

1.1 Senator moves to amend S.F. No. 1955 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 APPROPRIATIONS

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 "2024" and "2025" used in this article mean that the appropriations listed under
 1.10 them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively.
 1.11 "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium"
 1.12 is fiscal years 2024 and 2025.

1.13	<u>APPROPRIATIONS</u>	
1.14	<u>Available for the Year</u>	
1.15	<u>Ending June 30</u>	
1.16	<u>2024</u>	<u>2025</u>

1.17 Sec. 2. DEPARTMENT OF AGRICULTURE

1.18	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>96,089,000</u>	<u>\$</u>	<u>74,253,000</u>
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1.19 Appropriations by Fund

1.20		<u>2024</u>	<u>2025</u>
1.21	<u>General</u>	<u>95,690,000</u>	<u>73,854,000</u>
1.22	<u>Remediation</u>	<u>399,000</u>	<u>399,000</u>

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

1.26 Subd. 2. Protection Services

1.27 Appropriations by Fund

1.28		<u>2024</u>	<u>2025</u>
1.29	<u>General</u>	<u>24,400,000</u>	<u>23,749,000</u>
1.30	<u>Remediation</u>	<u>399,000</u>	<u>399,000</u>

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

2.1 (b) \$1,000,000 the first year and \$1,000,000
2.2 the second year are for the soil health financial
2.3 assistance program under Minnesota Statutes,
2.4 section 17.134. The commissioner may award
2.5 no more than \$50,000 of the appropriation
2.6 each year to a single recipient. The
2.7 commissioner may use up to five percent of
2.8 this appropriation for costs incurred to
2.9 administer the program. This is a onetime
2.10 appropriation. Any unencumbered balance
2.11 does not cancel at the end of the first year and
2.12 is available in the second year. Appropriations
2.13 encumbered under contract on or before June
2.14 30, 2025, for soil health financial assistance
2.15 grants are available until June 30, 2027.

2.16 (c) \$375,000 the first year and \$375,000 the
2.17 second year are for transfer to the noxious
2.18 weed and invasive plant species assistance
2.19 account in the agricultural fund to award
2.20 grants to local units of government and Tribal
2.21 Nations under Minnesota Statutes, section
2.22 18.90.

2.23 (d) \$215,000 the first year and \$215,000 the
2.24 second year are for compensation for
2.25 destroyed or crippled livestock under
2.26 Minnesota Statutes, section 3.737. The first
2.27 year appropriation may be spent to compensate
2.28 for livestock that were destroyed or crippled
2.29 during fiscal year 2023. If the amount in the
2.30 first year is insufficient, the amount in the
2.31 second year is available in the first year. The
2.32 commissioner may use up to \$5,000 each year
2.33 to reimburse expenses incurred by university
2.34 extension educators to provide fair market
2.35 values of destroyed or crippled livestock. If

3.1 the commissioner receives federal dollars to
3.2 pay claims for destroyed or crippled livestock,
3.3 an equivalent amount of this appropriation
3.4 may be used to reimburse nonlethal prevention
3.5 methods performed by federal wildlife services
3.6 staff. Notwithstanding Minnesota Statutes,
3.7 section 16A.28, any unencumbered balance
3.8 does not cancel at the end of the fiscal year
3.9 2024 and is available for fiscal year 2025. The
3.10 base is \$175,000 for fiscal year 2026 and
3.11 thereafter.

3.12 (e) \$190,000 the first year and \$190,000 the
3.13 second year are for compensation for crop
3.14 damage under Minnesota Statutes, section
3.15 3.7371. If the amount in the first year is
3.16 insufficient, the amount in the second year is
3.17 available in the first year. The commissioner
3.18 may use up to \$10,000 of the appropriation
3.19 each year to reimburse expenses incurred by
3.20 the commissioner or the commissioner's
3.21 approved agent to investigate and resolve
3.22 claims, as well as for costs associated with
3.23 training for approved agents. The
3.24 commissioner may use up to \$20,000 of the
3.25 appropriation each year to make grants to
3.26 producers for measures to protect stored crops
3.27 from elk damage. If the commissioner
3.28 determines that claims made under Minnesota
3.29 Statutes, section 3.737 or 3.7371, are
3.30 unusually high, amounts appropriated for
3.31 either program may be transferred to the
3.32 appropriation for the other program.

3.33 Notwithstanding Minnesota Statutes, section
3.34 16A.28, any unencumbered balance does not
3.35 cancel at the end of the first year and is

4.1 available in the second year. The base is
4.2 \$155,000 for fiscal year 2026 and thereafter.

4.3 (g) \$825,000 the first year and \$825,000 the
4.4 second year are to replace capital equipment
4.5 in the Department of Agriculture's analytical
4.6 laboratory. The base for fiscal year 2026 and
4.7 thereafter is \$825,000.

4.8 (h) \$75,000 the first year and \$75,000 the
4.9 second year are to support a meat processing
4.10 liaison position to assist new or existing meat
4.11 and poultry processing operations in getting
4.12 started, expanding, growing, or transitioning
4.13 into new business models.

4.14 (i) \$950,000 the first year and \$950,000 the
4.15 second year are additional funding to maintain
4.16 the current level of service delivery for
4.17 programs under this subdivision. The base is
4.18 \$1,388,000 for fiscal year 2026 and thereafter.

4.19 (j) \$975,000 in the first year and \$975,000 in
4.20 the second year are for grants to the Board of
4.21 Regents of the University of Minnesota to
4.22 fund the Forever Green Initiative and protect
4.23 the state's natural resources while increasing
4.24 the efficiency, profitability, and productivity
4.25 of Minnesota's farmers by incorporating
4.26 perennial and winter-annual crops into existing
4.27 agricultural practices.

4.28 (k) \$1,250,000 in the first year and \$250,000
4.29 in the second year are for grants to
4.30 organizations in Minnesota to develop
4.31 enterprises, supply chains, and markets for
4.32 continuous living cover crops and cropping
4.33 systems in the early stages of commercial
4.34 development. For the purposes of this section,

5.1 "continuous living cover crops and cropping
 5.2 systems" refers to agroforestry, perennial
 5.3 biomass, perennial forage, perennial grains,
 5.4 and winter annual cereal grains and oilseeds
 5.5 that have market value as harvested or grazed
 5.6 commodities. Of the amount in the first year,
 5.7 \$1,000,000 shall be used to support markets
 5.8 for Kernza perennial grain, winter camelina,
 5.9 hybrid hazelnut, and elderberry, and is
 5.10 available until June 30, 2027.

5.11 (l) \$225,000 in the first year and \$225,000 in
 5.12 the second year are appropriated for
 5.13 wolf-livestock conflict prevention grants under
 5.14 article 2, section 18. This is a onetime
 5.15 appropriation.

5.16 (m) \$50,000 in the first year is to convene a
 5.17 working group of interested parties, including
 5.18 representatives from the Department of
 5.19 Natural Resources, to investigate and
 5.20 recommend measures to protect crops, stored
 5.21 crops, and forage from destruction due to
 5.22 white-tailed deer. No later than February 1,
 5.23 2024, the commissioner must submit the report
 5.24 to the legislative committees with jurisdiction
 5.25 over agriculture policy and finance. This is a
 5.26 onetime appropriation.

5.27 **Subd. 3. Agricultural Marketing and**
 5.28 **Development**

4,815,000

4,815,000

5.29 (a) \$150,000 the first year and \$150,000 the
 5.30 second year are to expand international trade
 5.31 opportunities and markets for Minnesota
 5.32 agricultural products.

5.33 (b) \$186,000 the first year and \$186,000 the
 5.34 second year are for transfer to the Minnesota
 5.35 grown account and may be used as grants for

6.1 Minnesota grown promotion under Minnesota
6.2 Statutes, section 17.102.

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

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

6.18 (e) \$450,000 the first year and \$450,000 the
6.19 second year are to maintain the current level
6.20 of service delivery. The base is \$550,000 for
6.21 fiscal year 2026 and thereafter.

6.22 (f) \$100,000 the first year and \$100,000 the
6.23 second year are for mental health outreach and
6.24 support to farmers, ranchers, and others in the
6.25 agricultural community and for farm safety
6.26 grant and outreach programs under Minnesota
6.27 Statutes, section 17.1195. Mental health
6.28 outreach and support may include a 24-hour
6.29 hotline, stigma reduction, and education.

6.30 Notwithstanding Minnesota Statutes, section
6.31 16A.28, any unencumbered balance does not
6.32 cancel at the end of the first year and is
6.33 available in the second year. This is a onetime
6.34 appropriation.

7.1 (g) \$100,000 the first year and \$100,000 the
 7.2 second year are to award and administer grants
 7.3 to facilitate the start-up or expansion of
 7.4 aggregation and food hub services at farmers
 7.5 markets. This is a onetime appropriation.
 7.6 Notwithstanding Minnesota Statutes, section
 7.7 16A.28, any unencumbered balance does not
 7.8 cancel at the end of the first year and is
 7.9 available in the second year. This is a onetime
 7.10 appropriation.

