

1.1 ..... moves to amend H.F. No. 3420, the second engrossment, as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 AGRICULTURE APPROPRIATIONS

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

1.7 Sec. 2. DEPARTMENT OF AGRICULTURE

1.8			<del>59,303,000</del>	<del>59,410,000</del>
1.9	Subdivision 1. Total Appropriation	\$	<u>60,803,000</u>	<u>\$ 65,410,000</u>

1.10	Appropriations by Fund			
1.11		2022	2023	
1.12		<del>58,904,000</del>	<del>59,011,000</del>	
1.13	General	<u>60,404,000</u>	<u>65,011,000</u>	
1.14	Remediation	399,000	399,000	

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

1.18 Subd. 2. Protection Services

1.19	Appropriations by Fund			
1.20		2022	2023	
1.21			<del>19,610,000</del>	
1.22	General	19,384,000	<u>20,110,000</u>	
1.23	Remediation	399,000	399,000	

1.24 (a) \$399,000 the first year and \$399,000 the  
1.25 second year are from the remediation fund for

2.1 administrative funding for the voluntary  
2.2 cleanup program.

2.3 (b) \$175,000 the first year and \$175,000 the  
2.4 second year are for compensation for  
2.5 destroyed or crippled livestock under  
2.6 Minnesota Statutes, section 3.737. The first  
2.7 year appropriation may be spent to compensate  
2.8 for livestock that were destroyed or crippled  
2.9 during fiscal year 2021. If the amount in the  
2.10 first year is insufficient, the amount in the  
2.11 second year is available in the first year. The  
2.12 commissioner may use up to \$5,000 each year  
2.13 to reimburse expenses incurred by university  
2.14 extension educators to provide fair market  
2.15 values of destroyed or crippled livestock. If  
2.16 the commissioner receives federal dollars to  
2.17 pay claims for destroyed or crippled livestock,  
2.18 an equivalent amount of this appropriation  
2.19 may be used to reimburse nonlethal prevention  
2.20 methods performed by federal wildlife services  
2.21 staff.

2.22 (c) \$155,000 the first year and \$155,000 the  
2.23 second year are for compensation for crop  
2.24 damage under Minnesota Statutes, section  
2.25 3.7371. If the amount in the first year is  
2.26 insufficient, the amount in the second year is  
2.27 available in the first year. The commissioner  
2.28 may use up to \$10,000 of the appropriation  
2.29 each year to reimburse expenses incurred by  
2.30 the commissioner or the commissioner's  
2.31 approved agent to investigate and resolve  
2.32 claims, as well as for costs associated with  
2.33 training for approved agents. The  
2.34 commissioner may use up to \$20,000 of the  
2.35 appropriation each year to make grants to

3.1 producers for measures to protect stored crops  
3.2 from elk damage.

3.3 If the commissioner determines that claims  
3.4 made under Minnesota Statutes, section 3.737  
3.5 or 3.7371, are unusually high, amounts  
3.6 appropriated for either program may be  
3.7 transferred to the appropriation for the other  
3.8 program.

3.9 (d) \$225,000 the first year and \$225,000 the  
3.10 second year are for additional funding for the  
3.11 noxious weed and invasive plant program.

3.12 (e) \$50,000 the first year is for additional  
3.13 funding for the industrial hemp program for  
3.14 IT development. This is a onetime  
3.15 appropriation and is available until June 30,  
3.16 2023.

3.17 (f) \$110,000 the first year and \$110,000 the  
3.18 second year are for additional meat and poultry  
3.19 inspection services. The commissioner is  
3.20 encouraged to seek inspection waivers,  
3.21 matching federal dollars, and offer more online  
3.22 inspections for the purposes under this  
3.23 paragraph.

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

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

3.31 (i) \$630,000 is added to the base of fiscal year  
3.32 2024 and each year thereafter for grants to the  
3.33 Board of Regents of the University of  
3.34 Minnesota to fund the Forever Green Initiative

4.1 and protect the state's natural resources while  
 4.2 increasing the efficiency, profitability, and  
 4.3 productivity of Minnesota farmers by  
 4.4 incorporating perennial and winter-annual  
 4.5 crops into existing agricultural practices.  
 4.6 Eligible uses include but are not limited to (1)  
 4.7 equipment and physical infrastructure to  
 4.8 support breeding and agronomic activities  
 4.9 necessary to develop perennial and  
 4.10 winter-annual crops, and (2) to develop  
 4.11 enterprises, supply chains, and markets for  
 4.12 continuous living cover crops and cropping  
 4.13 systems in the early stage of commercial  
 4.14 development, Kernza perennial grain, winter  
 4.15 camelina, hybrid hazelnuts, and elderberry.  
 4.16 (j) \$500,000 the second year is for the soil  
 4.17 health financial assistance pilot program. This  
 4.18 is a onetime appropriation and is available  
 4.19 until June 30, 2024.

4.20	<b>Subd. 3. Agricultural Marketing and</b>		<b>4,205,000</b>
4.21	<b>Development</b>	4,200,000	<u>4,215,000</u>

4.22 (a) \$186,000 the first year and \$186,000 the  
 4.23 second year are for transfer to the Minnesota  
 4.24 grown account and may be used as grants for  
 4.25 Minnesota grown promotion under Minnesota  
 4.26 Statutes, section 17.102. Grants may be made  
 4.27 for one year. Notwithstanding Minnesota  
 4.28 Statutes, section 16A.28, the appropriations  
 4.29 encumbered under contract on or before June  
 4.30 30, 2023, for Minnesota grown grants in this  
 4.31 paragraph are available until June 30, 2025.

4.32 (b) \$50,000 the first year is to expand  
 4.33 international marketing opportunities for  
 4.34 farmers and value-added processors, including  
 4.35 in-market representation in Taiwan. This is a

5.1 onetime appropriation and is available until  
5.2 June 30, 2023.

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

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

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

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

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

6.4 (h) \$10,000 the second year is to provide an  
 6.5 interim report on the Statewide Cooperative  
 6.6 Partnership for Local and Regional Markets,  
 6.7 including recommendations for strengthening  
 6.8 local and regional food systems. No later than  
 6.9 February 1, 2023, the commissioner must  
 6.10 submit the report to the legislative committees  
 6.11 with jurisdiction over agriculture policy and  
 6.12 finance. This is a onetime appropriation.

6.13	Subd. 4. <b>Agriculture, Bioenergy, and Bioproduct</b>		<del>25,357,000</del>
6.14	<b>Advancement</b>	25,343,000	<u>27,257,000</u>

6.15 (a) \$9,300,000 the first year and \$9,300,000  
 6.16 the second year are for transfer to the  
 6.17 agriculture research, education, extension, and  
 6.18 technology transfer account under Minnesota  
 6.19 Statutes, section 41A.14, subdivision 3. Of  
 6.20 these amounts: at least \$600,000 the first year  
 6.21 and \$600,000 the second year are for the  
 6.22 Minnesota Agricultural Experiment Station's  
 6.23 agriculture rapid response fund under  
 6.24 Minnesota Statutes, section 41A.14,  
 6.25 subdivision 1, clause (2); \$2,000,000 the first  
 6.26 year and \$2,000,000 the second year are for  
 6.27 grants to the Minnesota Agriculture Education  
 6.28 Leadership Council to enhance agricultural  
 6.29 education with priority given to Farm Business  
 6.30 Management challenge grants; \$350,000 the  
 6.31 first year and \$350,000 the second year are  
 6.32 for potato breeding; and \$450,000 the first  
 6.33 year and \$450,000 the second year are for the  
 6.34 cultivated wild rice breeding project at the  
 6.35 North Central Research and Outreach Center

7.1 to include a tenure track/research associate  
7.2 plant breeder. The commissioner shall transfer  
7.3 the remaining funds in this appropriation each  
7.4 year to the Board of Regents of the University  
7.5 of Minnesota for purposes of Minnesota  
7.6 Statutes, section 41A.14. Of the amount  
7.7 transferred to the Board of Regents, up to  
7.8 \$1,000,000 each year is for research on avian  
7.9 influenza, salmonella, and other turkey-related  
7.10 diseases. By January 15, 2023, entities  
7.11 receiving grants for potato breeding and wild  
7.12 rice breeding are requested to report to the  
7.13 chairs and ranking minority members of the  
7.14 legislative committees with jurisdiction over  
7.15 agriculture and higher education regarding the  
7.16 use of the grant money and to provide an  
7.17 update on the status of research and related  
7.18 accomplishments.

7.19 To the extent practicable, money expended  
7.20 under Minnesota Statutes, section 41A.14,  
7.21 subdivision 1, clauses (1) and (2), must  
7.22 supplement and not supplant existing sources  
7.23 and levels of funding. The commissioner may  
7.24 use up to one percent of this appropriation for  
7.25 costs incurred to administer the program.

