. The
commissioner may use up to $20,000 of the
appropriation each year to make grants to
producers for measures to protect stored crops
from elk damage.

If the commissioner determines that claims
made under Minnesota Statutes, section 3.737
or 3.7371, are unusually high, amounts
appropriated for either program may be
transferred to the appropriation for the other
program.
(d) $1,000,000 in the second year is to reimburse feed, veterinary, and other expenses incurred, and offset revenue lost by owners of farmed white-tailed deer registered under Minnesota Statutes, section 35.155, due to movement bans imposed by the commissioner of natural resources in emergency rules between December 2019 and December 2021. The commissioner may use payments of up to $5,000 on a first-come, first-served, noncompetitive basis. In order to receive a payment, a recipient must sign an attestation of the value of the loss suffered. Grants must be limited to the value of the loss or $5,000, whichever is less. However, if funds remain after payments have been made to all eligible applicants, the commissioner shall make additional payments on a pro rata basis. This is a onetime appropriation and available until June 30, 2024. Beginning February 1, 2023, and annually thereafter until February 1, 2025, the commissioner must report on the reimbursements under this section by county to the legislative committees with jurisdiction over agriculture finance.

(e) $225,000 the first year and $225,000 the second year are for additional funding for the noxious weed and invasive plant program.

(f) $50,000 the first year is for additional funding for the industrial hemp program for IT development. This is a onetime appropriation and is available until June 30, 2023.

(g) $110,000 the first year and $110,000 the second year are for additional meat and
poultry inspection services. The commissioner
is encouraged to seek inspection waivers,
matching federal dollars, and offer more online
inspections for the purposes under this
paragraph.

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

(h) (i) $274,000 the first year and $550,000
the second year are to maintain the current
level of service delivery.

(i) $50,000 the second year is for grants to
fund the Forever Green Agriculture Initiative
at the University of Minnesota and protect the
state's natural resources while increasing the
efficiency, profitability, and productivity of
Minnesota farmers by incorporating perennial
and winter annual crops into existing
agricultural practices. Up to 25 percent of the
appropriation may be used for equipment and
physical infrastructure to support breeding and
agronomic activities necessary to develop
perennial and winter annual crops. This is a
onetime appropriation and is available until
June 30, 2028.

(k) $100,000 in the first year is for a grant to
the Board of Regents of the University of
Minnesota to purchase equipment for the
Veterinary Diagnostic Laboratory to test for
chronic wasting disease. This is a onetime
appropriation.
Subd. 3. Agricultural Marketing and Development

(a) $186,000 the first year and $186,000 the second year are for transfer to the Minnesota grown account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.102. Grants may be made for one year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2023, for Minnesota grown grants in this paragraph are available until June 30, 2025.

(b) $50,000 the first year is to expand international marketing opportunities for farmers and value-added processors, including in-market representation in Taiwan. This is a onetime appropriation and is available until June 30, 2023.

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

(d) $50,000 the first year and $50,000 the second year are for additional funding for mental health outreach and support to farmers and others in the agricultural community, including a 24-hour hotline, stigma reduction, and educational offerings. These are onetime appropriations.

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

(f) $100,000 the first year and $100,000 the second year are for the farm safety grant and outreach programs under Minnesota Statutes, section 17.1195. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. These are onetime appropriations.

(g) $54,000 the first year and $109,000 the second year are to maintain the current level of service delivery.

(h) $10,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of agriculture to study and report on the state of regional and local food systems in Minnesota, including recommendations for strengthening these systems. No later than February 1, 2023, the commissioner must submit the report to the legislative committees with jurisdiction over agriculture policy and finance. This is a onetime appropriation.

Subd. 4. Agriculture, Bioenergy, and Bioproduct Advancement

(a) $9,300,000 the first year and $9,300,000 the second year are for transfer to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3. Of these amounts: at least $600,000 the first year and $600,000 the second year are for the
Minnesota Agricultural Experiment Station's agriculture rapid response fund under Minnesota Statutes, section 41A.14, subdivision 1, clause (2); $2,000,000 the first year and $2,000,000 the second year are for grants to the Minnesota Agriculture Education Leadership Council to enhance agricultural education with priority given to Farm Business Management challenge grants; $350,000 the first year and $350,000 the second year are for potato breeding; and $450,000 the first year and $450,000 the second year are for the cultivated wild rice breeding project at the North Central Research and Outreach Center to include a tenure track/research associate plant breeder. The commissioner shall transfer the remaining funds in this appropriation each year to the Board of Regents of the University of Minnesota for purposes of Minnesota Statutes, section 41A.14. Of the amount transferred to the Board of Regents, up to $1,000,000 each year is for research on avian influenza, salmonella, and other turkey-related diseases. By January 15, 2023, entities receiving grants for potato breeding and wild rice breeding are requested to report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and higher education regarding the use of the grant money and to provide an update on the status of research and related accomplishments. To the extent practicable, money expended under Minnesota Statutes, section 41A.14, subdivision 1, clauses (1) and (2), must supplement and not supplant existing sources.
and levels of funding. The commissioner may
use up to one percent of this appropriation for
costs incurred to administer the program.

(b) $16,028,000 the first year and $16,028,000
$16,728,000 the second year are for the
agricultural growth, research, and innovation
program under Minnesota Statutes, section
41A.12. Except as provided below, the
commissioner may allocate the appropriation
each year among the following areas:
facilitating the start-up, modernization,
 improvement, or expansion of livestock
operations including beginning and
transitioning livestock operations with
preference given to robotic dairy-milking
equipment; providing funding not to exceed
$800,000 each year to develop and enhance
farm-to-school markets for Minnesota farmers
by providing more fruits, vegetables, meat,
grain, and dairy for Minnesota children in
school and child care settings including, at the
commissioner's discretion, reimbursing
schools for purchases from local farmers;
assisting value-added agricultural businesses
to begin or expand, to access new markets, or
to diversify, including aquaponics systems;
providing funding not to exceed $600,000
each year for urban youth agricultural
education or urban agriculture community
development of which $10,000 each year is
for transfer to the emerging farmer account
under Minnesota Statutes, section 17.055,
subdivision 1a; providing funding not to
exceed $450,000 each year for the good food
access program under Minnesota Statutes,
section 17.1017; facilitating the start-up,
modernization, or expansion of other
beginning and transitioning farms including
by providing loans under Minnesota Statutes,
section 41B.056; sustainable agriculture
on-farm research and demonstration;
development or expansion of food hubs and
other alternative community-based food
distribution systems; enhancing renewable
energy infrastructure and use; crop research;
Farm Business Management tuition assistance;
and good agricultural practices and good
handling practices certification assistance. The
commissioner may use up to 6.5 percent of
this appropriation for costs incurred to
administer the program.