7.11 **Subd. 4. Agriculture, Bioenergy, and Bioproduct**
 7.12 **Advancement**

36,232,000

30,732,000

7.13 (a) \$9,800,000 the first year and \$9,800,000
 7.14 the second year are for transfer to the
 7.15 agriculture research, education, extension, and
 7.16 technology transfer account under Minnesota
 7.17 Statutes, section 41A.14, subdivision 3. Of
 7.18 these amounts: at least \$600,000 the first year
 7.19 and \$600,000 the second year are for the
 7.20 Minnesota Agricultural Experiment Station's
 7.21 agriculture rapid response fund under
 7.22 Minnesota Statutes, section 41A.14,
 7.23 subdivision 1, clause (2); \$3,000,000 the first
 7.24 year and \$3,000,000 the second year are for
 7.25 grants to the Minnesota Agriculture Education
 7.26 Leadership Council to enhance agricultural
 7.27 education with priority given to Farm Business
 7.28 Management challenge grants; \$450,000 the
 7.29 first year and \$450,000 the second year are
 7.30 for projects, programs, and research associated
 7.31 with agriculture in collaboration with
 7.32 Minnesota Tribal governments as defined in
 7.33 Minnesota Statutes, section 10.65, subdivision
 7.34 2, paragraph (a), clause (4); and \$350,000 the
 7.35 first year and \$350,000 the second year are
 7.36 for potato breeding. The commissioner shall

8.1 transfer the remaining funds in this
8.2 appropriation each year to the Board of
8.3 Regents of the University of Minnesota for
8.4 purposes of Minnesota Statutes, section
8.5 41A.14. Of the amount transferred to the
8.6 Board of Regents, up to \$1,000,000 each year
8.7 is for research on avian influenza, salmonella,
8.8 and other turkey-related diseases. To the extent
8.9 practicable, money expended under Minnesota
8.10 Statutes, section 41A.14, subdivision 1,
8.11 clauses (1) and (2), must supplement and not
8.12 supplant existing sources and levels of
8.13 funding. By January 15 each year, the
8.14 commissioner must submit a report on the
8.15 expenditures under this paragraph to the chairs
8.16 and ranking minority members of the
8.17 legislative committees and divisions with
8.18 jurisdiction over agriculture policy and
8.19 finance. The commissioner may use up to one
8.20 percent of this appropriation for costs incurred
8.21 to administer the program.

8.22 (b) \$26,932,000 the first year and \$21,432,000
8.23 the second year are for the agricultural growth,
8.24 research, and innovation program under
8.25 Minnesota Statutes, section 41A.12. The
8.26 commissioner may use up to 6.5 percent of
8.27 this appropriation for costs incurred to
8.28 administer the program.

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

8.32 (1) \$1,000,000 the first year and \$1,000,000
8.33 the second year are for distribution in equal
8.34 amounts to each of the state's county fairs to
8.35 preserve and promote Minnesota agriculture;

9.1 (2) \$6,000,000 the first year and \$6,000,000
9.2 the second year are for incentive payments
9.3 under Minnesota Statutes, sections 41A.16,
9.4 41A.17, 41A.18, and 41A.20. Notwithstanding
9.5 Minnesota Statutes, section 16A.28, the first
9.6 year appropriation is available until June 30,
9.7 2025, and the second year appropriation is
9.8 available until June 30, 2026. If this
9.9 appropriation exceeds the total amount for
9.10 which all producers are eligible in a fiscal
9.11 year, the balance of the appropriation is
9.12 available for other purposes under this
9.13 paragraph. The base under this clause is
9.14 \$6,125,000 in fiscal year 2026 and thereafter;
9.15 (3) \$4,500,000 the first year and \$4,500,000
9.16 the second year are for grants that enable retail
9.17 petroleum dispensers, fuel storage tanks, and
9.18 other equipment to dispense biofuels to the
9.19 public in accordance with the biofuel
9.20 replacement goals established under
9.21 Minnesota Statutes, section 239.7911. A retail
9.22 petroleum dispenser selling petroleum for use
9.23 in spark ignition engines for vehicle model
9.24 years after 2000 is eligible for grant money
9.25 under this clause if the retail petroleum
9.26 dispenser has no more than 10 retail petroleum
9.27 dispensing sites and each site is located in
9.28 Minnesota. The grant money must be used to
9.29 replace or upgrade equipment that does not
9.30 have the ability to be certified for E25. A grant
9.31 award must not exceed 65 percent of the cost
9.32 of the appropriate technology. A grant award
9.33 must not exceed \$200,000 per station. The
9.34 commissioner must cooperate with biofuel
9.35 stakeholders in the implementation of the grant
9.36 program. The commissioner, in cooperation

10.1 with any economic or community development
10.2 financial institution and any other entity with
10.3 which it contracts, must submit a report on the
10.4 biofuels infrastructure financial assistance
10.5 program by January 15 of each year to the
10.6 chairs and ranking minority members of the
10.7 legislative committees and divisions with
10.8 jurisdiction over agriculture policy and
10.9 finance. The annual report must include but
10.10 not be limited to a summary of the following
10.11 metrics: (i) the number and types of projects
10.12 financed; (ii) the amount of dollars leveraged
10.13 or matched per project; (iii) the geographic
10.14 distribution of financed projects; (iv) any
10.15 market expansion associated with upgraded
10.16 infrastructure; (v) the demographics of the
10.17 areas served; (vi) the costs of the program;
10.18 and (vii) the number of grants to
10.19 minority-owned or female-owned businesses.
10.20 The base under this clause is \$3,375,000 for
10.21 fiscal year 2026 and thereafter;
10.22 (4) \$1,500,000 the first year and \$1,500,000
10.23 the second year are for grants to facilitate the
10.24 start-up, modernization, or expansion of meat,
10.25 poultry, egg, and milk processing facilities. A
10.26 grant award under this clause must not exceed
10.27 \$200,000. Any unencumbered balance at the
10.28 end of the second year does not cancel until
10.29 June 30, 2026, and may be used for other
10.30 purposes under this paragraph. The base under
10.31 this clause is \$250,000 in fiscal year 2026 and
10.32 thereafter;
10.33 (5) \$1,150,000 in the first year and \$1,150,000
10.34 in the second year is for providing more fruits,
10.35 vegetables, meat, poultry, grain, and dairy for

11.1 children in school and early childhood
11.2 education centers, including, at the
11.3 commissioner's discretion, providing grants
11.4 to reimburse schools and early childhood
11.5 education centers for purchasing equipment
11.6 and agricultural products. Of the amount
11.7 appropriated, \$150,000 each year is for a
11.8 statewide coordinator of farm-to-institution
11.9 strategy and programming. The coordinator
11.10 must consult with relevant stakeholders and
11.11 provide technical assistance and training for
11.12 participating farmers and eligible grant
11.13 recipients. The base under this clause is
11.14 \$800,000 in fiscal year 2026 and thereafter;
11.15 (6) \$5,500,000 in the first year is for Dairy
11.16 Assistance, Investment, Relief Initiative
11.17 (DAIRI) grants to Minnesota dairy farmers
11.18 who enroll in coverage under a federal dairy
11.19 risk protection program and produced no more
11.20 than 25,000,000 pounds of milk in 2022. The
11.21 commissioner must award DAIRI grants based
11.22 on the amount of milk produced in 2022, up
11.23 to 5,000,000 pounds per participating
11.24 producer, at a rate determined by the
11.25 commissioner within the limits of available
11.26 funding. Any unencumbered balance does not
11.27 cancel at the end of first year and is available
11.28 for the second year. Any unencumbered
11.29 balance at the end of second year does not
11.30 cancel until June 30, 2026. This is a onetime
11.31 appropriation;
11.32 (7) \$250,000 the first year and \$250,000 the
11.33 second year are for grants to support hemp
11.34 processing. A grant award may be up to
11.35 \$25,000. This is a onetime appropriation;

- 12.1 (8) up to \$600,000 the first year and \$600,000
12.2 the second year are for urban youth
12.3 agricultural education or urban agriculture
12.4 community development;
- 12.5 (9) up to \$450,000 the first year and \$450,000
12.6 the second year are for the good food access
12.7 program under Minnesota Statutes, section
12.8 17.1017;
- 12.9 (10) up to \$1,500,000 the first year and
12.10 \$1,500,000 the second year are for the
12.11 livestock investment grant program under
12.12 Minnesota Statutes, section 17.118;
- 12.13 (11) up to \$1,150,000 the first year and
12.14 \$1,150,000 the second year are for
12.15 value-added grants;
- 12.16 (12) up to \$340,000 the first year and
12.17 \$340,000 the second year are for trade show
12.18 assistance; and
- 12.19 (13) up to \$450,000 the first year and
12.20 \$450,000 the second year are for beginning
12.21 farmer farm business management
12.22 scholarships.
- 12.23 By January 15 each year, the commissioner
12.24 must submit a report on the grants awarded
12.25 under this paragraph to the chairs and ranking
12.26 minority members of the legislative
12.27 committees and divisions with jurisdiction
12.28 over agriculture policy and finance.
- 12.29 Notwithstanding Minnesota Statutes, section
12.30 16A.28, any unencumbered balance does not
12.31 cancel at the end of the first year and is
12.32 available for the second year, and
12.33 appropriations encumbered under contract on
12.34 or before June 30, 2025, for agricultural

13.1 growth, research, and innovation grants are
 13.2 available until June 30, 2028.

13.3 The base for the agricultural growth, research,
 13.4 and innovation program is \$18,082,000 in
 13.5 fiscal year 2026 and thereafter, and includes
 13.6 funding for incentive payments under
 13.7 Minnesota Statutes, sections 41A.16, 41A.17,
 13.8 41A.18, and 41A.20.

13.9 **Subd. 5. Administration and Financial**
 13.10 **Assistance**

30,243,000

14,957,000

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

13.21 (b) \$375,000 the first year and \$375,000 the
 13.22 second year are for grants to the Minnesota
 13.23 Agricultural Education and Leadership
 13.24 Council for programs of the council under
 13.25 Minnesota Statutes, chapter 41D.

13.26 (c) \$2,000 the first year is for a grant to the
 13.27 Minnesota State Poultry Association. This is
 13.28 a onetime appropriation. Notwithstanding
 13.29 Minnesota Statutes, section 16A.28, any
 13.30 unencumbered balance does not cancel at the
 13.31 end of the first year and is available for the
 13.32 second year.