7.26 (b) ~~\$16,028,000~~ the first year and ~~\$16,028,000~~  
7.27 \$17,928,000 the second year are for the  
7.28 agricultural growth, research, and innovation  
7.29 program under Minnesota Statutes, section  
7.30 41A.12. Except as provided below, the  
7.31 commissioner may allocate the appropriation  
7.32 each year among the following areas:  
7.33 facilitating the start-up, modernization,  
7.34 improvement, or expansion of livestock  
7.35 operations including beginning and

8.1 transitioning livestock operations with  
8.2 preference given to robotic dairy-milking  
8.3 equipment; providing funding not to exceed  
8.4 \$800,000 each year to develop and enhance  
8.5 farm-to-school markets for Minnesota farmers  
8.6 by providing more fruits, vegetables, meat,  
8.7 grain, and dairy for Minnesota children in  
8.8 school and child care settings including, at the  
8.9 commissioner's discretion, reimbursing  
8.10 schools for purchases from local farmers;  
8.11 assisting value-added agricultural businesses  
8.12 to begin or expand, to access new markets, or  
8.13 to diversify, including aquaponics systems;  
8.14 providing funding not to exceed \$600,000  
8.15 each year for urban youth agricultural  
8.16 education or urban agriculture community  
8.17 development of which \$10,000 each year is  
8.18 for transfer to the emerging farmer account  
8.19 under Minnesota Statutes, section 17.055,  
8.20 subdivision 1a; providing funding not to  
8.21 exceed \$450,000 each year for the good food  
8.22 access program under Minnesota Statutes,  
8.23 section 17.1017; facilitating the start-up,  
8.24 modernization, or expansion of other  
8.25 beginning and transitioning farms including  
8.26 by providing loans under Minnesota Statutes,  
8.27 section 41B.056; sustainable agriculture  
8.28 on-farm research and demonstration;  
8.29 development or expansion of food hubs and  
8.30 other alternative community-based food  
8.31 distribution systems; enhancing renewable  
8.32 energy infrastructure and use; crop research;  
8.33 Farm Business Management tuition assistance;  
8.34 and good agricultural practices and good  
8.35 handling practices certification assistance. The  
8.36 commissioner may use up to 6.5 percent of

9.1 this appropriation for costs incurred to  
9.2 administer the program.

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

9.6 (1) \$1,000,000 the first year and \$1,000,000  
9.7 the second year are for distribution in equal  
9.8 amounts to each of the state's county fairs to  
9.9 preserve and promote Minnesota agriculture;

9.10 (2) \$4,500,000 the first year and ~~\$4,500,000~~  
9.11 \$5,750,000 the second year are for incentive  
9.12 payments under Minnesota Statutes, sections  
9.13 41A.16, 41A.17, 41A.18, and 41A.20.

9.14 Notwithstanding Minnesota Statutes, section  
9.15 16A.28, the first year appropriation is  
9.16 available until June 30, 2023, and the second  
9.17 year appropriation is available until June 30,  
9.18 2024. If this appropriation exceeds the total  
9.19 amount for which all producers are eligible in  
9.20 a fiscal year, the balance of the appropriation  
9.21 is available for other purposes under this  
9.22 paragraph. The base appropriation under this  
9.23 clause is \$5,750,000 in fiscal year 2024 and  
9.24 thereafter;

9.25 (3) \$3,000,000 the first year and \$3,000,000  
9.26 the second year are for grants that enable retail  
9.27 petroleum dispensers, fuel storage tanks, and  
9.28 other equipment to dispense biofuels to the  
9.29 public in accordance with the biofuel  
9.30 replacement goals established under  
9.31 Minnesota Statutes, section 239.7911. A retail  
9.32 petroleum dispenser selling petroleum for use  
9.33 in spark ignition engines for vehicle model  
9.34 years after 2000 is eligible for grant money  
9.35 under this clause if the retail petroleum

10.1 dispenser has no more than 10 retail petroleum  
10.2 dispensing sites and each site is located in  
10.3 Minnesota. The grant money must be used to  
10.4 replace or upgrade equipment that does not  
10.5 have the ability to be certified for E25. A grant  
10.6 award must not exceed 65 percent of the cost  
10.7 of the appropriate technology. A grant award  
10.8 must not exceed \$200,000 per station. The  
10.9 commissioner must cooperate with biofuel  
10.10 stakeholders in the implementation of the grant  
10.11 program. The commissioner, in cooperation  
10.12 with any economic or community development  
10.13 financial institution and any other entity with  
10.14 which it contracts, must submit a report on the  
10.15 biofuels infrastructure financial assistance  
10.16 program by January 15 of each year to the  
10.17 chairs and ranking minority members of the  
10.18 legislative committees and divisions with  
10.19 jurisdiction over agriculture policy and  
10.20 finance. The annual report must include but  
10.21 not be limited to a summary of the following  
10.22 metrics: (i) the number and types of projects  
10.23 financed; (ii) the amount of dollars leveraged  
10.24 or matched per project; (iii) the geographic  
10.25 distribution of financed projects; (iv) any  
10.26 market expansion associated with upgraded  
10.27 infrastructure; (v) the demographics of the  
10.28 areas served; (vi) the costs of the program;  
10.29 and (vii) the number of grants to  
10.30 minority-owned or female-owned businesses;  
10.31 (4) \$750,000 the first year and ~~\$750,000~~  
10.32 \$1,400,000 the second year are for grants to  
10.33 facilitate the start-up, modernization, or  
10.34 expansion of meat, poultry, egg, and milk  
10.35 processing facilities. A grant award under this  
10.36 clause must not exceed \$200,000. Any

11.1 unencumbered balance at the end of the second  
11.2 year does not cancel until June 30, 2024, and  
11.3 may be used for other purposes under this  
11.4 paragraph. ~~The appropriations under this~~  
11.5 ~~clause are onetime~~ The base appropriation  
11.6 under this clause is \$250,000 in fiscal year  
11.7 2024 and thereafter; and

11.8 (5) \$1,400,000 the first year and \$1,400,000  
11.9 the second year are for livestock investment  
11.10 grants under Minnesota Statutes, section  
11.11 17.118. Any unencumbered balance at the end  
11.12 of the second year does not cancel until June  
11.13 30, 2024, and may be used for other purposes  
11.14 under this paragraph. The appropriations under  
11.15 this clause are onetime.

11.16 Notwithstanding Minnesota Statutes, section  
11.17 16A.28, any unencumbered balance does not  
11.18 cancel at the end of the first year and is  
11.19 available for the second year, and  
11.20 appropriations encumbered under contract on  
11.21 or before June 30, 2023, for agricultural  
11.22 growth, research, and innovation grants are  
11.23 available until June 30, 2026.

11.24 The base amount for the agricultural growth,  
11.25 research, and innovation program is  
11.26 ~~\$16,053,000~~ \$17,553,000 in fiscal year 2024  
11.27 and ~~\$16,053,000~~ \$17,553,000 in fiscal year  
11.28 2025, and includes funding for incentive  
11.29 payments under Minnesota Statutes, sections  
11.30 41A.16, 41A.17, 41A.18, and 41A.20.

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

12.1	<b>Subd. 5. Administration and Financial</b>	<del>9,977,000</del>	<del>9,839,000</del>
12.2	<b>Assistance</b>	<u>11,477,000</u>	<u>13,429,000</u>
12.3	(a) \$474,000 the first year and \$474,000 the		
12.4	second year are for payments to county and		
12.5	district agricultural societies and associations		
12.6	under Minnesota Statutes, section 38.02,		
12.7	subdivision 1. Aid payments to county and		
12.8	district agricultural societies and associations		
12.9	shall be disbursed no later than July 15 of each		
12.10	year. These payments are the amount of aid		
12.11	from the state for an annual fair held in the		
12.12	previous calendar year.		
12.13	(b) \$387,000 the first year and \$337,000 the		
12.14	second year are for farm advocate services.		
12.15	Of these amounts, \$100,000 the first year and		
12.16	\$50,000 the second year are for a pilot		
12.17	program creating farmland access teams to		
12.18	provide technical assistance to potential		
12.19	beginning farmers. The farmland access teams		
12.20	must assist existing farmers and beginning		
12.21	farmers on transitioning farm ownership and		
12.22	operation. Services provided by teams may		
12.23	include but are not limited to providing		
12.24	mediation assistance, designing contracts,		
12.25	financial planning, tax preparation, estate		
12.26	planning, and housing assistance. Of this		
12.27	amount for farm transitions, up to \$50,000 the		
12.28	first year may be used to upgrade the		
12.29	Minnesota FarmLink web application that		
12.30	connects farmers looking for land with farmers		
12.31	looking to transition their land.		
12.32	(c) \$47,000 the first year and \$47,000 the		
12.33	second year are for grants to the Northern		
12.34	Crops Institute that may be used to purchase		
12.35	equipment. These are onetime appropriations.		