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

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

(2) $4,500,000 the first year and $4,500,000
the second year are for incentive payments
under Minnesota Statutes, sections 41A.16,
41A.17, 41A.18, and 41A.20. Notwithstanding
Minnesota Statutes, section 16A.28, the first
year appropriation is available until June 30,
2023, and the second year appropriation is
available until June 30, 2024. If this
appropriation exceeds the total amount for
which all producers are eligible in a fiscal
year, the balance of the appropriation is
available for other purposes under this
paragraph;
(3) $3,000,000 the first year and $3,000,000 the second year are for grants that enable retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than 10 retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 65 percent of the cost of the appropriate technology. A grant award must not exceed $200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which it contracts, must submit a report on the biofuels infrastructure financial assistance program by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The annual report must include but not be limited to a summary of the following metrics: (i) the number and types of projects financed; (ii) the amount of dollars leveraged or matched per project; (iii) the geographic distribution of financed projects; (iv) any
market expansion associated with upgraded infrastructure; (v) the demographics of the areas served; (vi) the costs of the program; and (vii) the number of grants to minority-owned or female-owned businesses;

(4) $750,000 the first year and $750,000
$1,450,000 the second year are for grants to facilitate the start-up, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed $200,000. Any unencumbered balance at the end of the second year does not cancel until June 30, 2024, and may be used for other purposes under this paragraph. The appropriations under this clause are onetime; and

(5) $1,400,000 the first year and $1,400,000 the second year are for livestock investment grants under Minnesota Statutes, section 17.118. Any unencumbered balance at the end of the second year does not cancel until June 30, 2024, and may be used for other purposes under this paragraph. The appropriations under this clause are onetime.

Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available for the second year, and appropriations encumbered under contract on or before June 30, 2023, for agricultural growth, research, and innovation grants are available until June 30, 2026.

The base amount for the agricultural growth, research, and innovation program is $16,053,000 in fiscal year 2024 and

Article 1 Section 1.
$16,053,000 in fiscal year 2025, and includes funding for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20.

(c) $15,000 the first year and $29,000 the second year are to maintain the current level of service delivery.

Subd. 5. Administration and Financial Assistance

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

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

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

(d) $238,000 the first year and $238,000 the second year are for transfer to the Board of Trustees of the Minnesota State Colleges and Universities, a pass-through grant to Region Five Development Commission, in collaboration with Minnesota Farm Business Management: (1) for statewide mental health counseling support to farm families and business operators through the Minnesota State Agricultural Centers of Excellence. South Central College and Central Lakes College shall serve as the fiscal agents for Minnesota farm and ranch operators, families, and employees; and (2) for support to individuals who work with Minnesota farmers and ranchers in a professional capacity.

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

(1) to purchase milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Feeding
America food bank serving Minnesota

distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank that receives funding under this clause may use up to two percent for administrative expenses;

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

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

Of the amount appropriated under this paragraph, at least $600,000 each year must be allocated under clause (1). Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance the first year does not cancel and is available in the second year. Second Harvest Heartland must submit quarterly reports to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance in the form prescribed by the commissioner. The reports must include but are not limited to information on the expenditure of funds, the amount of milk or other commodities purchased, and the organizations to which this food was distributed.

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

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

(h) $50,000 in the second year is for the
agriculture best management practices grant
program under Minnesota Statutes, section
17.1162. This is a onetime appropriation.

(i) $150,000 the first year and $150,000 the
second year are for grants to the Center for
Rural Policy and Development. These are
onetime appropriations.

(j) $150,000 the first year is to provide
grants to Central Lakes College for the
purposes of designing, building, and offering
credentials in the area of meat cutting and
butchery that align with industry needs as
advised by local industry advisory councils.
Notwithstanding Minnesota Statutes, section
16A.28, any unencumbered balance does not
cancel at the end of the first year and is
available for the second year. The
commissioner may only award a grant under
this paragraph if the grant is matched by a like
amount from another funding source. The
commissioner must seek matching dollars
from Minnesota State Colleges and
Universities or other entities. The appropriation is onetime and is available until June 30, 2024. Any money remaining on June 30, 2024, must be transferred to the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12, and is available until June 30, 2025. Grants may be used for costs including but not limited to:

1. facility renovation to accommodate meat cutting;
2. curriculum design and approval from the Higher Learning Commission;
3. program operational start-up costs;
4. equipment required for a meat cutting program; and
5. meat handling start-up costs in regard to meat access and market channel building.

No later than January 15, 2023, Central Lakes College must submit a report outlining the use of grant money to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture and higher education.

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

(l) $17,000 the first year and $17,000 the second year are for grants to the Minnesota State Poultry Association.
State Horticultural Society. These are onetime appropriations.

$18,000 the first year and $18,000 the second year are for grants to the Minnesota Livestock Breeders Association. These are onetime appropriations.

The commissioner shall continue to increase connections with ethnic minority and immigrant farmers to farming opportunities and farming programs throughout the state.

$25,000 the first year and $25,000 the second year are for grants to the Southern Minnesota Initiative Foundation to promote local foods through an annual event that raises public awareness of local foods and connects local food producers and processors with potential buyers.

$75,000 the first year and $75,000 the second year are for grants to Greater Mankato Growth, Inc., for assistance to agriculture-related businesses to promote jobs, innovation, and synergy development. These are onetime appropriations.