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

14.1 Livestock Breeders Association. This is a
14.2 onetime appropriation.

14.3 (e) \$60,000 the first year and \$60,000 the
14.4 second year are for grants to the Northern
14.5 Crops Institute to purchase equipment. This
14.6 is a onetime appropriation.

14.7 (f) \$34,000 the first year and \$34,000 the
14.8 second year are for grants to the Minnesota
14.9 State Horticultural Society. This is a onetime
14.10 appropriation.

14.11 (g) \$75,000 in the first year and \$75,000 in
14.12 the second year are appropriated from the
14.13 general fund to the commissioner of
14.14 agriculture for grants to the Minnesota Turf
14.15 Seed Council for basic and applied research
14.16 on: (1) the improved production of forage and
14.17 turf seed related to new and improved
14.18 varieties; and (2) native plants, including plant
14.19 breeding, nutrient management, pest
14.20 management, disease management, yield, and
14.21 viability. The Minnesota Turf Seed Council
14.22 may subcontract with a qualified third party
14.23 for some or all of the basic or applied research.

14.24 Any unencumbered balance does not cancel
14.25 at the end of the first year and is available for
14.26 the second year. The Minnesota Turf Seed
14.27 Council must prepare a report outlining the
14.28 use of the grant money and related
14.29 accomplishments. No later than January 15,
14.30 2025, the council must submit the report to
14.31 the chairs and ranking minority members of
14.32 the legislative committees and divisions with
14.33 jurisdiction over agriculture finance and
14.34 policy.

15.1 (h) \$200,000 in the first year and \$200,000 in
15.2 second year are for grants to GreenSeam for
15.3 assistance to agriculture-related businesses to
15.4 support business retention and development,
15.5 business attraction and creation, talent
15.6 development and attraction, and regional
15.7 branding and promotion. These are onetime
15.8 appropriations. No later than December 1,
15.9 2024, and December 1, 2025, GreenSeam
15.10 must report to the chairs and ranking minority
15.11 members of the legislative committees with
15.12 jurisdiction over agriculture and rural
15.13 development with information on new and
15.14 existing businesses supported, net new jobs
15.15 in the region, new educational partnerships
15.16 and programs supported, and regional
15.17 branding and promotional efforts.

15.18 (i) \$1,950,000 the first year and \$1,950,000
15.19 the second year are for grants to Second
15.20 Harvest Heartland on behalf of Minnesota's
15.21 six Feeding America food banks for the
15.22 following purposes:

15.23 (1) at least \$850,000 each year must be
15.24 allocated to purchase milk for distribution to
15.25 Minnesota's food shelves and other charitable
15.26 organizations that are eligible to receive food
15.27 from the food banks. Milk purchased under
15.28 the grants must be acquired from Minnesota
15.29 milk processors and based on low-cost bids.
15.30 The milk must be allocated to each Feeding
15.31 America food bank serving Minnesota
15.32 according to the formula used in the
15.33 distribution of United States Department of
15.34 Agriculture commodities under The
15.35 Emergency Food Assistance Program. Second

16.1 Harvest Heartland may enter into contracts or
16.2 agreements with food banks for shared funding
16.3 or reimbursement of the direct purchase of
16.4 milk. Each food bank that receives funding
16.5 under this clause may use up to two percent
16.6 for administrative expenses. By January 15
16.7 each year, the commissioner must submit a
16.8 report on the grants awarded under this
16.9 paragraph to the chairs and ranking minority
16.10 members of the legislative committees and
16.11 divisions with jurisdiction over agriculture
16.12 policy and finance. Notwithstanding
16.13 Minnesota Statutes, section 16A.28, any
16.14 unencumbered balance the first year does not
16.15 cancel and is available the second year;
16.16 (2) to compensate agricultural producers and
16.17 processors for costs incurred to harvest and
16.18 package for transfer surplus fruits, vegetables,
16.19 and other agricultural commodities that would
16.20 otherwise go unharvested, be discarded, or
16.21 sold in a secondary market. Surplus
16.22 commodities must be distributed statewide to
16.23 food shelves and other charitable organizations
16.24 that are eligible to receive food from the food
16.25 banks. Surplus food acquired under this clause
16.26 must be from Minnesota producers and
16.27 processors. Second Harvest Heartland may
16.28 use up to 15 percent of each grant awarded
16.29 under this clause for administrative and
16.30 transportation expenses; and
16.31 (3) to purchase and distribute protein products,
16.32 including but not limited to pork, poultry, beef,
16.33 dry legumes, cheese, and eggs to Minnesota's
16.34 food shelves and other charitable organizations
16.35 that are eligible to receive food from the food

17.1 banks. Second Harvest Heartland may use up
17.2 to two percent of each grant awarded under
17.3 this clause for administrative expenses. Protein
17.4 products purchased under the grants must be
17.5 acquired from Minnesota processors and
17.6 producers.

17.7 Second Harvest Heartland must submit
17.8 quarterly reports to the commissioner and the
17.9 chairs and ranking minority members of the
17.10 legislative committees with jurisdiction over
17.11 agriculture finance in the form prescribed by
17.12 the commissioner. The reports must include
17.13 but are not limited to information on the
17.14 expenditure of funds, the amount of milk or
17.15 other commodities purchased, and the
17.16 organizations to which this food was
17.17 distributed. The base is \$1,700,000 for fiscal
17.18 year 2026 and thereafter.

17.19 (j) \$25,000 the first year and \$25,000 the
17.20 second year are for grants to the Southern
17.21 Minnesota Initiative Foundation to promote
17.22 local foods through an annual event that raises
17.23 public awareness of local foods and connects
17.24 local food producers and processors with
17.25 potential buyers.

17.26 (k) \$300,000 the first year and \$300,000 the
17.27 second year are for grants to The Good Acre
17.28 for the Local Emergency Assistance Farmer
17.29 Fund (LEAFF) program to compensate
17.30 emerging farmers for crops donated to hunger
17.31 relief organizations in Minnesota. This is a
17.32 onetime appropriation.

17.33 (l) \$550,000 the first year and \$550,000 the
17.34 second year are for services to beginning and
17.35 emerging farmers to increase connections

18.1 between farmers and market opportunities
18.2 throughout the state. The appropriation may
18.3 be used for grants, translation services,
18.4 training programs, or other purposes in line
18.5 with the recommendations of the Emerging
18.6 Farmer Working Group established under
18.7 Minnesota Statutes, section 17.055,
18.8 subdivision 1. By January 15 each year, the
18.9 commissioner must submit a report on the
18.10 grants awarded under this paragraph to the
18.11 chairs and ranking minority members of the
18.12 legislative committees and divisions with
18.13 jurisdiction over agriculture policy and
18.14 finance. The base is \$150,000 for fiscal year
18.15 2026 and thereafter.

18.16 (m) \$337,000 the first year and \$337,000 the
18.17 second year are for farm advocate services.
18.18 Of these amounts, \$50,000 the first year and
18.19 \$50,000 the second year are for the
18.20 continuation of the farmland transition
18.21 programs and may be used for grants to
18.22 farmland access teams to provide technical
18.23 assistance to potential beginning farmers.
18.24 Farmland access teams must assist existing
18.25 farmers and beginning farmers on transitioning
18.26 farm ownership and farm operation. Services
18.27 provided by teams may include but are not
18.28 limited to mediation assistance, designing
18.29 contracts, financial planning, tax preparation,
18.30 estate planning, and housing assistance.

18.31 (n) \$260,000 the first year and \$260,000 the
18.32 second year are for a pass-through grant to
18.33 Region Five Development Commission to
18.34 provide, in collaboration with Farm Business
18.35 Management, statewide mental health

19.1 counseling support to Minnesota farm
19.2 operators, families, and employees, and
19.3 individuals who work with Minnesota farmers
19.4 in a professional capacity. Region Five
19.5 Development Commission may use up to 6.5
19.6 percent of the grant awarded under this
19.7 paragraph for administration.

19.8 (o) \$1,400,000 the first year is for transfer to
19.9 the agricultural emergency account established
19.10 under Minnesota Statutes, section 17.041. This
19.11 is a onetime transfer.

19.12 (p) \$1,084,000 the first year and \$1,500,000
19.13 the second year are to support IT
19.14 modernization efforts, including laying the
19.15 technology foundations needed for improving
19.16 customer interactions with the department for
19.17 licensing and payments. This is a onetime
19.18 appropriation.

19.19 (q) \$1,425,000 first year and \$1,425,000 the
19.20 second year are transferred to the agricultural
19.21 and environmental revolving loan account
19.22 established under Minnesota Statutes, section
19.23 17.117, subdivision 5a, for low-interest loans
19.24 to farmers, rural landowners, and agricultural
19.25 businesses through the agriculture best
19.26 management practices loan program in
19.27 Minnesota Statutes, section 17.117.

19.28 (r) \$150,000 the first year and \$150,000 the
19.29 second year are for administrative support for
19.30 the Rural Finance Authority.

19.31 (s) \$14,000,000 the first year is for transfer to
19.32 the grain indemnity account established in
19.33 Minnesota Statutes, section 223.24. This is a
19.34 onetime transfer.

20.1 (t) \$500,000 the first year and \$500,000 the
20.2 second year are to maintain the current level
20.3 of service delivery. The base is \$600,000 in
20.4 fiscal year 2026 and thereafter.

20.5 (u) \$250,000 the first year is for a grant to the
20.6 Board of Regents of the University of
20.7 Minnesota to purchase equipment for the
20.8 Veterinary Diagnostic Laboratory to test for
20.9 chronic wasting disease, African swine fever,
20.10 avian influenza, and other animal diseases.
20.11 The Veterinary Diagnostic Laboratory must
20.12 report expenditures under this paragraph to
20.13 the legislative committees with jurisdiction
20.14 over agriculture finance and higher education
20.15 with initial reports completed by January 3,
20.16 2025, and January 3, 2026, and a final report
20.17 by September 1, 2027. The reports must
20.18 include a list of equipment purchased,
20.19 including the cost of each item. This is a
20.20 onetime appropriation.