- 13.1 (d) \$238,000 the first year and ~~\$238,000~~  
13.2 \$260,000 the second year are for ~~transfer to~~  
13.3 ~~the Board of Trustees of the Minnesota State~~  
13.4 ~~Colleges and Universities for statewide mental~~  
13.5 ~~health counseling support to farm families and~~  
13.6 ~~business operators through the Minnesota State~~  
13.7 ~~Agricultural Centers of Excellence. South~~  
13.8 ~~Central College and Central Lakes College~~  
13.9 ~~shall serve as the fiscal agents. a pass-through~~  
13.10 grant to Region Five Development  
13.11 Commission to provide, in collaboration with  
13.12 Farm Business Management, statewide mental  
13.13 health counseling support to Minnesota farm  
13.14 operators, families, and employees, and  
13.15 individuals who work with Minnesota farmers  
13.16 in a professional capacity. Region Five  
13.17 Development Commission may use up to 6.5  
13.18 percent of the grant awarded under this  
13.19 paragraph for administration. The base for this  
13.20 appropriation is \$260,000 in fiscal year 2024  
13.21 and later.
- 13.22 (e) \$1,700,000 the first year and \$1,700,000  
13.23 the second year are for grants to Second  
13.24 Harvest Heartland on behalf of Minnesota's  
13.25 six Feeding America food banks for the  
13.26 following:
- 13.27 (1) to purchase milk for distribution to  
13.28 Minnesota's food shelves and other charitable  
13.29 organizations that are eligible to receive food  
13.30 from the food banks. Milk purchased under  
13.31 the grants must be acquired from Minnesota  
13.32 milk processors and based on low-cost bids.  
13.33 The milk must be allocated to each Feeding  
13.34 America food bank serving Minnesota  
13.35 according to the formula used in the

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

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

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

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

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

15.23 (g) \$1,437,000 the first year and \$1,437,000  
15.24 the second year are for transfer to the  
15.25 agricultural and environmental revolving loan  
15.26 account established under Minnesota Statutes,  
15.27 section 17.117, subdivision 5a, for low-interest  
15.28 loans under Minnesota Statutes, section  
15.29 17.117. The base for appropriations under this  
15.30 paragraph in fiscal year 2024 and thereafter  
15.31 is \$1,425,000. The commissioner must  
15.32 examine how the department could use up to  
15.33 one-third of the amount transferred to the  
15.34 agricultural and environmental revolving loan  
15.35 account under this paragraph to award grants

16.1 to rural landowners to replace septic systems  
16.2 that inadequately protect groundwater. No  
16.3 later than February 1, 2022, the commissioner  
16.4 must report to the legislative committees with  
16.5 jurisdiction over agriculture finance and  
16.6 environment finance on the results of the  
16.7 examination required under this paragraph.  
16.8 The commissioner's report may include other  
16.9 funding sources for septic system replacement  
16.10 that are available to rural landowners.

16.11 (h) \$150,000 the first year and \$150,000 the  
16.12 second year are for grants to the Center for  
16.13 Rural Policy and Development. These are  
16.14 onetime appropriations.

16.15 (i) \$150,000 the first year is to provide grants  
16.16 to Central Lakes College for the purposes of  
16.17 designing, building, and offering credentials  
16.18 in the area of meat cutting and butchery that  
16.19 align with industry needs as advised by local  
16.20 industry advisory councils. Notwithstanding  
16.21 Minnesota Statutes, section 16A.28, any  
16.22 unencumbered balance does not cancel at the  
16.23 end of the first year and is available for the  
16.24 second year. The commissioner may only  
16.25 award a grant under this paragraph if the grant  
16.26 is matched by a like amount from another  
16.27 funding source. The commissioner must seek  
16.28 matching dollars from Minnesota State  
16.29 Colleges and Universities or other entities.  
16.30 The appropriation is onetime and is available  
16.31 until June 30, 2024. Any money remaining on  
16.32 June 30, 2024, must be transferred to the  
16.33 agricultural growth, research, and innovation  
16.34 program under Minnesota Statutes, section  
16.35 41A.12, and is available until June 30, 2025.

17.1 Grants may be used for costs including but  
17.2 not limited to:

17.3 (1) facility renovation to accommodate meat  
17.4 cutting;

17.5 (2) curriculum design and approval from the  
17.6 Higher Learning Commission;

17.7 (3) program operational start-up costs;

17.8 (4) equipment required for a meat cutting  
17.9 program; and

17.10 (5) meat handling start-up costs in regard to  
17.11 meat access and market channel building.

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

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

17.25 (k) \$17,000 the first year and \$17,000 the  
17.26 second year are for grants to the Minnesota  
17.27 State Horticultural Society. These are onetime  
17.28 appropriations.

17.29 (l) \$18,000 the first year and \$18,000 the  
17.30 second year are for grants to the Minnesota  
17.31 Livestock Breeders Association. These are  
17.32 onetime appropriations.

18.1 (m) The commissioner shall continue to  
18.2 increase connections with ethnic minority and  
18.3 immigrant farmers to farming opportunities  
18.4 and farming programs throughout the state.

18.5 (n) \$25,000 the first year and \$25,000 the  
18.6 second year are for grants to the Southern  
18.7 Minnesota Initiative Foundation to promote  
18.8 local foods through an annual event that raises  
18.9 public awareness of local foods and connects  
18.10 local food producers and processors with  
18.11 potential buyers.

18.12 (o) \$75,000 the first year and \$75,000 the  
18.13 second year are for grants to Greater Mankato  
18.14 Growth, Inc., for assistance to  
18.15 agriculture-related businesses to promote jobs,  
18.16 innovation, and synergy development. These  
18.17 are onetime appropriations.

18.18 (p) \$75,000 the first year and \$75,000 the  
18.19 second year are for grants to the Minnesota  
18.20 Turf Seed Council for basic and applied  
18.21 research. The Minnesota Turf Seed Council  
18.22 may subcontract with a qualified third party  
18.23 for some or all of the basic or applied research.  
18.24 No later than January 15, 2023, the Minnesota  
18.25 Turf Seed Council must submit a report  
18.26 outlining the use of the grant money and  
18.27 related accomplishments to the chairs and  
18.28 ranking minority members of the legislative  
18.29 committees with jurisdiction over agriculture.  
18.30 These are onetime appropriations. Any  
18.31 unencumbered balance does not cancel at the  
18.32 end of the first year and is available for the  
18.33 second year.

18.34 (q) \$150,000 the first year and \$150,000 the  
18.35 second year are to establish an emerging

19.1 farmer office and hire a full-time emerging  
19.2 farmer outreach coordinator. The emerging  
19.3 farmer outreach coordinator must engage and  
19.4 support emerging farmers regarding resources  
19.5 and opportunities available throughout the  
19.6 Department of Agriculture and the state. For  
19.7 purposes of this paragraph, "emerging farmer"  
19.8 has the meaning provided in Minnesota  
19.9 Statutes, section 17.055, subdivision 1. Of the  
19.10 amount appropriated each year, \$25,000 is for  
19.11 translation services for farmers and cottage  
19.12 food producers.

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

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

19.18 (1) organizations to provide technical and  
19.19 culturally appropriate services to emerging  
19.20 farmers and related businesses;

19.21 (2) organizations to help emerging farmers  
19.22 pay for up to 65 percent of premium expenses  
19.23 each year up to two years under the federal  
19.24 micro farm insurance program; and

19.25 (3) The Good Acre for the Local Emergency  
19.26 Assistance Farmer Fund (LEAFF) program to  
19.27 compensate emerging farmers for crops  
19.28 donated to hunger relief organizations in  
19.29 Minnesota.

19.30 This is a onetime appropriation and is  
19.31 available until June 30, 2024.

19.32 (t) \$750,000 the second year is to support the  
19.33 IT modernization efforts, including laying the  
19.34 technology foundations needed for improving

20.1 customer interactions with the department for  
20.2 licensing and payments. The base for this  
20.3 appropriation is \$584,000 in fiscal year 2024  
20.4 and \$0 in fiscal year 2025.

20.5 (u) \$1,500,000 the first year is for transfer to  
20.6 the agricultural emergency account established  
20.7 under Minnesota Statutes, section 17.041. This  
20.8 is a onetime transfer. This transfer is in  
20.9 addition to the appropriations made in Laws  
20.10 2022, chapter 47, section 2.

20.11 Notwithstanding Minnesota Statutes, section  
20.12 17.041, the commissioner may use the amount  
20.13 to be transferred for the purposes identified  
20.14 under Laws 2022, chapter 47, section 2,  
20.15 paragraph (b). This paragraph expires on  
20.16 December 31, 2022.

20.17 (v) \$250,000 in the second year is for a grant  
20.18 to the Board of Regents of the University of  
20.19 Minnesota to purchase equipment for the  
20.20 Veterinary Diagnostic Laboratory to test for  
20.21 chronic wasting disease, African swine fever,  
20.22 avian influenza, and other animal diseases.