$75,000 the first year and $75,000 the second year are for grants to the Minnesota Turf Seed Council for basic and applied research. The Minnesota Turf Seed Council may subcontract with a qualified third party for some or all of the basic or applied research.

No later than January 15, 2023, the Minnesota Turf Seed Council must submit a report outlining the use of the grant money and related accomplishments to the chairs and ranking minority members of the legislative
committees with jurisdiction over agriculture. These are onetime appropriations. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

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

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

($) $1,000,000 in the second year is to provide grants to secondary career and technical education programs for the purpose of offering instruction in meat cutting and butchery. This is a onetime appropriation. Grants may be used for costs including but not limited to:

(1) equipment required for a meat cutting program;

(2) facility renovation to accommodate meat cutting; and

(3) training faculty to teach the fundamentals of meat processing.
The commissioner may receive applications from eligible programs and make grants of up to $100,000, up to ten percent of which may be used for training faculty.

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

(u) $50,000 in the second year is for grants to organizations in Minnesota to develop enterprises, supply chains, markets for continuous living cover crops and cropping systems in the early stage of commercial development, Kernza perennial grain, winter camelina, hybrid hazelnuts, and elderberry. A multiyear project may receive grant dollars for up to three years. This is a onetime appropriation and is available until June 30, 2027.

In consultation with interested stakeholders, the commissioner must develop a process to award grants. At the time of application, the commissioner must provide to the applicant information about requirements for grant recipients. The commissioner must appoint a technical review panel to review and rank eligible applicants and give preference to applicants that are well-positioned to expand the profitable commercialization of the Kernza perennial grain, winter camelina, hybrid hazelnuts, and elderberry. The technical review panel must include at least one representative from the Forever Green Initiative and one representative from the
Agricultural Utilization Research Institute.

The commissioner must consider the technical review panel recommendations when selecting grant recipients.

Beginning February 1, 2023, and annually thereafter until February 1, 2028, the commissioner shall submit a report on the utilization of the grants to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance.

(v) $10,000 in the first year is to provide technical assistance and leadership in the development of a comprehensive and well-documented state aquaculture plan. The commissioner must provide the state aquaculture plan to the legislative committees with jurisdiction over agriculture finance and policy by February 15, 2023. This is a onetime appropriation.

(w) $500,000 in the second year is for continuing construction of the soybean processing and research facility at the Ag Innovation Campus. This is a onetime appropriation and is available until December 31, 2026.

(x) $30,000 in the second year is for grants or other forms of financial assistance to meat and poultry processors for reimbursing the cost of attending courses or training and receiving technical assistance in fiscal year 2023 that support developing sanitation standard operating procedures, hazard analysis and critical control points plans, or business plans. A meat processor with 50 full-time equivalent...
employees or less is eligible for grant money under this paragraph. This is a onetime appropriation.

(y) $1,000,000 the second year is to support the IT modernization efforts, including laying the technology foundations needed for improving customer interactions with the department for licensing and payments. This is a onetime appropriation and is available through June 30, 2025.

(z) $500,000 the first year is for transfer to the agricultural emergency account established under Minnesota Statutes, section 17.041. Notwithstanding Minnesota Statutes, section 17.041, the commissioner may spend money from the agricultural emergency account for the purposes of avian influenza testing supplies, including but not limited to poultry drinking water tests. This paragraph expires on December 31, 2022.

ARTICLE 2
BROADBAND APPROPRIATIONS

Section 1. Laws 2021, First Special Session chapter 10, article 1, section 7, is amended to read:

Sec. 7. BROADBAND DEVELOPMENT; APPLICATION FOR FEDERAL FUNDING; APPROPRIATION.

(a) The commissioner of employment and economic development must prepare and submit an application to the United States Department of the Treasury requesting that $70,000,000 of Minnesota's capital projects fund allocation under Public Law 117-2 be awarded to the state. The commissioner must submit the application required under this paragraph by the later of September 30, 2021, or 90 days after the date on which the United States Department of the Treasury begins accepting capital projects fund applications. The
commissioner must specify in the application that the award will be used for grants and that
satisfy the purposes specified under Minnesota Statutes, section 116J.395.

(b) Of the amount awarded to the state of Minnesota pursuant to the application required
in paragraph (a), notwithstanding Minnesota Statutes, sections 3.3005 and 4.07, 50 percent
in fiscal year 2022 and 50 percent in fiscal year 2023 are appropriated to the commissioner
of employment and economic development. This is a onetime appropriation and must be
used for grants and that satisfy the purposes specified under Minnesota Statutes, section
116J.395. All money awarded under this section must be spent by December 31, 2026.

(c) The commissioner of employment and economic development may temporarily
modify program standards under Minnesota Statutes, section 116J.395, to the degree
necessary to comply with federal standards for funding received under this section.

Sec. 2. LOWER POPULATION DENSITY PILOT PROGRAM.

(a) The commissioner of employment and economic development must establish a pilot
program to provide broadband service to unserved and underserved areas, as defined in
Minnesota Statutes, section 116J.394, of the state where a 50 percent match formula is not
adequate to make a business case for the extension of broadband facilities. Grants awarded
under this section shall adhere to all other requirements of Minnesota Statutes, section
116J.395, subdivisions 1 to 6, and may fund up to 75 percent of the total cost of a project,
notwithstanding Minnesota Statutes section 116J.395, subdivision 7. Grants awarded to a
single project under this section may not exceed $5,000,000.

(b) The commissioner of employment and economic development may use up to
$15,000,000 from the appropriations in section 3 and 4 for the lower population density
pilot program under paragraph (a).

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

Sec. 3. BROADBAND DEVELOPMENT; APPLICATION FOR FEDERAL
FUNDING; APPROPRIATION.