20.21 (v) \$1,250,000 in the first year and \$1,250,000
20.22 in the second year are to award down payment
20.23 assistance grants under Minnesota Statutes,
20.24 section 17.133. Of the amount appropriated
20.25 each year, at least \$375,000 is for down
20.26 payment assistance grants to emerging
20.27 farmers. If the commissioner has not awarded
20.28 \$375,000 to emerging farmers by March 1
20.29 each year, the commissioner may award
20.30 remaining funds to any eligible farmer. By
20.31 January 15 each year, the commissioner must
20.32 submit a report on the grants awarded under
20.33 this paragraph to the chairs and ranking
20.34 minority members of the legislative
20.35 committees and divisions with jurisdiction

21.1 over agriculture policy and finance. The base
 21.2 is \$750,000 for fiscal year 2026 and thereafter.
 21.3 (w) \$322,000 in the first year and \$322,000
 21.4 in the second year are appropriated for grants
 21.5 to meat and poultry processors to reimburse
 21.6 costs for training and retention of employees.
 21.7 A meat processor with 100 full-time
 21.8 equivalent employees or fewer is eligible for
 21.9 grant money under this section. Grants may
 21.10 be used for tuition reimbursement at
 21.11 Minnesota State Colleges and Universities,
 21.12 child care stipends, retention bonuses, and
 21.13 other related expenses. A grant award may not
 21.14 exceed \$5,000 per employee. By January 15
 21.15 each year, the commissioner must submit a
 21.16 report on the grants awarded under this
 21.17 paragraph to the chairs and ranking minority
 21.18 members of the legislative committees and
 21.19 divisions with jurisdiction over agriculture
 21.20 policy and finance. The commissioner may
 21.21 use up to 6.5 percent of the appropriation each
 21.22 year for administration. This is a onetime
 21.23 appropriation.

21.24 (x) \$250,000 in the first year and \$250,000 in
 21.25 the second year are appropriated from the
 21.26 general fund to the commissioner of
 21.27 agriculture to award cooperative grants under
 21.28 Minnesota Statutes, section 17.1016. The
 21.29 commissioner may use up to six percent of the
 21.30 appropriation each year to administer the grant
 21.31 program. This is a onetime appropriation.

21.32 **Sec. 3. BOARD OF ANIMAL HEALTH \$ 6,771,000 \$ 6,931,000**

21.33 (a) \$170,000 the first year and \$170,000 the
 21.34 second year are to cover increased costs
 21.35 associated with importing companion animals

23.1 Of these amounts, \$100,000 the first year and
23.2 \$50,000 the second year are for a pilot
23.3 program creating farmland access teams to
23.4 provide technical assistance to potential
23.5 beginning farmers. The farmland access teams
23.6 must assist existing farmers and beginning
23.7 farmers on transitioning farm ownership and
23.8 operation. Services provided by teams may
23.9 include but are not limited to providing
23.10 mediation assistance, designing contracts,
23.11 financial planning, tax preparation, estate
23.12 planning, and housing assistance. Of this
23.13 amount for farm transitions, up to \$50,000 the
23.14 first year may be used to upgrade the
23.15 Minnesota FarmLink web application that
23.16 connects farmers looking for land with farmers
23.17 looking to transition their land.

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

23.22 (d) \$238,000 the first year and \$260,000 the
23.23 second year are for a pass-through grant to
23.24 Region Five Development Commission to
23.25 provide, in collaboration with Farm Business
23.26 Management, statewide mental health
23.27 counseling support to Minnesota farm
23.28 operators, families, and employees, and
23.29 individuals who work with Minnesota farmers
23.30 in a professional capacity. Region Five
23.31 Development Commission may use up to 6.5
23.32 percent of the grant awarded under this
23.33 paragraph for administration. The base for this
23.34 appropriation is \$260,000 in fiscal year 2024
23.35 and later.

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

24.6 (1) to purchase milk for distribution to
24.7 Minnesota's food shelves and other charitable
24.8 organizations that are eligible to receive food
24.9 from the food banks. Milk purchased under
24.10 the grants must be acquired from Minnesota
24.11 milk processors and based on low-cost bids.
24.12 The milk must be allocated to each Feeding
24.13 America food bank serving Minnesota
24.14 according to the formula used in the
24.15 distribution of United States Department of
24.16 Agriculture commodities under The
24.17 Emergency Food Assistance Program. Second
24.18 Harvest Heartland may enter into contracts or
24.19 agreements with food banks for shared funding
24.20 or reimbursement of the direct purchase of
24.21 milk. Each food bank that receives funding
24.22 under this clause may use up to two percent
24.23 for administrative expenses;

24.24 (2) to compensate agricultural producers and
24.25 processors for costs incurred to harvest and
24.26 package for transfer surplus fruits, vegetables,
24.27 and other agricultural commodities that would
24.28 otherwise go unharvested, be discarded, or
24.29 sold in a secondary market. Surplus
24.30 commodities must be distributed statewide to
24.31 food shelves and other charitable organizations
24.32 that are eligible to receive food from the food
24.33 banks. Surplus food acquired under this clause
24.34 must be from Minnesota producers and
24.35 processors. Second Harvest Heartland may

25.1 use up to 15 percent of each grant awarded
25.2 under this clause for administrative and
25.3 transportation expenses; and
25.4 (3) to purchase and distribute protein products,
25.5 including but not limited to pork, poultry, beef,
25.6 dry legumes, cheese, and eggs to Minnesota's
25.7 food shelves and other charitable organizations
25.8 that are eligible to receive food from the food
25.9 banks. Second Harvest Heartland may use up
25.10 to two percent of each grant awarded under
25.11 this clause for administrative expenses. Protein
25.12 products purchased under the grants must be
25.13 acquired from Minnesota processors and
25.14 producers.
25.15 Of the amount appropriated under this
25.16 paragraph, at least \$600,000 each year must
25.17 be allocated under clause (1). Notwithstanding
25.18 Minnesota Statutes, section 16A.28, any
25.19 unencumbered balance the first year does not
25.20 cancel and is available in the second year.
25.21 Second Harvest Heartland must submit
25.22 quarterly reports to the commissioner and the
25.23 chairs and ranking minority members of the
25.24 legislative committees with jurisdiction over
25.25 agriculture finance in the form prescribed by
25.26 the commissioner. The reports must include
25.27 but are not limited to information on the
25.28 expenditure of funds, the amount of milk or
25.29 other commodities purchased, and the
25.30 organizations to which this food was
25.31 distributed.
25.32 (f) \$250,000 the first year and \$250,000 the
25.33 second year are for grants to the Minnesota
25.34 Agricultural Education and Leadership

26.1 Council for programs of the council under
26.2 Minnesota Statutes, chapter 41D.

26.3 (g) \$1,437,000 the first year and \$1,437,000
26.4 the second year are for transfer to the
26.5 agricultural and environmental revolving loan
26.6 account established under Minnesota Statutes,
26.7 section 17.117, subdivision 5a, for low-interest
26.8 loans under Minnesota Statutes, section
26.9 17.117. The base for appropriations under this
26.10 paragraph in fiscal year 2024 and thereafter
26.11 is \$1,425,000. The commissioner must
26.12 examine how the department could use up to
26.13 one-third of the amount transferred to the
26.14 agricultural and environmental revolving loan
26.15 account under this paragraph to award grants
26.16 to rural landowners to replace septic systems
26.17 that inadequately protect groundwater. No
26.18 later than February 1, 2022, the commissioner
26.19 must report to the legislative committees with
26.20 jurisdiction over agriculture finance and
26.21 environment finance on the results of the
26.22 examination required under this paragraph.
26.23 The commissioner's report may include other
26.24 funding sources for septic system replacement
26.25 that are available to rural landowners.

26.26 (h) \$150,000 the first year and \$150,000 the
26.27 second year are for grants to the Center for
26.28 Rural Policy and Development. These are
26.29 onetime appropriations.

26.30 (i) \$150,000 the first year is to provide grants
26.31 to Central Lakes College for the purposes of
26.32 designing, building, and offering credentials
26.33 in the area of meat cutting and butchery that
26.34 align with industry needs as advised by local
26.35 industry advisory councils. Notwithstanding

27.1 Minnesota Statutes, section 16A.28, any
27.2 unencumbered balance does not cancel at the
27.3 end of the first year and is available for the
27.4 second year. The commissioner may only
27.5 award a grant under this paragraph if the grant
27.6 is matched by a like amount from another
27.7 funding source. The commissioner must seek
27.8 matching dollars from Minnesota State
27.9 Colleges and Universities or other entities.
27.10 The appropriation is onetime and is available
27.11 until June 30, 2024. Any money remaining on
27.12 June 30, 2024, must be transferred to the
27.13 agricultural growth, research, and innovation
27.14 program under Minnesota Statutes, section
27.15 41A.12, and is available until June 30, 2025.
27.16 Grants may be used for costs including but
27.17 not limited to:
27.18 (1) facility renovation to accommodate meat
27.19 cutting;
27.20 (2) curriculum design and approval from the
27.21 Higher Learning Commission;
27.22 (3) program operational start-up costs;
27.23 (4) equipment required for a meat cutting
27.24 program; and
27.25 (5) meat handling start-up costs in regard to
27.26 meat access and market channel building.
27.27 No later than January 15, 2023, Central Lakes
27.28 College must submit a report outlining the use
27.29 of grant money to the chairs and ranking
27.30 minority members of the legislative
27.31 committees and divisions with jurisdiction
27.32 over agriculture and higher education.
27.33 (j) \$2,000 the first year is for grants to the
27.34 Minnesota State Poultry Association. This is

28.1 a onetime appropriation. Notwithstanding
28.2 Minnesota Statutes, section 16A.28, any
28.3 unencumbered balance does not cancel at the
28.4 end of the first year and is available for the
28.5 second year.