20.23 The Veterinary Diagnostic Laboratory must  
20.24 report expenditures under this paragraph to  
20.25 the legislative committees with jurisdiction  
20.26 over agriculture finance and higher education  
20.27 with initial reports completed by January 3,  
20.28 2023, and January 3, 2024, and a final report  
20.29 by September 1, 2025. The reports must  
20.30 include a list of equipment purchased,  
20.31 including the cost of each item. The base for  
20.32 this appropriation is \$250,000 in fiscal year  
20.33 2024 and \$0 in fiscal year 2025.

20.34 (w) \$141,000 the second year is for additional  
20.35 funding to administer the beginning farmer

- 21.1 tax credit. The base for this appropriation is  
21.2 \$56,000 in fiscal year 2024 and later.
- 21.3 (x) \$750,000 the second year is for a grant to  
21.4 the Ag Innovation Campus to continue  
21.5 construction of a soybean processing and  
21.6 research facility. This is a onetime  
21.7 appropriation.
- 21.8 The commissioner shall submit a report on the  
21.9 utilization of the grants to the chairs and  
21.10 ranking minority members of the legislative  
21.11 committees and divisions with jurisdiction  
21.12 over agriculture policy and finance by  
21.13 February 1, 2024.
- 21.14 (y) \$50,000 is added to the base for fiscal year  
21.15 2024 and \$0 for fiscal year 2025 to provide  
21.16 technical assistance and leadership in the  
21.17 development of a comprehensive and  
21.18 well-documented state aquaculture plan. The  
21.19 commissioner must provide the state  
21.20 aquaculture plan to the legislative committees  
21.21 with jurisdiction over agriculture finance and  
21.22 policy by February 15, 2025.
- 21.23 (z) \$500,000 the second year is to award and  
21.24 administer down payment assistance grants  
21.25 under Minnesota Statutes, section 17.133. The  
21.26 base for this appropriation is \$750,000 in fiscal  
21.27 year 2024 and thereafter.
- 21.28 (aa) \$350,000 the second year is to provide  
21.29 grants to secondary career and technical  
21.30 education programs for the purpose of offering  
21.31 instruction in meat cutting and butchery. By  
21.32 January 15, 2023, the commissioner must  
21.33 report to the chairs and ranking minority  
21.34 members of the committees with jurisdiction

22.1 over agriculture finance and education finance  
22.2 by listing the grants made under this paragraph  
22.3 by county and noting the number and amount  
22.4 of grant requests not fulfilled. The report may  
22.5 include additional information as determined  
22.6 by the commissioner, including but not limited  
22.7 to information regarding the outcomes  
22.8 produced by these grants. If additional grants  
22.9 are awarded under this paragraph that were  
22.10 not covered in the report due by January 15,  
22.11 2023, the commissioner must submit an  
22.12 additional report to the chairs and ranking  
22.13 minority members of the committees with  
22.14 jurisdiction over agriculture finance and  
22.15 education finance regarding all grants issued  
22.16 under this paragraph by November 1, 2023.  
22.17 This is a onetime appropriation. Grants may  
22.18 be used for costs, including but not limited to:  
22.19 (1) equipment required for a meat cutting  
22.20 program;  
22.21 (2) facility renovation to accommodate meat  
22.22 cutting; and  
22.23 (3) training faculty to teach the fundamentals  
22.24 of meat processing.  
22.25 A grant recipient may be awarded a grant of  
22.26 up to \$70,000 and may use up to ten percent  
22.27 of the grant for faculty training.  
22.28 Priority may be given to applicants who are  
22.29 coordinating with meat cutting and butchery  
22.30 programs at Minnesota State Colleges and  
22.31 Universities system and local industry  
22.32 partners.

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

23.1 Sec. 2. Laws 2021, First Special Session chapter 3, article 1, section 4, is amended to read:

23.2 **Sec. 4. AGRICULTURAL UTILIZATION**  
23.3 **RESEARCH INSTITUTE**

**\$ 4,543,000 \$ 4,043,000**

23.4 (a) \$150,000 the first year and \$150,000 the  
23.5 second year are for a meat scientist.

23.6 (b) \$500,000 the first year is for grants to  
23.7 organizations to acquire, host, and operate a  
23.8 mobile slaughter unit. The mobile unit must  
23.9 coordinate with Minnesota state two-year  
23.10 colleges that have meat cutting programs to  
23.11 accommodate training as it relates to animal  
23.12 slaughter. The mobile unit may coordinate  
23.13 with livestock producers who desire to provide  
23.14 value-added meat products by utilizing the  
23.15 mobile slaughter unit. The mobile unit may  
23.16 be used for research, training outside of the  
23.17 two-year colleges, and other activities that  
23.18 align with industry needs. The Agricultural  
23.19 Utilization Research Institute may only award  
23.20 a grant under this paragraph if the grant  
23.21 amount is matched by a like amount from  
23.22 another funding source. The Agricultural  
23.23 Utilization Research Institute must seek  
23.24 matching dollars from Minnesota State  
23.25 Colleges and Universities or other entities for  
23.26 purposes of this paragraph. The appropriation  
23.27 under this paragraph is onetime and is  
23.28 available until June 30, 2024. Any money  
23.29 remaining on June 30, 2024, must be  
23.30 transferred to the commissioner of agriculture  
23.31 for the agricultural growth, research, and  
23.32 innovation program under Minnesota Statutes,  
23.33 section 41A.12, and is available until June 30,  
23.34 2025. By January 15, 2023, the institute must  
23.35 report to the chairs and ranking minority

24.1 members of the legislative committees with  
 24.2 jurisdiction over agriculture regarding the  
 24.3 status of the project, including the status of  
 24.4 the use of any state or matching dollars to  
 24.5 complete the project.

24.6 (c) \$300,000 is added to the base in fiscal year  
 24.7 2024 and \$0 in fiscal year 2025 for equipment  
 24.8 upgrades, equipment replacement, installation  
 24.9 expenses, and laboratory infrastructure at the  
 24.10 Agricultural Utilization Research Institute's  
 24.11 laboratories in Crookston, Marshall, and  
 24.12 Waseca.

24.13 (d) \$200,000 is added to the base for fiscal  
 24.14 year 2024 and thereafter to maintain the  
 24.15 current level of service delivery.

## 24.16 ARTICLE 2

### 24.17 AGRICULTURE POLICY

24.18 Section 1. Minnesota Statutes 2020, section 17.041, subdivision 1, is amended to read:

24.19 Subdivision 1. **Establishment; appropriation.** An agricultural emergency account is  
 24.20 established in the agricultural fund. Money in the account, including interest, is appropriated  
 24.21 to the commissioner for emergency preparedness and response activities for agricultural  
 24.22 emergencies affecting producers of livestock, poultry, crops, or other agricultural products.  
 24.23 Eligible emergency response uses include agency costs directly attributed to responding to  
 24.24 agricultural emergencies and purchasing necessary equipment and reimbursing costs incurred  
 24.25 by local units of government that are not eligible for reimbursement from other sources.  
 24.26 Eligible emergency preparedness uses are limited to training and the procurement of  
 24.27 equipment and supplies.

24.28 Sec. 2. [17.1016] COOPERATIVE GRANTS.

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

24.30 (1) "agricultural commodity" and "agricultural product processing facility" have the  
 24.31 meanings given in section 17.101, subdivision 5; and

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

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

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

25.8 (1) be a cooperative organized under chapter 308A;

25.9 (2) certify that all control and equity in the cooperative is from farmers, family farm  
25.10 partnerships, family farm limited liability companies, or family farm corporations as defined  
25.11 in section 500.24, subdivision 2, who are actively engaged in agricultural commodity  
25.12 production;

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

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

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

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

25.24 Sec. 3. Minnesota Statutes 2020, section 17.117, subdivision 9, is amended to read:

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

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

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

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

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

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

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

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

26.19 (4) shall certify as eligible only projects that are within its geographic jurisdiction or  
 26.20 within the geographic area identified in its local comprehensive water management plans  
 26.21 or other local planning documents;

26.22 (5) may require withholding by the local lender of all or a portion of the loan to the  
 26.23 borrower until satisfactory completion of all required components of a certified project;

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

26.27 ~~(7)~~ (6) shall report to the commissioner annually the past and intended uses of allocations  
 26.28 awarded; and

26.29 ~~(8)~~ (7) may request additional funds in excess of their allocation when funds are available  
 26.30 in the agricultural and environmental revolving accounts, as long as all other allocation  
 26.31 awards to the local government unit have been used or committed.

27.1 (b) If a local government unit withdraws from participation in this program, the local  
27.2 government unit, or the commissioner in accordance with the priorities established under  
27.3 subdivision 6a, may designate another local government unit that is eligible under subdivision  
27.4 6 as the new local government unit responsible for local administration of this program.  
27.5 This designated local government unit may accept responsibility and administration of  
27.6 allocations awarded to the former responsible local government unit.