(a) The commissioner of employment and economic development must prepare and
submit a grant plan application to the United States Department of the Treasury requesting
that $110,703,000 of Minnesota's capital projects fund allocation under Public Law 117-2
be used for grants that satisfy the purposes specified under Minnesota Statutes, section
116J.395, and sections 2, 5, and 6 of this article. The commissioner must submit the
application required under this paragraph by September 24, 2022.
(b) Notwithstanding Minnesota Statutes, sections 3.3005 and 4.07, the amount awarded to Minnesota pursuant to the application required in paragraph (a) is appropriated to the commissioner of employment and economic development. This appropriation (1) must be used only for grants that satisfy the purposes specified under Minnesota Statutes, section 116J.395, and sections 2, 5, and 6 of this article and (2) is available until December 31, 2026.

c) The commissioner of employment and economic development may temporarily modify program standards under Minnesota Statutes, section 116J.395, and sections 2, 5, and 6 of this article to the extent necessary to comply with federal standards that apply to funding received under this section.

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

Sec. 4. BROADBAND DEVELOPMENT; APPROPRIATION.

(a) Notwithstanding Minnesota Statutes, sections 3.3005 and 4.07, if Minnesota receives federal money for broadband development under Public Law 117-58, the Infrastructure Investment and Jobs Act, the money is appropriated to the commissioner of economic development for grants that satisfy the purposes specified under Minnesota Statutes, section 116J.395, and section 2, 5, and 6 of this article.

(b) The commissioner of employment and economic development may temporarily modify program standards under Minnesota Statutes, section 116J.395, and sections 2, 5, and 6 of this article to the extent necessary to comply with federal standards that apply to funding received under this section.

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

Sec. 5. BROADBAND LINE EXTENSION PROGRAM; APPROPRIATION.

The commissioner of employment and economic development may use up to $15,000,000 from the appropriations in sections 3 and 4 for the broadband line extension program in Minnesota Statutes, section 116J.3951.

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

Sec. 6. BROADBAND; MAPPING.

The commissioner of employment and economic development may use up to $15,000,000 from the appropriations in sections 3 and 4 for comprehensive statewide mapping if the commissioner determines it is an eligible expense under federal law.
ARTICLE 3
AGRICULTURE AND RURAL DEVELOPMENT POLICY

Section 1. Minnesota Statutes 2020, section 13.643, is amended by adding a subdivision to read:

Subd. 8. Mental or behavioral health data. (a) The following data collected and maintained by the Department of Agriculture, Minnesota State Colleges and Universities, and any other pass-through recipients about any individual who seeks assistance with a mental or behavioral health issue or who contacts the Minnesota Farm and Rural Helpline are private or nonpublic:

1. data that identify the individual; and
2. data provided by the individual identifying another person.

(b) The Department of Agriculture, Minnesota State Colleges and Universities, and any other pass-through recipients may release data collected under this subdivision to appropriate parties in connection with an emergency if knowledge of the data is necessary to protect the health or safety of any person.

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

Sec. 2. [17.1016] COOPERATIVE GRANTS.

Subdivision 1. Definitions. For the purposes of this section:

1. "agricultural commodity" and "agricultural product processing facility" have the meanings given in section 17.101, subdivision 5; and

2. "agricultural service" means an action made under the direction of a farmer that provides value to another entity. Agricultural service includes grazing to manage vegetation.

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

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

1. be a cooperative organized under chapter 308A;
(2) certify that all control and equity in the cooperative is from farmers, family farm partnerships, family farm limited liability companies, or family farm corporations as defined in section 500.24, subdivision 2, who are actively engaged in agricultural commodity production;

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

(4) receive agricultural commodities produced primarily by shareholders or members of the cooperative.

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

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

(e) State funds must not be used for grants.

Sec. 3. [17.1162] AGRICULTURE BEST MANAGEMENT PRACTICES GRANT PROGRAM.

Subdivision 1. Establishment. The commissioner of agriculture must establish and administer a grant program to support healthy soil management practices in accordance with this section.

Subd. 2. State healthy soil management plan. The commissioner must develop a healthy soil management plan in consultation with the University of Minnesota, the United States Department of Agriculture Natural Resources Conservation Service, the Board of Water and Soil Resources, the Minnesota Pollution Control Agency, and nongovernmental environmental and agricultural organizations. By December 31, 2023, and every two years thereafter, the commissioner must report the plan to the governor and to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over agriculture and the environment and natural resources. The plan must include all of the following:

(1) an assessment of the current state of healthy soil management practices statewide;
(2) a statewide five- and ten-year goal for healthy soil management practice implementation, denominated in acres;

(3) an explanation of how the commissioner will make grant award decisions based on the eligibility categories described in subdivision 3;

(4) an explanation of how the commissioner will ensure a geographically fair distribution of funding across a broad group of crop types, soil management practices, and farm sizes;

(5) a strategy for leveraging other public and private sources of money to expand healthy soil management practices in the state;

(6) a summary of the operations of the program during the previous two-year period, including a summary of state, federal, and private money spent, the total number of projects and acres, and an estimate of carbon sequestered or carbon emissions reduced during that period; and

(7) any other matter that the commissioner deems relevant.

Subd. 3. Eligible projects. The commissioner may award a grant under this section for any project on agricultural land in Minnesota that will:

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

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

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

(4) increase the usage of precision agricultural practices;

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

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

Subd. 4. Grant eligibility. Any land owner or lessee may apply for a grant under this section.

Subd. 5. Funding limitations. Every appropriation for the agriculture best management practices grant program is subject to the following limitations:

(1) the commissioner may award no more than ten percent of the appropriation to a single recipient; and
the commissioner may use no more than five percent of the appropriation to cover the costs of administering the program.

Sec. 4. Minnesota Statutes 2020, section 17.117, subdivision 9, is amended to read:

Subd. 9. Allocation rescission. (a) Continued availability of allocations granted to a local government unit is contingent upon the commissioner's approval of the local government unit's annual report. The commissioner shall review this annual report to ensure that the past and future uses of the funds are consistent with the comprehensive water management plan, other local planning documents, the requirements of the funding source, and compliance to program requirements. If the commissioner concludes the past or intended uses of the money are not consistent with these requirements, the commissioner shall rescind all or part of the allocation awarded to a local government unit.