28.6 (k) \$17,000 the first year and \$17,000 the
28.7 second year are for grants to the Minnesota
28.8 State Horticultural Society. These are onetime
28.9 appropriations.

28.10 (l) \$18,000 the first year and \$18,000 the
28.11 second year are for grants to the Minnesota
28.12 Livestock Breeders Association. These are
28.13 onetime appropriations.

28.14 (m) The commissioner shall continue to
28.15 increase connections with ethnic minority and
28.16 immigrant farmers to farming opportunities
28.17 and farming programs throughout the state.

28.18 (n) \$25,000 the first year and \$25,000 the
28.19 second year are for grants to the Southern
28.20 Minnesota Initiative Foundation to promote
28.21 local foods through an annual event that raises
28.22 public awareness of local foods and connects
28.23 local food producers and processors with
28.24 potential buyers.

28.25 (o) \$75,000 the first year and \$75,000 the
28.26 second year are for grants to Greater Mankato
28.27 Growth, Inc., for assistance to
28.28 agriculture-related businesses to promote jobs,
28.29 innovation, and synergy development. These
28.30 are onetime appropriations.

28.31 (p) \$75,000 the first year and \$75,000 the
28.32 second year are for grants to the Minnesota
28.33 Turf Seed Council for basic and applied
28.34 research. The Minnesota Turf Seed Council

29.1 may subcontract with a qualified third party
29.2 for some or all of the basic or applied research.
29.3 No later than January 15, 2023, the Minnesota
29.4 Turf Seed Council must submit a report
29.5 outlining the use of the grant money and
29.6 related accomplishments to the chairs and
29.7 ranking minority members of the legislative
29.8 committees with jurisdiction over agriculture.
29.9 These are onetime appropriations. Any
29.10 unencumbered balance does not cancel at the
29.11 end of the first year and is available for the
29.12 second year.

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

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

29.30 (s) \$827,000 the second year is to award and
29.31 administer grants to:

29.32 (1) organizations to provide technical and
29.33 culturally appropriate services to emerging
29.34 farmers and related businesses;

30.1 (2) organizations to help emerging farmers
30.2 pay for up to 65 percent of premium expenses
30.3 each year up to two years under the federal
30.4 micro farm insurance program; and

30.5 (3) The Good Acre for the Local Emergency
30.6 Assistance Farmer Fund (LEAFF) program to
30.7 compensate emerging farmers for crops
30.8 donated to hunger relief organizations in
30.9 Minnesota.

30.10 This is a onetime appropriation and is
30.11 available until June 30, 2024.

30.12 (t) \$750,000 the second year is to support the
30.13 IT modernization efforts, including laying the
30.14 technology foundations needed for improving
30.15 customer interactions with the department for
30.16 licensing and payments. The base for this
30.17 appropriation is \$584,000 in fiscal year 2024
30.18 and \$0 in fiscal year 2025.

30.19 (u) \$1,500,000 the first year is for transfer to
30.20 the agricultural emergency account established
30.21 under Minnesota Statutes, section 17.041. This
30.22 is a onetime transfer. This transfer is in
30.23 addition to the appropriations made in Laws
30.24 2022, chapter 47, section 2.

30.25 Notwithstanding Minnesota Statutes, section
30.26 17.041, the commissioner may use the amount
30.27 to be transferred for the purposes identified
30.28 under Laws 2022, chapter 47, section 2,
30.29 paragraph (b). This paragraph expires on
30.30 December 31, 2022.

30.31 (v) \$250,000 in the second year is for a grant
30.32 to the Board of Regents of the University of
30.33 Minnesota to purchase equipment for the
30.34 Veterinary Diagnostic Laboratory to test for

31.1 chronic wasting disease, African swine fever,
31.2 avian influenza, and other animal diseases.
31.3 The Veterinary Diagnostic Laboratory must
31.4 report expenditures under this paragraph to
31.5 the legislative committees with jurisdiction
31.6 over agriculture finance and higher education
31.7 with initial reports completed by January 3,
31.8 2023, and January 3, 2024, and a final report
31.9 by September 1, 2025. The reports must
31.10 include a list of equipment purchased,
31.11 including the cost of each item. The base for
31.12 this appropriation is \$250,000 in fiscal year
31.13 2024 and \$0 in fiscal year 2025.

31.14 (w) \$141,000 the second year is for additional
31.15 funding to administer the beginning farmer
31.16 tax credit. The base for this appropriation is
31.17 \$56,000 in fiscal year 2024 and later.

31.18 (x) \$750,000 the second year is for a grant to
31.19 the Ag Innovation Campus to continue
31.20 construction of a soybean processing and
31.21 research facility. This is a onetime
31.22 appropriation.

31.23 The commissioner shall submit a report on the
31.24 utilization of the grants to the chairs and
31.25 ranking minority members of the legislative
31.26 committees and divisions with jurisdiction
31.27 over agriculture policy and finance by
31.28 February 1, 2024.

31.29 (y) \$50,000 is added to the base for fiscal year
31.30 2024 and \$0 for fiscal year 2025 to provide
31.31 technical assistance and leadership in the
31.32 development of a comprehensive and
31.33 well-documented state aquaculture plan. The
31.34 commissioner must provide the state
31.35 aquaculture plan to the legislative committees

32.1 with jurisdiction over agriculture finance and
32.2 policy by February 15, 2025.

32.3 (z) \$500,000 the second year is to award and
32.4 administer down payment assistance grants
32.5 under Minnesota Statutes, section 17.133. The
32.6 base for this appropriation is \$750,000 in fiscal
32.7 year 2024 and thereafter. Any unspent funds
32.8 are available until the end of the following
32.9 fiscal year.

32.10 (aa) \$350,000 the second year is to provide
32.11 grants to secondary career and technical
32.12 education programs for the purpose of offering
32.13 instruction in meat cutting and butchery. By
32.14 January 15, 2023, the commissioner must
32.15 report to the chairs and ranking minority
32.16 members of the committees with jurisdiction
32.17 over agriculture finance and education finance
32.18 by listing the grants made under this paragraph
32.19 by county and noting the number and amount
32.20 of grant requests not fulfilled. The report may
32.21 include additional information as determined
32.22 by the commissioner, including but not limited
32.23 to information regarding the outcomes
32.24 produced by these grants. If additional grants
32.25 are awarded under this paragraph that were
32.26 not covered in the report due by January 15,
32.27 2023, the commissioner must submit an
32.28 additional report to the chairs and ranking
32.29 minority members of the committees with
32.30 jurisdiction over agriculture finance and
32.31 education finance regarding all grants issued
32.32 under this paragraph by November 1, 2023.
32.33 This is a onetime appropriation. Grants may
32.34 be used for costs, including but not limited to:

- 33.1 (1) equipment required for a meat cutting
 33.2 program;
- 33.3 (2) facility renovation to accommodate meat
 33.4 cutting; and
- 33.5 (3) training faculty to teach the fundamentals
 33.6 of meat processing.
- 33.7 A grant recipient may be awarded a grant of
 33.8 up to \$70,000 and may use up to ten percent
 33.9 of the grant for faculty training.
- 33.10 Priority may be given to applicants who are
 33.11 coordinating with meat cutting and butchery
 33.12 programs at Minnesota State Colleges and
 33.13 Universities system and local industry
 33.14 partners.

33.15 Sec. 6. **EFFECTIVE DATE.**

33.16 Sections 1 to 4 are effective July 1, 2023. Section 5 is effective the day following final
 33.17 enactment.

33.18 **ARTICLE 2**

33.19 **AGRICULTURE POLICY**

33.20 Section 1. Minnesota Statutes 2022, section 17.1016, subdivision 2, is amended to read:

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

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

33.26 (1) be a cooperative organized under chapter 308A or 308B;

33.27 (2) certify that all control ~~and equity in~~ of the cooperative is from farmers, family farm
 33.28 partnerships, family farm limited liability companies, or family farm corporations as defined
 33.29 in section 500.24, subdivision 2, who are actively engaged in agricultural commodity
 33.30 production;

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

34.3 (4) receive agricultural commodities produced primarily by shareholders or members
34.4 of the cooperative; and

34.5 (5) not allow nonpatron voting rights.

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

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

34.13 **Sec. 2. [17.134] SOIL HEALTH FINANCIAL ASSISTANCE PROGRAM.**

34.14 Subdivision 1. **Establishment.** The commissioner must establish and administer a
34.15 program to support healthy soil management practices in accordance with this section.

34.16 Subd. 2. **Eligible projects.** The commissioner may award a grant under this section for
34.17 any project on agricultural land in Minnesota that will:

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

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

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

34.24 (4) increase the usage of precision agricultural practices;

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

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

34.29 Subd. 3. **Grant eligibility.** Any owner or lessee of farmland may apply for a grant under
34.30 this section. Local government units, including cities, towns, counties, soil and water
34.31 conservation districts, Tribal Nations, and joint powers boards, are also eligible for a grant.

35.1 A local government unit that receives a grant for equipment or technology must make those
 35.2 purchases available for use by the public.

35.3 Subd. 4. **Report.** By January 15 each year, the commissioner must submit a report on
 35.4 the grants awarded under this section to the chairs and ranking minority members of the
 35.5 legislative committees and divisions with jurisdiction over agriculture policy and finance.