27.7 Sec. 5. Minnesota Statutes 2020, section 17.117, subdivision 10, is amended to read:

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

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

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

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

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

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

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

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

27.30 ~~(i)~~ (h) The local lender is responsible for collecting repayments from borrowers. If a  
27.31 borrower defaults on a loan issued by the local lender, it is the responsibility of the local  
27.32 lender to obtain repayment from the borrower. Default on the part of borrowers shall have

28.1 no effect on the local lender's responsibility to repay its obligations to the commissioner  
28.2 whether or not the local lender fully recovers defaulted amounts from borrowers.

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

28.6 Sec. 6. Minnesota Statutes 2020, section 17.117, subdivision 11, is amended to read:

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

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

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

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

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

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

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

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

28.21 (2) be in accordance with published fee schedules issued by the local lender;

28.22 (3) not be based on participation program; and

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

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

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

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

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

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

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

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

29.11 (3) otherwise meets the requirements of this section.

29.12 Sec. 8. Minnesota Statutes 2020, section 17.118, subdivision 1, is amended to read:

29.13 Subdivision 1. **Establishment.** The commissioner may award a livestock investment  
 29.14 grant to a person who raises livestock in this state equal to ten percent of the first \$500,000  
 29.15 of qualifying expenditures, provided the person makes qualifying expenditures of at least  
 29.16 \$4,000. The commissioner may award multiple livestock investment grants to a person over  
 29.17 the life of the program ~~as long as the cumulative amount does not exceed \$50,000~~ and shall  
 29.18 give preference to applicants who have not previously received a grant under this section.

29.19 Sec. 9. Minnesota Statutes 2020, section 17.118, subdivision 3, is amended to read:

29.20 Subd. 3. **Eligibility.** ~~(a)~~ To be eligible for a livestock investment grant, a person must:

29.21 (1) be a resident of Minnesota or an entity specifically defined in section 500.24,  
 29.22 subdivision 2, that is eligible to own farmland and operate a farm in this state under section  
 29.23 500.24;

29.24 (2) be the principal operator of the farm;

29.25 (3) hold a feedlot registration, if required; and

29.26 (4) apply to the commissioner on forms prescribed by the commissioner including a  
 29.27 statement of the qualifying expenditures made during the qualifying period along with any  
 29.28 proof or other documentation the commissioner may require.

29.29 ~~(b) The \$50,000 maximum grant applies at the entity level for partnerships, S~~  
 29.30 ~~corporations, C corporations, trusts, and estates as well as at the individual level. In the case~~  
 29.31 ~~of married individuals, the grant is limited to \$50,000 for a married couple.~~

30.1 Sec. 10. [17.133] FARM DOWN PAYMENT ASSISTANCE GRANTS.

30.2 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have  
30.3 the meanings given.

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

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

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

30.8 (3) has not, and whose spouse has not, at any time had a direct or indirect ownership  
30.9 interest in farmland.

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

30.12 Subd. 2. Grants. The commissioner must award farm down payment assistance grants  
30.13 of up to \$15,000 per eligible farmer. An eligible farmer must match the grant with at least  
30.14 an equivalent amount of other funding. An eligible farmer must commit to own and farm  
30.15 the land purchased with assistance provided under this section for at least five years. For  
30.16 each year that a grant recipient does not own and farm the land during the five-year period,  
30.17 the grant recipient must pay a penalty to the commissioner equal to 20 percent of the grant  
30.18 amount.

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

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

30.27 (2) the number and amount of grants;

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

30.29 (4) the number of grant recipients who are emerging farmers;

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

31.1 (6) the number and amount of grant applications that exceeded the allocation available  
31.2 in each year.

31.3 Sec. 11. Minnesota Statutes 2020, section 18B.051, is amended to read:

31.4 **18B.051 POLLINATOR ~~HABITAT AND RESEARCH ACCOUNT.~~**

31.5 Subdivision 1. **Account established.** A pollinator ~~habitat and~~ research account is  
31.6 established in the agricultural fund. Money in the account, including interest, is appropriated  
31.7 to the Board of Regents of the University of Minnesota for pollinator research and outreach  
31.8 including, but not limited to, science-based best practices and the identification and  
31.9 establishment of habitat beneficial to pollinators.

31.10 Subd. 2. **Expiration.** This section expires July 1, ~~2022~~ 2025.

31.11 Sec. 12. Minnesota Statutes 2020, section 18E.03, subdivision 3, is amended to read:

31.12 Subd. 3. **Determination of response and reimbursement fee.** (a) The commissioner  
31.13 shall determine the amount of the response and reimbursement fee under subdivision 4 after  
31.14 a public hearing based on:

31.15 (1) the amount needed to maintain an unencumbered balance in the account of ~~\$1,000,000~~  
31.16 \$2,000,000;

31.17 (2) the amount estimated to be needed for responses to incidents as provided in  
31.18 subdivision 2, clauses (1) and (2); and

31.19 (3) the amount needed for payment and reimbursement under section 18E.04.

31.20 (b) The commissioner shall determine the response and reimbursement fee so that the  
31.21 total balance in the account does not exceed ~~\$5,000,000~~ \$6,500,000.

31.22 (c) Money from the response and reimbursement fee shall be deposited in the treasury  
31.23 and credited to the agricultural chemical response and reimbursement account.

31.24 **EFFECTIVE DATE.** This section is effective January 1, 2023.

31.25 Sec. 13. Minnesota Statutes 2020, section 18E.04, subdivision 3, is amended to read:

31.26 Subd. 3. **Partial reimbursement.** (a) If the unencumbered balance of the account drops  
31.27 below ~~\$2,000,000~~ \$3,000,000, the board may only pay or reimburse an eligible person up  
31.28 to \$100,000 within the same fiscal year.

31.29 (b) If the board determines that an incident was caused by a violation of chapter 18B,  
31.30 18C, or 18D, the board may reimburse or pay a portion of the corrective action costs of the

32.1 eligible person based on the culpability of the eligible person and the percentage of the costs  
32.2 not attributable to the violation.

32.3 **EFFECTIVE DATE.** This section is effective January 1, 2023.

32.4 Sec. 14. Minnesota Statutes 2020, section 18E.04, subdivision 4, is amended to read:

32.5 Subd. 4. **Reimbursement payments.** (a) The board shall pay a person that is eligible  
32.6 for reimbursement or payment under subdivisions 1, 2, and 3 from the agricultural chemical  
32.7 response and reimbursement account for 80 percent of the total reasonable and necessary  
32.8 corrective action costs greater than \$1,000 and less than or equal to ~~\$350,000~~ \$550,000.

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

32.11 (c) The board may make periodic payments or reimbursements as corrective action costs  
32.12 are incurred upon receipt of invoices for the corrective action costs.

32.13 (d) Money in the agricultural chemical response and reimbursement account is  
32.14 appropriated to the commissioner to make payments and reimbursements directed by the  
32.15 board under this subdivision.

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

32.18 (1) were not reported at the time of release but were discovered and reported after July  
32.19 1, 1989; and

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

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

32.24 (g) Except for an emergency incident, the board may not reimburse or pay for more than  
32.25 60 percent of the corrective action costs of an eligible person or for an incident within five  
32.26 years of a previous incident at a single site resulting from a site recontamination.

32.27 (h) The deduction of \$1,000 and 20 percent from the ~~\$350,000~~ \$550,000 remuneration  
32.28 may be waived by the board if the incident took place on or after August 18, 2007, and was  
32.29 caused by flooding associated with Presidential Declaration of Major Disaster DR-1717.

32.30 **EFFECTIVE DATE.** This section is effective January 1, 2023.

33.1 Sec. 15. Minnesota Statutes 2020, section 28A.21, subdivision 2, is amended to read:

33.2 Subd. 2. **Membership.** (a) The Food Safety and Defense Task Force consists of:

33.3 (1) the commissioner of agriculture or the commissioner's designee;

33.4 (2) the commissioner of health or the commissioner's designee;

33.5 (3) a representative of the United States Food and Drug Administration;

33.6 (4) a representative of the United States Department of Agriculture;

33.7 (5) a representative of the Agricultural Utilization Research Institute;

33.8 (6) one member of the Minnesota Grocers Association;

33.9 (7) one member from the University of Minnesota knowledgeable in food and food  
33.10 safety issues; and

33.11 (8) ~~nine~~ ten members appointed by the governor who are interested in food and food  
33.12 safety, of whom:

33.13 (i) two persons are health or food professionals;

33.14 (ii) one person represents a statewide general farm organization;

33.15 (iii) one person represents a local food inspection agency;

33.16 (iv) one person represents a food-oriented consumer group; ~~and~~

33.17 (v) one person represents a Minnesota-based manufacturer of microbial detection  
33.18 equipment and remediation products; and

33.19 (vi) one person is knowledgeable in cybersecurity.