(b) The commissioner may rescind funds allocated to the local government unit that are not designated to committed projects or disbursed within one year from the date of the allocation agreement.

(c) An additional year to use the undisbursed portion of an allocation may be granted by the commissioner under extenuating circumstances. The commissioner may rescind uncommitted allocations.

Sec. 5. Minnesota Statutes 2020, section 17.117, subdivision 9a, is amended to read:

Subd. 9a. Authority and responsibilities of local government units. (a) A local government unit that enters into an allocation agreement with the commissioner:

(1) is responsible for the local administration and implementation of the program in accordance with this section;

(2) may submit applications for allocations to the commissioner;

(3) shall identify, develop, determine eligibility, define and approve projects, designate maximum loan amounts for projects, and certify completion of projects implemented under this program. In areas where no local government unit has applied for funds under this program, the commissioner may appoint a local government unit to review and certify projects or the commissioner may assume the authority and responsibility of the local government unit;

(4) shall certify as eligible only projects that are within its geographic jurisdiction or within the geographic area identified in its local comprehensive water management plans or other local planning documents;
(5) may require withholding by the local lender of all or a portion of the loan to the 
borrower until satisfactory completion of all required components of a certified project;

(6) must identify which account is used to finance an approved project if the local 
government unit has allocations from multiple accounts in the agricultural and environmental 
revolving accounts;

(7) shall report to the commissioner annually the past and intended uses of allocations 
awarded; and

(8) may request additional funds in excess of their allocation when funds are available 
in the agricultural and environmental revolving accounts, as long as all other allocation 
awards to the local government unit have been used or committed.

(b) If a local government unit withdraws from participation in this program, the local 
government unit, or the commissioner in accordance with the priorities established under 
subdivision 6a, may designate another local government unit that is eligible under subdivision 
6 as the new local government unit responsible for local administration of this program.
This designated local government unit may accept responsibility and administration of 
allocations awarded to the former responsible local government unit.

Sec. 6. Minnesota Statutes 2020, section 17.117, subdivision 10, is amended to read:

Subd. 10. Authority and responsibilities of local lenders. (a) Local lenders may enter 
into lender agreements with the commissioner.

(b) Local lenders may enter into loan agreements with borrowers to finance eligible 
projects under this section.

(c) The local lender shall notify the local government unit of the loan amount issued to 
the borrower after the closing of each loan.

(d) Local lenders with local revolving loan accounts created before July 1, 2001, 
may continue to retain and use those accounts in accordance with their lending agreements 
for the full term of those agreements.

(e) Local lenders, including local government units designating themselves as the 
local lender, may enter into participation agreements with other lenders.

(f) Local lenders may enter into contracts with other lenders for the limited purposes 
of loan review, processing and servicing, or to enter into loan agreements with borrowers 
to finance projects under this section. Other lenders entering into contracts with local lenders 
under this section must meet the definition of local lender in subdivision 4, must comply
with all provisions of the lender agreement and this section, and must guarantee repayment
of the loan funds to the local lender.

(f) When required by the local government unit, a local lender must withhold all or
a portion of the loan disbursement for a project until notified by the local government unit
that the project has been satisfactorily completed.

(g) The local lender is responsible for repaying all funds provided by the commissioner
to the local lender.

(h) The local lender is responsible for collecting repayments from borrowers. If a
borrower defaults on a loan issued by the local lender, it is the responsibility of the local
lender to obtain repayment from the borrower. Default on the part of borrowers shall have
no effect on the local lender's responsibility to repay its obligations to the commissioner
whether or not the local lender fully recovers defaulted amounts from borrowers.

(i) The local lender shall provide sufficient collateral or protection to the commissioner
for the funds provided to the local lender. The commissioner must approve the collateral
or protection provided.

Sec. 7. Minnesota Statutes 2020, section 17.117, subdivision 11, is amended to read:

Subd. 11. Loans issued to borrower. (a) Local lenders may issue loans only for projects
that are approved and certified by the local government unit as meeting priority needs
identified in a comprehensive water management plan or other local planning documents,
are in compliance with accepted practices, standards, specifications, or criteria, and are
eligible for financing under Environmental Protection Agency or other applicable guidelines.

(b) The local lender may use any additional criteria considered necessary to determine
the eligibility of borrowers for loans.

(c) Local lenders shall set the terms and conditions of loans to borrowers, except that;

(1) no loan to a borrower may exceed $200,000; and

(2) no borrower shall, at any time, have multiple loans from this program with a total
outstanding loan balance of more than $200,000.

(d) The maximum term length for projects in this paragraph is ten years.

(e) Fees charged at the time of closing must:

(1) be in compliance with normal and customary practices of the local lender;

(2) be in accordance with published fee schedules issued by the local lender;
(3) not be based on participation program; and

(4) be consistent with fees charged other similar types of loans offered by the local lender.

(f) The interest rate assessed to an outstanding loan balance by the local lender must not exceed three percent per year.

Sec. 8. Minnesota Statutes 2020, section 17.117, subdivision 11a, is amended to read:

Subd. 11a. Eligible projects. (a) All projects that remediate or mitigate adverse environmental impacts are eligible if the project is eligible under an allocation agreement.

(b) A manure management project is eligible if the project remediates or mitigates impacts from facilities with less than 1,000 animal units as defined in Minnesota Rules, chapter 7020, and otherwise meets the requirements of this section.

(c) A drinking water project is eligible if the project:

(1) remediates or mitigates the inadequate flow, adverse environmental impacts or presence of contaminants in privately owned water supplies that are used for drinking water by people or livestock, privately owned water service lines, or privately owned plumbing and fixtures;

(2) implements best management practices that are intended to achieve drinking water standards or adequate flow; and

(3) otherwise meets the requirements of this section.