35.6 Sec. 3. Minnesota Statutes 2022, section 41A.14, subdivision 2, is amended to read:

35.7 Subd. 2. **Advisory panel.** (a) In awarding grants under this section, the commissioner
 35.8 and a representative of the College of Food, Agricultural and Natural Resource Sciences at
 35.9 the University of Minnesota must consult with an advisory panel consisting of the following
 35.10 stakeholders:

35.11 (1) a representative of the Minnesota State Colleges and Universities system;

35.12 (2) a representative of the Minnesota Farm Bureau;

35.13 (3) a representative of the Minnesota Farmers Union;

35.14 (4) a person representing agriculture industry statewide;

35.15 (5) a representative of each of the state commodity councils organized under section
 35.16 17.54 and the Minnesota Pork Board;

35.17 (6) a person representing an association of primary manufacturers of forest products;

35.18 (7) a person representing organic or sustainable agriculture; ~~and~~

35.19 (8) a person representing statewide environment and natural resource conservation
 35.20 organizations; and

35.21 (9) a person representing the interests of Minnesota Tribal governments as defined in
 35.22 section 10.65, subdivision 2, paragraph (a) clause (4).

35.23 (b) Members under paragraph (a), clauses (1) to (3) and (5), shall be chosen by their
 35.24 respective organizations. The member under paragraph (a), clause (9) may be appointed by
 35.25 the Minnesota Indian Affairs Council at their discretion.

35.26 Sec. 4. Minnesota Statutes 2022, section 41A.19, is amended to read:

35.27 **41A.19 REPORT; INCENTIVE PROGRAMS.**

35.28 By January 15 each year, the commissioner shall report on the incentive programs under
 35.29 sections 41A.16, 41A.17, 41A.18, and 41A.20, ~~and 41A.21~~ to the legislative committees

36.1 with jurisdiction over environment and agriculture policy and finance. The report shall
36.2 include information on production and incentive expenditures under the programs.

36.3 Sec. 5. Minnesota Statutes 2022, section 223.16, is amended by adding a subdivision to
36.4 read:

36.5 Subd. 3c. **Failure.** "Failure" means a determination by the commissioner that a grain
36.6 buyer or grain warehouse has failed to pay for delivered grain, breached a contract, breached
36.7 more than one contract, or failed to redeliver stored grain to a producer.

36.8 Sec. 6. Minnesota Statutes 2022, section 223.17, subdivision 6, is amended to read:

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

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

36.14 (i) a balance sheet;

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

36.16 (iii) a statement of retained earnings;

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

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

36.20 (2) be accompanied by a compilation report of the financial statement that is prepared
36.21 by a grain commission firm or a management firm approved by the commissioner or by an
36.22 independent public accountant, in accordance with standards established by the American
36.23 Institute of Certified Public Accountants; and

36.24 (3) be accompanied by a certification by the chief executive officer or the chief executive
36.25 officer's designee of the licensee, and where applicable, all members of the governing board
36.26 of directors under penalty of perjury, that the financial statement accurately reflects the
36.27 financial condition of the licensee for the period specified in the statement;

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

37.1 ~~(5) for grain buyers purchasing \$7,500,000 or more of grain annually, be audited by a~~
37.2 ~~certified public accountant in accordance with standards established by the American Institute~~
37.3 ~~of Certified Public Accountants and must include an opinion statement from the certified~~
37.4 ~~public accountant.~~

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

37.9 (c) A grain buyer who purchases grain immediately upon delivery solely with cash; a
37.10 certified check; a cashier's check; or a postal, bank, or express money order is exempt from
37.11 this subdivision ~~if the grain buyer's gross annual purchases are \$1,000,000 or less.~~

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

37.16 Sec. 7. Minnesota Statutes 2022, section 223.17, subdivision 7, is amended to read:

37.17 Subd. 7. ~~Action on a bond~~ **Breach of contract.** A producer claiming to be damaged
37.18 by a breach of a contract for the purchase of grain by a ~~licensed~~ grain buyer may file a
37.19 written claim with the commissioner. The claim must state the facts constituting the claim.
37.20 ~~The claim must be filed with the commissioner within 180 days of the breach of the contract.~~
37.21 If a claim is valid, the commissioner may immediately suspend the license, in which case
37.22 the licensee shall surrender the license to the commissioner. Within 15 days the licensee
37.23 may request an administrative hearing subject to chapter 14 to determine whether the license
37.24 should be revoked. If no request is made within 15 days, the commissioner shall revoke the
37.25 license.

37.26 Sec. 8. Minnesota Statutes 2022, section 223.17, subdivision 7a, is amended to read:

37.27 Subd. 7a. **Bond requirements; ~~claims~~.** For entities licensed under this chapter and
37.28 chapter 232, the bond requirements and ~~claims~~ actions against the bond are governed under
37.29 section ~~232.22, subdivision 6a~~ 223.28.

38.1 Sec. 9. Minnesota Statutes 2022, section 223.175, is amended to read:

38.2 **223.175 WRITTEN VOLUNTARY EXTENSION OF CREDIT CONTRACTS;**
38.3 **FORM.**

38.4 A written confirmation required under section 223.177, subdivision 2, and a written
38.5 voluntary extension of credit contract must include those items prescribed by the
38.6 commissioner by rule. A contract shall include a statement of the legal and financial
38.7 responsibilities of grain buyers and sellers established in this chapter. A contract shall also
38.8 include the following statement in not less than ten point, all capital type, framed in a box
38.9 with space provided for the seller's signature: "THIS CONTRACT CONSTITUTES A
38.10 VOLUNTARY EXTENSION OF CREDIT. ~~THIS CONTRACT IS NOT COVERED BY~~
38.11 ~~ANY GRAIN BUYER'S BOND~~ MAY NOT BE COVERED COMPLETELY BY THE
38.12 GRAIN INDEMNITY ACCOUNT." If a written contract is provided at the time the grain
38.13 is delivered to the grain buyer, the seller shall sign the contract in the space provided beneath
38.14 the statement. A transaction that does not meet the provisions of a voluntary extension of
38.15 credit, including the issuance and signing of a voluntary extension of credit contract, is a
38.16 cash sale.

38.17 Sec. 10. Minnesota Statutes 2022, section 223.19, is amended to read:

38.18 **223.19 RULES.**

38.19 The commissioner may make rules pursuant to chapter 14 to carry out the provisions of
38.20 sections 223.15 to ~~223.23~~ 223.28.

38.21 Sec. 11. [223.24] GRAIN INDEMNITY ACCOUNT.

38.22 Subdivision 1. Establishment. The grain indemnity account is established in the
38.23 agricultural fund. The grain indemnity account shall consist of grain indemnity premiums,
38.24 money from any other source, and interest.

38.25 Subd. 2. Account; appropriation. (a) Money in the grain indemnity account, including
38.26 interest, is appropriated to the commissioner to pay valid claims and to administer this
38.27 section.

38.28 (b) The commissioner shall direct payments from the grain indemnity account only for
38.29 the following purposes:

38.30 (1) the payment of valid claims;

38.31 (2) the payment of grain indemnity premium refunds;

39.1 (3) the payment of administrative expenses under paragraph (c);

39.2 (4) the payment of legal fees and legal expenses under subdivision 7; or

39.3 (5) the payment of a trustee appointed under subdivision 6.

39.4 (c) The commissioner shall allocate money from the grain indemnity account to a separate
39.5 administrative expenses account to pay or reimburse the agency for grain indemnity account
39.6 expenses. Administrative expenses under this paragraph include the actual cost of processing
39.7 payments and refunds, enforcement, record keeping, ordinary management and investment
39.8 fees connected with the operation of the grain indemnity account, and legal expenses.

39.9 Subd. 3. **Eligibility.** A producer is eligible to receive a grain indemnity payment from
39.10 the commissioner if the producer sold grain to a grain buyer as defined in this chapter or
39.11 stored grain with a public grain warehouse operator under chapter 232 and the producer is
39.12 damaged by the grain buyer's or public grain warehouse operator's failure to pay for or
39.13 redeliver grain.

39.14 Subd. 4. **Application.** (a) A producer asserting eligibility under subdivision 3 must file
39.15 a completed claim with the commissioner. The producer must state the facts constituting
39.16 the claim and all other information required by the commissioner.

39.17 (b) Upon receiving a claim, the commissioner must promptly determine the validity of
39.18 the claim and notify the claimant of the commissioner's determination.

39.19 (c) An aggrieved party may appeal the commissioner's determination by requesting,
39.20 within 15 days, that the commissioner initiate a contested case proceeding under chapter
39.21 14.

39.22 Subd. 5. **Payment limitation.** (a) For each failure as defined by section 223.16,
39.23 subdivision 3c, the commissioner must pay the eligible producer:

39.24 (1) the amount equal to the value of the grain sold on cash sale, grain assigned to
39.25 warehouse receipt, or grain assigned to open storage less than 180 days from the deposit;

39.26 (2) the amount equal to the value of grain sold up to \$200,000, or the lesser of \$750,000
39.27 or 75 percent of the amount owed to the seller for a contract in excess of \$200,000 for a
39.28 deferred or delayed payment contract for which a price has been established when the
39.29 contract originated within 120 days of the breach of contract;

39.30 (3) the lesser of \$750,000 or 75 percent of the amount owed to the seller for a voluntary
39.31 extension of credit contract for which no price has been established when the contract
39.32 originated within 180 days of the breach of contract;

40.1 (4) the lesser of \$500,000 or 50 percent for an open storage assignment or a voluntary
40.2 extension of credit contract when the open storage assignment or contract originated between
40.3 181 days and 18 months from the failure; or

40.4 (5) the lesser of \$250,000 or 25 percent for an open storage assignment or a voluntary
40.5 extension of credit contract when the open storage assignment or contract originated between
40.6 19 months and 36 months from the failure.

40.7 (b) Claims filed more than 36 months from the failure are not eligible for payment.

40.8 (c) For the purposes of this subdivision, multiple breaches of contract with a single entity
40.9 constitute one failure.