33.20 (b) Members shall serve without compensation. Members appointed by the governor  
33.21 shall serve four-year terms.

33.22 Sec. 16. Minnesota Statutes 2020, section 35.05, is amended to read:

33.23 **35.05 AUTHORITY OF STATE BOARD.**

33.24 (a) The state board may quarantine or kill any domestic animal infected with, or which  
33.25 has been exposed to, a contagious or infectious dangerous disease if it is necessary to protect  
33.26 the health of the domestic animals of the state.

33.27 (b) The board may regulate or prohibit the arrival in and departure from the state of  
33.28 infected or exposed animals and, in case of violation of any rule or prohibition, may detain

34.1 any animal at its owner's expense. The board may regulate or prohibit the importation of  
34.2 domestic animals which, in its opinion, may injure the health of Minnesota livestock.

34.3 (c) When the governor declares an emergency under section 35.0661, the board, through  
34.4 its executive director, may assume control of such resources within the University of  
34.5 Minnesota's Veterinary Diagnostic Laboratory as necessary to effectively address the disease  
34.6 outbreak. The director of the laboratory and other laboratory personnel must cooperate fully  
34.7 in performing necessary functions related to the outbreak or threatened outbreak.

34.8 (d) The board may test or require tests of any bovine or cervidae in the state when the  
34.9 board deems it necessary to achieve or maintain bovine tuberculosis accredited free state  
34.10 or zone status under the regulations and laws administered by the United States Department  
34.11 of Agriculture.

34.12 (e) Notwithstanding section 3.3005, subdivision 2, the board may apply for, receive,  
34.13 and disburse federal money made available to the state for animal disease response. All  
34.14 federal money received by the board for this purpose must be deposited in the state treasury  
34.15 and, except as provided in section 35.156, subdivision 2, is appropriated to the board for  
34.16 the purposes for which it was received. By January 15 each year, the board must report to  
34.17 the senate Committee on Finance, the house of representatives Committee on Ways and  
34.18 Means, and the legislative committees with jurisdiction over the board's operating budget  
34.19 regarding the amount of federal money received and spent in the previous fiscal year under  
34.20 this paragraph and the board's use of these funds.

34.21 Sec. 17. Minnesota Statutes 2020, section 40A.18, subdivision 2, is amended to read:

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

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

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

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

34.31 (4) wireless communication installments and related equipment and structure capable  
34.32 of providing technology potentially beneficial to farming activities. A property owner who

35.1 installs wireless communication equipment does not violate a covenant made prior to January  
35.2 1, 2018, under section 40A.10, subdivision 1; and

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

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

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

35.7 Sec. 18. Minnesota Statutes 2020, section 41A.16, subdivision 1, is amended to read:

35.8 Subdivision 1. **Eligibility for participants on or before April 1, 2023.** (a) A facility  
35.9 eligible for payment under this section must source from Minnesota at least 80 percent of  
35.10 the biomass used to produce an advanced biofuel, except that, if a facility is sited 50 miles  
35.11 or less from the state border, biomass used to produce an advanced biofuel may be sourced  
35.12 from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from  
35.13 within a 100-mile radius of the facility or from within Minnesota. The facility must be  
35.14 located in Minnesota, must begin production at a specific location ~~by June 30, 2025~~ on or  
35.15 before April 1, 2023, and must not begin operating above 23,750 MMbtu of quarterly  
35.16 advanced biofuel production before July 1, 2015. Eligible facilities include existing  
35.17 companies and facilities that are adding advanced biofuel production capacity, or retrofitting  
35.18 existing capacity, as well as new companies and facilities. Production of conventional corn  
35.19 ethanol and conventional biodiesel is not eligible. Eligible advanced biofuel facilities must  
35.20 produce at least 1,500 MMbtu of advanced biofuel quarterly.

35.21 (b) No payments shall be made for advanced biofuel production that occurs after June  
35.22 30, 2035, for those eligible biofuel producers under paragraph (a).

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

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

35.27 (e) Renewable chemical production for which payment has been received under section  
35.28 41A.17, and biomass thermal production for which payment has been received under section  
35.29 41A.18, are not eligible for payment under this section.

35.30 (f) Biobutanol is eligible under this section.

36.1 Sec. 19. Minnesota Statutes 2020, section 41A.16, is amended by adding a subdivision to  
36.2 read:

36.3 Subd. 7. **Eligibility for participants after April 1, 2023.** (a) A facility eligible for  
36.4 payment under this section must source at least 80 percent raw materials from Minnesota.  
36.5 If a facility is sited 50 miles or less from the state border, raw materials may be sourced  
36.6 from within a 100-mile radius. Raw materials must be from agricultural or forestry sources  
36.7 or from solid waste. The facility must be located in Minnesota, must begin production at a  
36.8 specific location after April 1, 2023, and before June 30, 2025, and must not begin operating  
36.9 above 23,750 MMbtu of quarterly biofuel production before July 1, 2015. Eligible facilities  
36.10 include existing companies and facilities that are adding advanced biofuel production  
36.11 capacity, or retrofitting existing capacity, as well as new companies and facilities. Production  
36.12 of conventional corn ethanol and conventional biodiesel is not eligible. Eligible advanced  
36.13 biofuel facilities must produce at least 23,750 MMbtu of biofuel quarterly.

36.14 (b) No payments shall be made for advanced biofuel production that occurs after June  
36.15 30, 2035, for those eligible biofuel producers under paragraph (a).

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

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

36.20 (e) Renewable chemical production for which payment has been received under section  
36.21 41A.17, and biomass thermal production for which payment has been received under section  
36.22 41A.18, are not eligible for payment under this section.

36.23 (f) Biobutanol is eligible under this section.

36.24 Sec. 20. Minnesota Statutes 2020, section 41A.17, subdivision 1, is amended to read:

36.25 Subdivision 1. **Eligibility for participants on or before April 1, 2023.** (a) A facility  
36.26 eligible for payment under this section must source from Minnesota at least 80 percent of  
36.27 the biomass used to produce a renewable chemical, except that, if a facility is sited 50 miles  
36.28 or less from the state border, biomass used to produce a renewable chemical may be sourced  
36.29 from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from  
36.30 within a 100-mile radius of the facility or from within Minnesota. The facility must be  
36.31 located in Minnesota, must begin production at a specific location ~~by June 30, 2025~~ on or  
36.32 before April 1, 2023, and must not begin production of 250,000 pounds of chemicals quarterly  
36.33 before January 1, 2015. Eligible facilities include existing companies and facilities that are

37.1 adding production capacity, or retrofitting existing capacity, as well as new companies and  
37.2 facilities. Eligible renewable chemical facilities must produce at least 250,000 pounds of  
37.3 renewable chemicals quarterly. Renewable chemicals produced through processes that are  
37.4 fully commercial before January 1, 2000, are not eligible.

37.5 (b) No payments shall be made for renewable chemical production that occurs after June  
37.6 30, 2035, for those eligible renewable chemical producers under paragraph (a).

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

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

37.11 (e) Advanced biofuel production for which payment has been received under section  
37.12 41A.16, and biomass thermal production for which payment has been received under section  
37.13 41A.18, are not eligible for payment under this section.

37.14 Sec. 21. Minnesota Statutes 2020, section 41A.17, is amended by adding a subdivision to  
37.15 read:

37.16 Subd. 6. Eligibility for participants after April 1, 2023. (a) A facility eligible for  
37.17 payment under this program must source at least 80 percent biobased content from Minnesota.  
37.18 For the purposes of this subdivision, "biobased content" means a chemical, polymer,  
37.19 monomer, or plastic that is not sold primarily for use as food, feed, or fuel and that has a  
37.20 biobased percentage of at least 51 percent as determined by testing representative samples  
37.21 using American Society for Testing and Materials specification D6866. If a facility is sited  
37.22 50 miles or less from the state border, biobased content must be sourced from within a  
37.23 100-mile radius. Biobased content must be from agricultural or forestry sources or from  
37.24 solid waste. The facility must be located in Minnesota, must begin production at a specific  
37.25 location after April 1, 2023, and before June 30, 2025, and must not begin production of  
37.26 750,000 pounds or more of chemicals quarterly before January 1, 2015. Eligible facilities  
37.27 include existing companies and facilities that are adding production capacity, or retrofitting  
37.28 existing capacity, as well as new companies and facilities. Eligible renewable chemical  
37.29 facilities must produce at least 750,000 pounds of renewable chemicals quarterly. Renewable  
37.30 chemicals produced through processes that are fully commercial before January 1, 2000,  
37.31 are not eligible.

37.32 (b) No payments shall be made for renewable chemical production that occurs after June  
37.33 30, 2035, for those eligible renewable chemical producers under paragraph (a).