Sec. 9. Minnesota Statutes 2020, section 18E.04, subdivision 4, is amended to read:

Subd. 4. Reimbursement payments. (a) The board shall pay a person that is eligible for reimbursement or payment under subdivisions 1, 2, and 3 from the agricultural chemical response and reimbursement account for 80 percent of the total reasonable and necessary corrective action costs greater than $1,000 and less than or equal to $350,000 in fiscal years 2023 and 2024, $500,000 in fiscal years 2025 and 2026, and $575,000 in fiscal year 2027 and each following year.

(b) A reimbursement or payment may not be made until the board has determined that the costs are reasonable and are for a reimbursement of the costs that were actually incurred.

(c) The board may make periodic payments or reimbursements as corrective action costs are incurred upon receipt of invoices for the corrective action costs.
(d) Money in the agricultural chemical response and reimbursement account is appropriated to the commissioner to make payments and reimbursements directed by the board under this subdivision.

(e) The board may not make reimbursement greater than the maximum allowed under paragraph (a) for all incidents on a single site which:

1. were not reported at the time of release but were discovered and reported after July 1, 1989; and

2. may have occurred prior to July 1, 1989, as determined by the commissioner.

(f) The board may only reimburse an eligible person for separate incidents within a single site if the commissioner determines that each incident is completely separate and distinct in respect of location within the single site or time of occurrence.

(g) Except for an emergency incident, the board may not reimburse or pay for more than 60 percent of the corrective action costs of an eligible person or for an incident within five years of a previous incident at a single site resulting from a site recontamination.

(h) The deduction of $1,000 and 20 percent from the $350,000 remuneration payment amounts described in subdivision (a) may be waived by the board if the incident took place on or after August 18, 2007, and was caused by flooding associated with Presidential Declaration of Major Disaster DR-1717.

Sec. 10. Minnesota Statutes 2021 Supplement, section 35.155, subdivision 14, is amended to read:

Subd. 14. Concurrent authority; regulating farmed white-tailed deer.

(a) The commissioner of natural resources and, in conjunction with the Board of Animal Health, possess concurrent authority to regulate farmed white-tailed deer under this section, sections 35.92 to 35.96, and any administrative rules adopted pursuant to this section or sections 35.92 to 35.96. This does not confer to the commissioner any additional authorities under chapter 35, other than those set forth in sections 35.155 and 35.92 to 35.96, and any administrative rules adopted thereto. Neither entity may issue an emergency order restricting movement of farmed white-tailed deer without the concurrence of the other.

(b) By February 1, 2022, the commissioner of natural resources, in conjunction with the Board of Animal Health, must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the environment and natural resources and agriculture on the implementation of the concurrent authority under this section. The report must include:

Article 3 Sec. 10.
(1) a summary of how the agencies worked together under this section, including identification of any challenges;  

(2) an assessment of ongoing challenges to managing chronic wasting disease in this state; and  

(3) recommendations for statutory and programmatic changes to help the state better manage the disease.

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

Sec. 11. Minnesota Statutes 2020, section 40A.18, subdivision 2, is amended to read:

Subd. 2. Allowed commercial and industrial operations. (a) Commercial and industrial operations are not allowed on land within an agricultural preserve except:  

(1) small on-farm commercial or industrial operations normally associated with and important to farming in the agricultural preserve area;  

(2) storage use of existing farm buildings that does not disrupt the integrity of the agricultural preserve;  

(3) small commercial use of existing farm buildings for trades not disruptive to the integrity of the agricultural preserve such as a carpentry shop, small scale mechanics shop, and similar activities that a farm operator might conduct; and  

(4) wireless communication installments and related equipment and structure capable of providing technology potentially beneficial to farming activities. A property owner who installs wireless communication equipment does not violate a covenant made prior to January 1, 2018, under section 40A.10, subdivision 1; and  

(5) solar energy generating systems with an output capacity of one megawatt or less.

(b) For purposes of paragraph (a), clauses (2) and (3), "existing" means existing on August 1, 1989.

Sec. 12. Minnesota Statutes 2021 Supplement, section 41A.21, subdivision 2, is amended to read:

Subd. 2. Eligibility. (a) A facility eligible for payment under this section must source at least 80 percent of its forest resources raw materials from Minnesota. The facility must be located in Minnesota; must begin construction activities by December 31, 2022, for a specific location; must have produced at least one OSB square foot on a 3/8-inch nominal basis at a specific location by June 30, 2025; and must not begin operating
before January 1, 2022. Eligible facilities must be new OSB construction sites with total
capital investment in excess of $250,000,000. Eligible OSB production facilities must
produce at least \( 200,000,000 \) \( 50,000,000 \) OSB square feet on a 3/8-inch nominal basis of
OSB each year. At least one product produced at the facility should be a wood-based
wall or roof structural sheathing panel that has an integrated, cellulose-based paper overlay
that serves as a water resistive barrier.

(b) No payments shall be made for OSB production that occurs after June 30, 2036, for
those eligible producers under paragraph (a).

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

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

Sec. 13. Minnesota Statutes 2020, section 223.17, subdivision 4, is amended to read:

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

(1) $10,000 for grain buyers whose gross annual purchases are $100,000 or less;

(2) $20,000 for grain buyers whose gross annual purchases are more than $100,000 but
not more than $750,000;

(3) $30,000 for grain buyers whose gross annual purchases are more than $750,000 but
not more than $1,500,000;

(4) $40,000 for grain buyers whose gross annual purchases are more than $1,500,000
but not more than $3,000,000;

(5) $50,000 for grain buyers whose gross annual purchases are more than $3,000,000
but not more than $6,000,000;

(6) $70,000 for grain buyers whose gross annual purchases are more than $6,000,000
but not more than $12,000,000;

(7) $125,000 for grain buyers whose gross annual purchases are more than $12,000,000
but not more than $24,000,000; and

(8) $150,000 for grain buyers whose gross annual purchases exceed $24,000,000.
(b) The amount of the bond shall be based on the most recent gross annual grain purchase report of the grain buyer.

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

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

(e) A grain buyer who purchases grain immediately upon delivery solely with cash; a certified check; a cashier's check; or a postal, bank, or express money order is exempt from this subdivision if the grain buyer's gross annual purchases are $100,000 or less.