40.10 (d) If a grain buyer holds both a Minnesota grain buyer license, as defined in chapter
40.11 223, and a license with the United States Department of Agriculture (USDA) under the
40.12 United States Warehouse Act, a seller may only file a claim with the grain indemnity account
40.13 if the seller sold grain as a cash sale or under a voluntary extension of credit contract. The
40.14 commissioner must deny any claims for stored grain from a seller that holds both a Minnesota
40.15 grain buyer license and a license with the USDA under the United States Warehouse Act.

40.16 (e) If valid claims exceed the amount of money available in the grain indemnity account,
40.17 the commissioner must pay claims to producers in the order that the claims were received.
40.18 When additional money becomes available, the commissioner must resume issuing grain
40.19 indemnity payments to each eligible producer until each producer receives the maximum
40.20 amount payable under paragraph (a).

40.21 (f) If the grain indemnity account balance is insufficient to pay refunds under section
40.22 223.26 and valid claims exist, once money is deposited into the grain indemnity account,
40.23 the commissioner must issue pending refunds for grain indemnity premium payments before
40.24 issuing payments to claimants.

40.25 Subd. 6. **Court order.** (a) The commissioner may apply to a district court for an order
40.26 appointing a trustee or receiver to manage and supervise the operations of a grain buyer or
40.27 public grain warehouse operator in default. The commissioner may participate in any
40.28 resulting court proceeding as an interested party.

40.29 (b) The commissioner may recover the cost of the appointed trustee using money
40.30 appropriated under subdivision 2.

40.31 Subd. 7. **Debt obligation; subrogated claim.** (a) Money paid by the commissioner to
40.32 satisfy a valid claim constitutes a debt obligation of the grain buyer or public grain warehouse
40.33 operator in default. The commissioner may take action against the grain buyer or public

41.1 grain warehouse operator to recover the amount of any claim payment plus reasonable costs,
41.2 attorney fees, and interest computed at the rate provided in section 270C.40. The
41.3 commissioner must deposit any amount recovered under this subdivision in the grain
41.4 indemnity account.

41.5 (b) As a condition of payment from the commissioner, a producer must subrogate the
41.6 producer's interest in a voluntary extension of credit contract to the commissioner in an
41.7 amount equal to any claim payment or payments that the producer received under this
41.8 section.

41.9 (c) The commissioner may recover any debt to the grain indemnity account from a
41.10 member of the board or management who acted negligently or fraudulently.

41.11 **Sec. 12. [223.25] GRAIN INDEMNITY PREMIUMS.**

41.12 Subdivision 1. **Charges.** (a) Except as provided in subdivision 3, producers of grain
41.13 must be charged a grain indemnity premium as determined and published by the
41.14 commissioner not to exceed 0.2 percent of the price on all marketed grain that is sold to a
41.15 grain buyer as defined in chapter 223.

41.16 (b) The grain indemnity premiums required under this section are in addition to any
41.17 other fees or assessments required by law.

41.18 Subd. 2. **Collection and submission of grain indemnity premiums.** (a) Each producer
41.19 must pay to the commissioner a grain indemnity premium of not more than 0.2 percent of
41.20 the net proceeds from all grain sold by the producer to a grain buyer purchasing grain in
41.21 Minnesota. When a producer sells grain to a grain buyer, the grain buyer must deduct the
41.22 grain indemnity premium from the proceeds of the sale and pay the grain indemnity premium
41.23 to the commissioner on behalf of the producer.

41.24 (b) When purchasing grain from a producer, a grain buyer must deduct the grain
41.25 indemnity premium described in paragraph (a) from the proceeds of the sale and notify the
41.26 producer of the amount of the deduction in writing. The grain buyer must forward the grain
41.27 indemnity premium to the commissioner for a deposit into the grain indemnity account on
41.28 behalf of the producer as described in this subdivision.

41.29 (c) A grain buyer must clearly indicate the grain indemnity premiums collected under
41.30 paragraph (b) in the grain buyer's books and records. A grain buyer must retain books and
41.31 records containing the grain indemnity premiums for at least three years. A grain buyer
41.32 must make the grain buyer's books and records available for inspection by the commissioner
41.33 during regular business hours. The department must take steps reasonably necessary to

42.1 verify the accuracy of the grain indemnity premiums as recorded in the grain buyer's books
42.2 and records. Any record or portion thereof seized or copied by the commissioner is private
42.3 or nonpublic data as provided in section 13.02, except that the commissioner may disclose
42.4 this data to aid in the law enforcement process.

42.5 (d) A grain buyer must submit grain indemnity premiums collected under paragraph (a)
42.6 to the commissioner for the purpose of financing or contributing to the financing of the
42.7 grain indemnity account by:

42.8 (1) January 31 for grain indemnity premiums collected during the months of July, August,
42.9 September, October, November, and December; and

42.10 (2) July 31 for grain indemnity premiums collected during the months of January,
42.11 February, March, April, May, and June.

42.12 Subd. 3. **Amount in grain indemnity account; basis for suspension and reinstatement**
42.13 **of grain indemnity premium collection.** (a) The grain indemnity premiums required under
42.14 this section must be collected until the grain indemnity account contains more than
42.15 \$15,000,000, as of June 30 of any given year.

42.16 (b) Except as provided in paragraph (c), after the grain indemnity account reaches
42.17 \$15,000,000, the commissioner may not require the collection of additional grain indemnity
42.18 premiums until the amount in the grain indemnity account drops below \$9,000,000. In a
42.19 year when the commissioner determines that the grain indemnity account is at or below
42.20 \$9,000,000, the commissioner may reinstate the collection described in this section.

42.21 (c) The commissioner shall announce the intention to collect the premiums described
42.22 in this section by May 1 with collection to begin July 1 until the grain indemnity account
42.23 contains at least \$15,000,000. The commissioner must notify the public of the commissioner's
42.24 intent to reinstate collection of additional grain indemnity premiums through publication
42.25 in the State Register and by notifying each licensee of the licensee's obligation to collect
42.26 premiums.

42.27 Sec. 13. **[223.26] GRAIN INDEMNITY OPT OUT.**

42.28 (a) A producer that has paid a grain indemnity premium under section 223.25 may receive
42.29 a refund of that premium from the grain indemnity account by submitting a written demand
42.30 for a refund to the commissioner, delivered personally or by first-class mail within 12 months
42.31 after the producer paid the grain indemnity premium.

42.32 (b) The commissioner must prepare a poster and a distributable flyer explaining how a
42.33 producer can opt out of the grain indemnity program, and must post these documents on

43.1 the Department of Agriculture website. The commissioner must provide printed copies of
43.2 the poster and flyer at no cost to all licensed grain buyers and warehouses. Upon receiving
43.3 printed copies of posters and flyers, the licensed businesses must post the poster in a
43.4 conspicuous location, and must make the flyers available for anyone visiting the licensed
43.5 business.

43.6 (c) A producer must submit a demand for a refund of a grain indemnity premium under
43.7 paragraph (a) on a demand for refund form developed by the commissioner. The
43.8 commissioner must make the form available to a licensee, producer, or member of the public
43.9 upon request.

43.10 (d) If a producer is entitled to a refund of a grain indemnity premium under this section,
43.11 the commissioner must pay the refund within 90 days of receiving the demand for a refund.
43.12 If the grain indemnity account balance is insufficient to pay refunds under this subdivision
43.13 and valid claims exist, the commissioner must issue refunds for grain indemnity premium
43.14 payments before issuing payments to claimants once money is deposited into the grain
43.15 indemnity account.

43.16 (e) If the commissioner announces grain indemnity premiums as required under section
43.17 223.25, subdivision 3 by June 30, the commissioner must send a notice to each producer
43.18 who requested a refund of a grain indemnity premium during the previous three fiscal years.
43.19 The notice must inform the producer of the deadline for and method of submitting a demand
43.20 for a refund to the commissioner under paragraphs (a) and (c) and the method for reentering
43.21 the grain indemnity program under paragraph (f).

43.22 (f) A producer that receives a refund of a grain indemnity premium under paragraph (a)
43.23 is not entitled to participate in the grain indemnity program or to receive any payment under
43.24 this section unless the producer reenters the grain indemnity program by meeting all of the
43.25 following conditions:

43.26 (1) the producer must submit a request for reentry into the grain indemnity program to
43.27 the commissioner. The producer must submit the request on the form required by the
43.28 commissioner and must deliver the request to the commissioner;

43.29 (2) the producer's request is approved by the commissioner; and

43.30 (3) the producer must pay into the grain indemnity account all grain indemnity premiums
43.31 that were refunded to the producer and interest on the refunds as determined by the
43.32 commissioner.

44.1 (g) A producer that reenters the grain indemnity program under paragraph (f) is eligible
44.2 to be reimbursed for claims under the grain indemnity program for any breach of contract
44.3 that occurs at least 90 days after application for reentry and all required payments have been
44.4 made.

44.5 (h) A producer is not eligible for a refund of a grain indemnity premium under this
44.6 section if the producer has received payment from the grain indemnity account for a valid
44.7 claim within the preceding 36 months.

44.8 **Sec. 14. [223.27] PENALTIES; ENFORCEMENT ACTION; COSTS AND**
44.9 **EXPENSES.**

44.10 (a) In addition to any other penalty or remedy provided by law, a person who knowingly
44.11 or intentionally commits any of the following is subject to civil penalties under section
44.12 18J.10:

44.13 (1) refusing or failing to collect any grain indemnity premiums as required under section
44.14 223.25;

44.15 (2) refusing or failing to pay to the commissioner any grain indemnity premiums collected
44.16 under section 223.25;

44.17 (3) making a false statement, representation, or certification, or knowingly failing to
44.18 make a required statement, representation, or certification in a record, report, or other
44.19 document required under this chapter or filed with the commissioner; or

44.20 (4) resisting, preventing, impeding, or interfering with the commissioner in the
44.21 performance of the commissioner's duties under this chapter.