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

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

38.5 (e) Advanced biofuel production for which payment has been received under section  
38.6 41A.16, and biomass thermal production for which payment has been received under section  
38.7 41A.18, are not eligible for payment under this section.

38.8 Sec. 22. Minnesota Statutes 2020, section 41A.18, subdivision 1, is amended to read:

38.9 Subdivision 1. **Eligibility for participants on or before April 1, 2023.** (a) A facility  
38.10 eligible for payment under this section must source from Minnesota at least 80 percent of  
38.11 the biomass used for biomass thermal production, except that, if a facility is sited 50 miles  
38.12 or less from the state border, biomass used for biomass thermal production may be sourced  
38.13 from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from  
38.14 within a 100-mile radius of the facility, or from within Minnesota. Biomass must be from  
38.15 agricultural or forestry sources. The facility must be located in Minnesota, must have begun  
38.16 production at a specific location ~~by June 30, 2025~~ on or before April 1, 2023, and must not  
38.17 begin before July 1, 2015. Eligible facilities include existing companies and facilities that  
38.18 are adding production capacity, or retrofitting existing capacity, as well as new companies  
38.19 and facilities. Eligible biomass thermal production facilities must produce at least 250  
38.20 MMBtu of biomass thermal quarterly.

38.21 (b) No payments shall be made for biomass thermal production that occurs after June  
38.22 30, 2035, for those eligible biomass thermal producers under paragraph (a).

38.23 (c) An eligible producer of biomass thermal production shall not transfer the producer's  
38.24 eligibility for payments under this section to a biomass thermal production facility at a  
38.25 different location.

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

38.28 (e) Biofuel production for which payment has been received under section 41A.16, and  
38.29 renewable chemical production for which payment has been received under section 41A.17,  
38.30 are not eligible for payment under this section.

39.1 Sec. 23. Minnesota Statutes 2020, section 41A.18, is amended by adding a subdivision to  
39.2 read:

39.3 Subd. 6. **Eligibility for participants after April 1, 2023.** (a) A facility eligible for  
39.4 payment under this section must source at least 80 percent raw materials from Minnesota.  
39.5 If a facility is sited 50 miles or less from the state border, raw materials should be sourced  
39.6 from within a 100-mile radius. Raw materials must be from agricultural or forestry sources.  
39.7 The facility must be located in Minnesota, must have begun production at a specific location  
39.8 after April 1, 2023, and before June 30, 2025, and must not begin before July 1, 2015.  
39.9 Eligible facilities include existing companies and facilities that are adding production  
39.10 capacity, or retrofitting existing capacity, as well as new companies and facilities. Eligible  
39.11 biomass thermal production facilities must produce at least 250 MMbtu of biomass thermal  
39.12 quarterly.

39.13 (b) No payments shall be made for biomass thermal production that occurs after June  
39.14 30, 2035, for those eligible biomass thermal producers under paragraph (a).

39.15 (c) An eligible producer of biomass thermal production shall not transfer the producer's  
39.16 eligibility for payments under this section to a biomass thermal production facility at a  
39.17 different location.

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

39.20 (e) Biofuel production for which payment has been received under section 41A.16, and  
39.21 renewable chemical production for which payment has been received under section 41A.17,  
39.22 are not eligible for payment under this section.

39.23 Sec. 24. Minnesota Statutes 2021 Supplement, section 41A.21, subdivision 2, is amended  
39.24 to read:

39.25 Subd. 2. **Eligibility.** (a) A facility eligible for payment under this section must source  
39.26 at least 80 percent of its forest resources raw materials from Minnesota. The facility must  
39.27 be located in Minnesota; must begin construction activities by December 31, ~~2022~~ 2023,  
39.28 for a specific location; must ~~begin production~~ have produced at least one OSB square foot  
39.29 on a 3/8-inch nominal basis at a specific location by June 30, ~~2025~~ 2026; and must not begin  
39.30 operating before January 1, 2022. Eligible facilities must be new OSB construction sites  
39.31 with total capital investment in excess of \$250,000,000. Eligible OSB production facilities  
39.32 must produce at least ~~200,000,000~~ 50,000,000 OSB square feet on a 3/8-inch nominal basis  
39.33 of OSB each ~~year~~ quarter. At least one product produced at the facility should be a

40.1 wood-based wall or roof structural sheathing panel that has an integrated, cellulose-based  
40.2 paper overlay that serves as a water resistive barrier.

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

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

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

40.9 Sec. 25. Minnesota Statutes 2020, section 41B.025, is amended by adding a subdivision  
40.10 to read:

40.11 Subd. 10. **Timely decisions.** When feasible, the authority must make a decision on a  
40.12 completed loan application submitted by a borrower or eligible agricultural lender within  
40.13 ten business days.

40.14 Sec. 26. Minnesota Statutes 2020, section 223.17, subdivision 4, is amended to read:

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

40.18 (1) \$10,000 for grain buyers whose gross annual purchases are \$100,000 or less;

40.19 (2) \$20,000 for grain buyers whose gross annual purchases are more than \$100,000 but  
40.20 not more than \$750,000;

40.21 (3) \$30,000 for grain buyers whose gross annual purchases are more than \$750,000 but  
40.22 not more than \$1,500,000;

40.23 (4) \$40,000 for grain buyers whose gross annual purchases are more than \$1,500,000  
40.24 but not more than \$3,000,000;

40.25 (5) \$50,000 for grain buyers whose gross annual purchases are more than \$3,000,000  
40.26 but not more than \$6,000,000;

40.27 (6) \$70,000 for grain buyers whose gross annual purchases are more than \$6,000,000  
40.28 but not more than \$12,000,000;

40.29 (7) \$125,000 for grain buyers whose gross annual purchases are more than \$12,000,000  
40.30 but not more than \$24,000,000; and

41.1 (8) \$150,000 for grain buyers whose gross annual purchases exceed \$24,000,000.

41.2 (b) The amount of the bond shall be based on the most recent gross annual grain purchase  
41.3 report of the grain buyer.

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

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

41.11 (e) A grain buyer who purchases grain immediately upon delivery solely with cash; a  
41.12 certified check; a cashier's check; or a postal, bank, or express money order is exempt from  
41.13 this subdivision if the grain buyer's gross annual purchases are ~~\$100,000~~ \$1,000,000 or less.

41.14 (f) Bonds must be continuous until canceled. To cancel a bond, a surety must provide  
41.15 90 days' written notice of the bond's termination date to the licensee and the commissioner.

41.16 Sec. 27. Minnesota Statutes 2020, section 223.17, subdivision 6, is amended to read:

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

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

41.22 (i) a balance sheet;

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

41.24 (iii) a statement of retained earnings;

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

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

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

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

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

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

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

42.17 (c) A grain buyer who purchases grain immediately upon delivery solely with cash; a  
42.18 certified check; a cashier's check; or a postal, bank, or express money order is exempt from  
42.19 this subdivision if the grain buyer's gross annual purchases are ~~\$100,000~~ \$1,000,000 or less.

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

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

42.25 Sec. 28. Minnesota Statutes 2020, section 346.155, subdivision 7, is amended to read:

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

42.27 (1) institutions accredited by the American Zoo and Aquarium Association;

42.28 (2) a wildlife sanctuary;

42.29 (3) fur-bearing animals, as defined in section 97A.015, possessed by a game farm that  
42.30 is licensed under section 97A.105, or bears possessed by a game farm that is licensed under  
42.31 section 97A.105;

43.1 (4) the Department of Natural Resources, or a person authorized by permit issued by  
43.2 the commissioner of natural resources pursuant to section 97A.401, subdivision 3;

43.3 (5) a licensed or accredited research or medical institution; ~~or~~

43.4 (6) a United States Department of Agriculture licensed exhibitor of regulated animals  
43.5 while transporting or as part of a circus, carnival, rodeo, or fair; or

43.6 (7) a zoo that: (i) is a United States Department of Agriculture-licensed exhibitor of  
43.7 regulated animals; (ii) houses animals owned by institutions accredited by the American  
43.8 Zoo and Aquarium Association; and (iii) participates in the American Zoo and Aquarium  
43.9 Association Species Survival Plan.

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

43.11 Sec. 29. **SOIL HEALTH FINANCIAL ASSISTANCE PILOT PROGRAM.**

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

43.15 Subd. 2. State healthy soil management plan. The commissioner must develop a  
43.16 healthy soil management plan in consultation with the University of Minnesota, the United  
43.17 States Department of Agriculture Natural Resources Conservation Service, the Board of  
43.18 Water and Soil Resources, the Minnesota Pollution Control Agency, and nongovernmental  
43.19 environmental and agricultural organizations. By December 31, 2023, and December 31,  
43.20 2024, the commissioner must report the plan to the governor and to the chairs and ranking  
43.21 minority members of the house of representatives and senate committees and divisions with  
43.22 jurisdiction over agriculture, the environment, and natural resources. The plan must include  
43.23 all of the following:

43.24 (1) an assessment of the current state of healthy soil management practices statewide;

43.25 (2) a statewide five- and ten-year goal for healthy soil management practice  
43.26 implementation, denominated in acres;

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

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

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

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

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

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

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

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

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

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

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

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

44.18 Subd. 4. **Grant eligibility.** Any owner or lessee of farmland may apply for a grant under  
44.19 this section. Local government units, including cities, towns, counties, soil and water  
44.20 conservation districts, Tribal nations, and joint powers boards, are also eligible for a grant.  
44.21 A local government unit that receives a grant for equipment or technology must make those  
44.22 purchases available for use by the public.