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

Sec. 14. Minnesota Statutes 2020, section 223.17, subdivision 6, is amended to read:

Subd. 6. Financial statements. (a) Except as allowed in paragraph (c), a grain buyer licensed under this chapter must annually submit to the commissioner a financial statement prepared in accordance with generally accepted accounting principles. The annual financial statement required under this subdivision must also:

(1) include, but not be limited to the following:

(i) a balance sheet;

(ii) a statement of income (profit and loss);

(iii) a statement of retained earnings;

(iv) a statement of changes in financial position; and

(v) a statement of the dollar amount of grain purchased in the previous fiscal year of the grain buyer;

(2) be accompanied by a compilation report of the financial statement that is prepared by a grain commission firm or a management firm approved by the commissioner or by an independent public accountant, in accordance with standards established by the American Institute of Certified Public Accountants;
(3) be accompanied by a certification by the chief executive officer or the chief executive officer's designee of the licensee, and where applicable, all members of the governing board of directors under penalty of perjury, that the financial statement accurately reflects the financial condition of the licensee for the period specified in the statement;

(4) for grain buyers purchasing under $5,000,000 to $7,500,000 of grain annually, be reviewed by a certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants, and must show that the financial statements are free from material misstatements; and

(5) for grain buyers purchasing $5,000,000 or more of grain annually, be audited by a certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants and must include an opinion statement from the certified public accountant.

(b) Only one financial statement must be filed for a chain of warehouses owned or operated as a single business entity, unless otherwise required by the commissioner. All financial statements filed with the commissioner are private or nonpublic data as provided in section 13.02.

(c) A grain buyer who purchases grain immediately upon delivery solely with cash; a certified check; a cashier's check; or a postal, bank, or express money order is exempt from this subdivision if the grain buyer's gross annual purchases are $100,000 or less.

(d) The commissioner shall annually provide information on a person's fiduciary duties to each licensee. To the extent practicable, the commissioner must direct each licensee to provide this information to all persons required to certify the licensee's financial statement under paragraph (a), clause (3).

Sec. 15. Minnesota Statutes 2020, section 346.155, subdivision 7, is amended to read:

Subd. 7. Exemptions. This section does not apply to:

(1) institutions accredited by the American Zoo and Aquarium Association or the Zoological Association of America;

(2) a wildlife sanctuary;

(3) fur-bearing animals, as defined in section 97A.015, possessed by a game farm that is licensed under section 97A.105, or bears possessed by a game farm that is licensed under section 97A.105;
(4) the Department of Natural Resources, or a person authorized by permit issued by
the commissioner of natural resources pursuant to section 97A.401, subdivision 3;
(5) a licensed or accredited research or medical institution; or
(6) a United States Department of Agriculture licensed exhibitor of regulated animals
while transporting or as part of a circus, carnival, rodeo, or fair.

ARTICLE 4
BROADBAND POLICY

Section 1. [116J.3951] BROADBAND LINE EXTENSION PROGRAM.

Subdivision 1. Program established. A broadband line extension grant program is
established in the Department of Employment and Economic Development. The purpose
of the broadband line extension grant program is to award grants to eligible applicants in
order to extend existing broadband infrastructure to unserved locations.

Subd. 2. Portal. No later than November 1, 2022, the department must develop and
implement a portal on the department's website that allows a person to report (1) that
broadband service is unavailable at the physical address of the person's residence or business,
and (2) any additional information the department deems necessary to ensure the broadband
line extension grant program functions effectively. The department must develop a form
that allows the information identified in this subdivision to be submitted on paper.

Subd. 3. Data sharing. (a) Beginning no later than six months after the date the portal
is implemented and every six months thereafter, the department must send to each broadband
service provider serving Minnesota customers (1) a list of addresses submitted to the portal
under subdivision 2 during the previous six months, and (2) any additional information the
department deems necessary to ensure the broadband line extension grant program functions
effectively. The department must send the information required under this section via e-mail.

(b) No later than ten days after the date the list in paragraph (a) is provided, a broadband
service provider may notify the department of any posted address at which the broadband
service provider's broadband service is available. The department must provide persons
residing or doing business at those addresses with contact information for:

(1) the broadband service provider whose broadband service is available at that address;

and
Subd. 4. **Reverse auction process.** (a) No later than ten days after the date the notice requirement in subdivision 3, paragraph (b), expires, the department must notify each broadband service provider that the broadband service provider may participate in the reverse auction process under this subdivision. Within 60 days of the date the notification is received, a broadband service provider may submit a bid to the department to extend the broadband service provider's existing broadband infrastructure to a location where broadband service is currently unavailable.

(b) A bid submitted under this subdivision must include:

1. a proposal to extend broadband infrastructure to one or more of the addresses on the list sent by the department to the broadband service provider under subdivision 3, paragraph (a), at which broadband service is unavailable;
2. the amount of the broadband infrastructure extension's total cost that the broadband service provider proposes to pay;
3. the amount of the broadband infrastructure extension's total cost that the broadband service provider proposes that the department is responsible for paying; and
4. any additional information required by the department.

(c) Financial assistance that the department provides under this section must be in the form of a grant issued to the broadband service provider. A grant issued under this section must not exceed $25,000 per line extension.

(d) Within 60 days of the date the bidding period closes, the department must review the bids submitted and select the broadband service provider bids that request the least amount of financial support from the state, provided that the department determines that the selected bids represent a cost-effective expenditure of state resources.

Subd. 5. **Line extension agreement.** The department must enter into a line extension agreement with each winning bidder identified under subdivision 4, except that the department may not enter into a line extension agreement to serve any customer located within an area that will be served by a grant already awarded by the department under section 116J.395.

Subd. 6. **Contents of agreement.** A line extension agreement under subdivision 5 must contain the following terms:
the broadband service provider agrees to extend broadband infrastructure to support broadband service scalable to speeds of at least 100 megabits per second download and 100 megabits per second upload to each address included in the broadband service provider's winning bid;

(2) the department agrees to pay the state's portion of the line extension cost in a grant issued to the broadband service provider upon the completion of the broadband infrastructure extension to each address in the broadband service provider's winning bid; and

(3) the winning bidder has an exclusive right to apply the grant to the cost of the broadband infrastructure extension for a period of one year after the date the agreement is executed.