44.22 (b) In addition to the civil penalty described in paragraph (a), the commissioner in an
44.23 enforcement action for a violation described in paragraph (a), clause (1) or (2), must order
44.24 the grain buyer to pay into the grain indemnity account any grain indemnity premiums
44.25 collected by the grain buyer that the grain buyer owes to the grain indemnity account and
44.26 may order the grain buyer to pay interest on the amount that the grain buyer owes to the
44.27 grain indemnity account.

44.28 **Sec. 15. [223.28] GRAIN BONDS; NEW LICENSE HOLDERS.**

44.29 (a) Except as provided in paragraph (b), before the commissioner issues a grain buyer
44.30 or public grain warehouse operator license, a person who has not been licensed to buy grain
44.31 or operate a public grain warehouse in the previous licensing period must file with the

45.1 commissioner a grain bond in a penal sum of \$100,000. A grain bond must remain in effect
45.2 for the first three years of the license.

45.3 (b) A grain buyer who purchases grain immediately upon delivery solely with cash; a
45.4 certified check; a cashier's check; or a postal, bank, or express money order is exempt from
45.5 this subdivision if the grain buyer's gross annual purchases are \$1,000,000 or less.

45.6 (c) The commissioner may require a supplemental bond in an amount prescribed by the
45.7 commissioner based on the financial statements required in section 223.17, subdivision 6.

45.8 (d) A grain bond must be on a form provided by the commissioner.

45.9 (e) A grain bond required under paragraphs (a) and (c) must provide for the payment of
45.10 any loss caused by the grain buyer's failure to pay upon the owner's demand, including loss
45.11 caused by the grain buyer's failure to pay within the time required. The grain bond must be
45.12 conditioned upon the grain buyer being duly licensed.

45.13 (f) A grain bond required under paragraphs (a) and (c) that is obtained by a public grain
45.14 warehouse operator must be conditioned that the public grain warehouse operator issuing
45.15 a grain warehouse receipt is liable to the depositor for the delivery of the kind, grade, and
45.16 net quantity of grain called for by the receipt. A grain bond must be conditioned upon the
45.17 operator being duly licensed.

45.18 (g) A grain bond must not be cumulative from one licensing period to the next. The
45.19 maximum liability of the grain bond must be the grain bond's face value for the licensing
45.20 period.

45.21 (h) A grain bond must be continuous until canceled. To cancel a grain bond, a surety
45.22 must provide 90 days' written notice of the grain bond's termination date to the licensee and
45.23 the commissioner.

45.24 (i) Upon the commissioner's determination that a claim is valid, the surety for any claims
45.25 against the grain bond must make payments to the grain indemnity account.

45.26 Sec. 16. Minnesota Statutes 2022, section 232.22, subdivision 5, is amended to read:

45.27 **Subd. 5. Statement of grain in storage; reports.** ~~(a) All public grain warehouse operators~~
45.28 ~~must by February 15 of each year file with the commissioner on a form approved by the~~
45.29 ~~commissioner a report showing the annual average liability of all grain outstanding on grain~~
45.30 ~~warehouse receipts, open storage, and grain stored for feed processing that occurred during~~
45.31 ~~the preceding calendar year. This report shall be used for the purpose of establishing the~~
45.32 ~~penal sum of the bond.~~

46.1 ~~(b) Warehouse operators that are at a maximum bond and want to continue at maximum~~
46.2 ~~bond do not need to file this report.~~

46.3 ~~(c) It is a violation of this chapter for any public grain warehouse operator to fail to file~~
46.4 ~~the report required in paragraph (a).~~

46.5 ~~(d)~~ (a) Every public grain warehouse operator shall keep in a place of safety complete
46.6 and accurate records and accounts relating to any grain warehouse operated. The records
46.7 shall reflect each commodity received and shipped daily, the balance remaining in the grain
46.8 warehouse at the close of each business day, a listing of all unissued grain warehouse receipts
46.9 in the operator's possession, a record of all grain warehouse receipts issued which remain
46.10 outstanding and a record of all grain warehouse receipts which have been returned for
46.11 cancellation. Copies of grain warehouse receipts or other documents evidencing ownership
46.12 of grain by a depositor, or other liability of the grain warehouse operator, shall be retained
46.13 as long as the liability exists but must be kept for a minimum of three years.

46.14 ~~(e)~~ (b) Every public grain warehouse operator must maintain in the grain warehouse at
46.15 all times grain of proper grade and sufficient quantity to meet delivery obligations on all
46.16 outstanding grain warehouse receipts.

46.17 Sec. 17. Laws 2022, chapter 95, article 2, section 29, subdivision 6, is amended to read:

46.18 Subd. 6. **Expiration.** This section expires ~~June 30~~ December 31, 2024.

46.19 Sec. 18. **WOLF-LIVESTOCK CONFLICT PREVENTION PROGRAM.**

46.20 (a) The commissioner of agriculture may award grants to livestock producers to prevent
46.21 wolf-livestock conflicts. Livestock producers located in Minnesota are eligible to apply for
46.22 reimbursement for the cost of practices to prevent wolf-livestock conflicts. The commissioner
46.23 may establish a cap on the amount of grant money that a recipient is eligible to receive
46.24 annually.

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

46.28 (c) A grant applicant must document a cost-share of 20 percent for activities covered
46.29 by a grant under this program. A grant applicant's cost-share amount may be reduced up to
46.30 \$2,000 to cover the time and labor costs of wolf-livestock conflict prevention activities.

46.31 (d) Eligible wolf-livestock conflict prevention activities include but are not limited to:

- 47.1 (1) the purchase of guard animals;
- 47.2 (2) payment of veterinary costs for guard animals;
- 47.3 (3) the installation of wolf barriers, which may include pens, fladry, and fencing necessary
- 47.4 to protect livestock;
- 47.5 (4) the installation of wolf-detering lights and alarms; and
- 47.6 (5) the installation of calving or lambing shelters.
- 47.7 (e) Eligible grant recipients must:
- 47.8 (1) make a good faith effort to avoid wolf-livestock conflicts;
- 47.9 (2) make a good faith effort to care for guard animals paid for under this section;
- 47.10 (3) retain proper documentation of expenses;
- 47.11 (4) report annually to the commissioner on the effectiveness of the nonlethal methods
- 47.12 employed; and
- 47.13 (5) allow follow-up evaluations and monitoring by the commissioner.
- 47.14 (f) Grant recipients shall continue to be eligible for depredation payments under
- 47.15 Minnesota Statutes, section 3.737.

47.16 Sec. 19. **REPEALER.**

47.17 Minnesota Statutes 2022, sections 17.055, subdivision 2; 41A.12, subdivision 4; 41A.21;

47.18 223.17, subdivisions 4 and 8; and 232.22, subdivisions 4, 6, 6a, and 7, are repealed.

47.19 Sec. 20. **EFFECTIVE DATE.**

47.20 This article is effective July 1, 2023.

47.21 **ARTICLE 3**

47.22 **BROADBAND**

47.23 Section 1. **BROADBAND DEVELOPMENT APPROPRIATIONS.**

47.24 The sums shown in the columns marked "Appropriations" are appropriated to the agencies

47.25 and for the purposes specified in this article. The appropriations are from the general fund,

47.26 or another named fund, and are available for the fiscal years indicated for each purpose.

47.27 The figures "2024" and "2025" used in this article mean that the appropriations listed under

47.28 them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively.

48.1 "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium"
 48.2 is fiscal years 2024 and 2025.

48.3	<u>APPROPRIATIONS</u>	
48.4	<u>Available for the Year</u>	
48.5	<u>Ending June 30</u>	
48.6	<u>2024</u>	<u>2025</u>
48.7	Sec. 2. <u>DEPARTMENT OF EMPLOYMENT</u>	
48.8	<u>AND ECONOMIC DEVELOPMENT</u>	
	\$	\$
	<u>75,350,000</u>	<u>50,350,000</u>

48.9 (a) \$350,000 each year is for the Office of
 48.10 Broadband Development.

48.11 (b) \$55,000,000 the first year and \$30,000,000
 48.12 the second year are transferred from the
 48.13 general fund to the border-to-border broadband
 48.14 fund account established in Minnesota
 48.15 Statutes, section 116J.396. These transfers are
 48.16 onetime.

48.17 (c) \$20,000,000 the first year and \$20,000,000
 48.18 the second year are appropriated to the
 48.19 commissioner for the lower population density
 48.20 grant program to award grants to provide
 48.21 broadband service to unserved and
 48.22 underserved areas of the state where a 50
 48.23 percent match formula is not adequate to make
 48.24 a business case for the extension of broadband
 48.25 facilities. Grants awarded under this paragraph
 48.26 may fund up to 75 percent of the total cost of
 48.27 a project and must otherwise adhere to
 48.28 Minnesota Statutes, section 116J.395,
 48.29 subdivisions 1 to 6; subdivision 7, paragraph
 48.30 (b); and subdivision 8. These appropriations
 48.31 are onetime.

48.32 Sec. 3. Minnesota Statutes 2022, section 116J.395, subdivision 7, is amended to read:

48.33 Subd. 7. **Limitation.** (a) No grant awarded under this section may fund more than 50
 48.34 percent of the total cost of a project if the project does not also receive federal funding. If

49.1 the project receives federal funding, a grant awarded under this section may fund up to 75
49.2 percent of the total cost.

49.3 (b) Grants awarded to a single project under this section must not exceed \$5,000,000 if
49.4 the project does not also receive federal funding. If the project receives federal funding, a
49.5 grant awarded under this section must not exceed \$10,000,000.

49.6 Sec. 4. **EFFECTIVE DATE.**

49.7 This article is effective July 1, 2023."

49.8 Amend the title accordingly