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

Sec. 2. Minnesota Statutes 2020, section 116J.396, subdivision 2, is amended to read:

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

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

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

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

Sec. 3. [116J.399] BROADBAND EASEMENTS.

Subdivision 1. Definitions. For the purposes of this section, the following terms have the meanings given:

(1) "broadband infrastructure" has the meaning given in section 116J.394, paragraph (c), except that it does not include small wireless facilities as defined in section 237.162, subdivision 11;

(2) "broadband service" has the meaning given in section 116J.394, paragraph (b); and

(3) "provider" means a broadband service provider, but does not include an electric cooperative association organized under chapter 308A that provides broadband service.
Subd. 2. Use of existing easements for broadband services. (a) A provider or provider's affiliate, or another entity that has entered into an agreement with a provider, may use the provider, affiliate, or entity's existing or subsequently acquired easements to install broadband infrastructure and provide broadband service, which may include an agreement to lease fiber capacity.

(b) Before exercising rights granted under this subdivision, a provider must provide notice to the property owner on which the easement is located, as described in subdivision 3.

c) Use of an easement to install broadband infrastructure and provide broadband service vests and runs with the land beginning six months after the first notice is provided under subdivision 3, unless a court action challenging the use of the easement has been filed before that time by the property owner as provided under subdivision 4. The provider must also file copies of the notices with the county recorder.

Subd. 3. Notice to property owner. (a) A provider must send two written notices to impacted property owners declaring that the provider intends to use the easements to install broadband infrastructure and provide broadband service. The notices must be sent at least two months apart and must be sent by first class mail to the last known address of the owner of the property on which the easement is located or, if the property owner is an existing customer of the provider, by separate printed insertion in the property owner's monthly invoice or included as a separate page on a property owner's electronic invoice.

(b) The notice must include:

(1) the provider's name and mailing address;

(2) a narrative describing the nature and purpose of the intended easement use;

(3) a description of any trenching or other underground work expected to result from the intended use, and the anticipated time frame for the work;

(4) a phone number for an employee of the provider that the property owner may contact regarding the easement; and

(5) the following statement, in bold red lettering: "It is important to make any challenge by the deadline to preserve any legal rights you may have."

(c) The provider must file copies of the notices with the county recorder.

Subd. 4. Action for damages. (a) Notwithstanding any other law to the contrary, this subdivision governs an action under this section and is the exclusive means to bring a claim...
for compensation with respect to a notice of intent to use a provider's existing easement to
install broadband infrastructure and provide broadband service.

(b) Within six months after the date notice is received under subdivision 3, a property
owner may file an action seeking to recover damages for a provider's use of an existing
easement to install broadband infrastructure and provide broadband service. Claims for
damages under $15,000 may be brought in conciliation court.

(c) To initiate an action under this subdivision, a property owner must serve a complaint
upon the provider in the same manner as in a civil action and must file the complaint with
the district court for the county in which the easement is located. The complaint must state
whether the property owner:

(1) challenges the provider's right to use the easement for broadband services or
infrastructure as provided under subdivision 5, paragraph (a);

(2) seeks damages as provided under subdivision 5, paragraph (b); or

(3) seeks to proceed under both clauses (1) and (2).

Subd. 5. Deposit and hearing required. (a) If a property owner files a complaint
challenging a provider's right to use an easement to install broadband infrastructure and
provide broadband service, after the provider answers the complaint, the district court must
promptly hold a hearing on the complaint. If the district court denies the property owner's
complaint, the provider may proceed to use the easement to install broadband infrastructure
and provide broadband service, unless the complaint also seeks damages. If the complaint
seeks damages, the provider may proceed under paragraph (b).

(b) If a property owner files a claim for damages, a provider may, after answering the
complaint, deposit with the court administrator an amount equal to the provider's estimate
of damages. A provider's estimate of damages must be no less than $1. After the estimated
damages are deposited, the provider may use the existing easement to install broadband
infrastructure and provide broadband service, conditioned on an obligation, filed with the
court administrator, to pay the amount of damages determined by the court.

Subd. 6. Calculation of damages; burden of proof. (a) In an action under this section
involving a property owner's claim for damages:

(1) the property owner has the burden to prove the existence and amount of any net
reduction in the fair market value of the property, considering the existence, installation,
construction, maintenance, modification, operation, repair, replacement, or removal of
broadband infrastructure in the easement, adjusted to reflect any increase in the property's fair market value resulting from access to broadband service;

(2) a court is prohibited from awarding consequential or special damages; and

(3) evidence of estimated revenue, profits, fees, income, or similar benefits accruing to the provider, the provider's affiliate, or a third party as a result of use of the easement is inadmissible.

(b) Any fees or costs incurred as a result of an action under this subdivision must be paid by the party that incurred the fees or costs, except that a provider is responsible for a property owner's attorney fees if the final judgment or award of damages by the court exceeds 140 percent of the provider's damage deposit made under subdivision 5, if applicable.

Subd. 7. **No limits on existing easement.** Nothing in this section limits in any way a provider's existing easement rights.

Subd. 8. **Local governmental right-of-way management preserved.** The placement of broadband infrastructure to provide broadband service under subdivisions 2 to 7 is subject to local government permitting and right-of-way management authority under section 237.163, and must be coordinated with the relevant local government unit in order to minimize potential future relocations. The provider must notify a local government unit prior to placing infrastructure for broadband service in an easement that is in or adjacent to the local government unit's public right-of-way.

Subd. 9. **Railroad rights-of-way crossing.** The placement of broadband infrastructure for use to provide broadband service under subdivisions 1 to 7, or section 308A.201, subdivision 12, in any portion of an existing easement located in a railroad right-of-way is subject to sections 237.04 and 237.045.

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