44.23 Subd. 5. **Funding limitations.** Every appropriation for the soil health financial assistance  
44.24 pilot program is subject to the following limitations:

44.25 (1) the commissioner may award no more than ten percent of the appropriation to a  
44.26 single recipient; and

44.27 (2) the commissioner may use no more than five percent of the appropriation to cover  
44.28 the costs of administering the program.

44.29 Subd. 6. **Expiration.** This section expires June 30, 2024.

45.1 Sec. 30. **REPORT REQUIRED; GRAIN ADVISORY GROUP.**

45.2 The commissioner of agriculture may convene members of the Grain Advisory Group  
 45.3 and develop recommendations to improve the grain licensing program, including changes  
 45.4 to protect farmers who sell grain, and report back to the legislative committees with  
 45.5 jurisdiction over agriculture by February 15, 2023. Participating stakeholders must be given  
 45.6 an opportunity to include written testimony to the legislative committees in the  
 45.7 commissioner's report.

45.8 **ARTICLE 3**

45.9 **DISASTER RELIEF**

45.10 Section 1. Minnesota Statutes 2020, section 41B.047, subdivision 3, is amended to read:

45.11 Subd. 3. **Eligibility.** To be eligible for this program, a borrower must:

45.12 (1) meet the requirements of section 41B.03, subdivision 1;

45.13 (2) certify that the damage or loss was (i) sustained within a county that was the subject  
 45.14 of a state or federal disaster declaration; (ii) due to the confirmed presence of a highly  
 45.15 contagious animal disease in Minnesota; (iii) due to an infectious human disease for which  
 45.16 the governor has declared a peacetime emergency; or (iv) due to an emergency as determined  
 45.17 by the authority;

45.18 (3) demonstrate an ability to repay the loan; and

45.19 (4) have received at least ~~50~~ 25 percent of ~~average~~ annual gross income from farming  
 45.20 ~~for in~~ the past ~~three years~~ year.

45.21 Sec. 2. **DROUGHT RELIEF GRANTS; APPROPRIATION.**

45.22 Subdivision 1. **Appropriation.** \$8,100,000 in fiscal year 2022 is appropriated from the  
 45.23 general fund to the commissioner of agriculture to award grants and other forms of financial  
 45.24 assistance to livestock farmers and specialty crop producers impacted by drought during  
 45.25 2021. For the purposes of this section, "specialty crop" means an eligible crop under the  
 45.26 United States Department of Agriculture's specialty crop block grant program. The  
 45.27 commissioner may use up to 6.5 percent of this appropriation to administer this section.  
 45.28 This appropriation is available until June 30, 2024.

45.29 Subd. 2. **Eligibility.** (a) To be eligible under this section, a farmer or producer must:

46.1 (1) be located in a county designated by the United States Department of Agriculture as  
46.2 a primary natural disaster area after July 19, 2021, and before January 1, 2022, or in a county  
46.3 contiguous to a designated county; and

46.4 (2) provide to the commissioner an inventory of expenses incurred by the farmer or  
46.5 producer and attest that the farmer or producer incurred these expenses in response to the  
46.6 drought.

46.7 (b) Eligible expenses under paragraph (a), clause (2), include but are not limited to costs  
46.8 incurred by a livestock farmer to transport feed or feed ingredients up to 25 miles to and  
46.9 from the farm if the farmer is not compensated for the same expenses through the United  
46.10 States Department of Agriculture's Emergency Assistance for Livestock, Honey Bees, and  
46.11 Farm-raised Fish program.

46.12 Subd. 3. **Payment amount.** The commissioner may award an eligible farmer or producer  
46.13 a grant or other form of financial assistance equal to the total amount attested to under  
46.14 subdivision 2, paragraph (a), clause (2), or \$7,500, whichever is less.

46.15 Subd. 4. **Application process.** (a) The commissioner must accept applications under  
46.16 this section for at least ten business days and may accept any additional applications  
46.17 postmarked during this same period.

46.18 (b) If total eligible applications received during the initial application period exceed the  
46.19 amount appropriated under subdivision 1, the commissioner must award grants or other  
46.20 forms of financial assistance to eligible applicants on a pro rata basis.

46.21 (c) If total eligible applications received during the initial application period do not  
46.22 exceed the amount appropriated under subdivision 1, the commissioner must solicit and  
46.23 accept additional applications until any remaining amount is exhausted or cancels to the  
46.24 general fund.

46.25 Subd. 5. **Report.** Beginning January 10, 2023, and annually thereafter until January 10,  
46.26 2025, the commissioner must report on expenditures and activities under this section to the  
46.27 legislative committees and divisions with jurisdiction over agriculture finance. The reports  
46.28 must include a breakdown of grants by type of farm, either livestock or specialty crop, and  
46.29 by county.

46.30 Sec. 3. **TRANSFER; RURAL FINANCE AUTHORITY.**

46.31 \$2,500,000 in fiscal year 2022 is transferred from the general fund to the Rural Finance  
46.32 Authority Revolving Loan account established under Minnesota Statutes, section 41B.06,  
46.33 with priority given to drought relief loans under Minnesota Statutes, section 41B.047.

47.1 Beginning January 10, 2023, and annually thereafter until January 10, 2025, the commissioner  
47.2 of agriculture must report expenditures and activities under this section to the legislative  
47.3 committees and divisions with jurisdiction over agriculture finance.

47.4 **Sec. 4. APPROPRIATION; VETERINARY DISEASE TESTING EQUIPMENT.**

47.5 \$1,000,000 in fiscal year 2022 is appropriated from the general fund to the commissioner  
47.6 of agriculture for a grant to the Board of Regents of the University of Minnesota to purchase  
47.7 equipment for the Veterinary Diagnostic Laboratory to test for chronic wasting disease,  
47.8 African swine fever, avian influenza, and other animal diseases. The Veterinary Diagnostic  
47.9 Laboratory must include expenditures and activities under this section in the reports required  
47.10 by article 1, section 1, subdivision 5, paragraph (v). This appropriation is available until  
47.11 June 30, 2023.

47.12 **Sec. 5. TRANSFER; AGRICULTURAL EMERGENCY ACCOUNT.**

47.13 (a) \$1,500,000 in fiscal year 2022 is transferred from the general fund to the agricultural  
47.14 emergency account established under Minnesota Statutes, section 17.041. This transfer is  
47.15 in addition to the transfer under Laws 2022, chapter 47, section 2.

47.16 (b) Notwithstanding Minnesota Statutes, section 17.041, the commissioner may use the  
47.17 amount transferred under this section for the purposes identified in Laws 2022, chapter 47,  
47.18 section 2. This paragraph expires on December 31, 2022.

47.19 **Sec. 6. APPROPRIATIONS; DROUGHT RELIEF.**

47.20 (a) \$300,000 in fiscal year 2022 is appropriated from the general fund to the commissioner  
47.21 of natural resources for costs associated with resolving well interferences confirmed by the  
47.22 Department of Natural Resources that occurred after April 30, 2021, and before December  
47.23 31, 2021. This appropriation is available until June 30, 2026.

47.24 (b) \$5,000,000 in fiscal year 2023 is appropriated from the general fund to the  
47.25 commissioner of natural resources to replace drought-killed seedlings on lands managed  
47.26 by the Department of Natural Resources and to administer grants to Tribal, county, and  
47.27 private forestland owners to replace drought-killed seedlings on their land. Seedling  
47.28 replacement includes site prep, replanting, and tending seedlings. This is a onetime  
47.29 appropriation and is available until June 30, 2027.

47.30 **Sec. 7. EFFECTIVE DATE.**

47.31 This article is effective the day following final enactment.

## ARTICLE 4

## BROADBAND APPROPRIATIONS

48.1  
48.2  
48.3 Section 1. Laws 2021, First Special Session chapter 10, article 1, section 7, is amended  
48.4 to read:

48.5 **Sec. 7. BROADBAND DEVELOPMENT; APPLICATION FOR FEDERAL**  
48.6 **FUNDING; APPROPRIATION.**

48.7 (a) The commissioner of employment and economic development must prepare and  
48.8 submit an application to the United States Department of the Treasury requesting that  
48.9 \$70,000,000 of Minnesota's capital projects fund allocation under Public Law 117-2 be  
48.10 awarded to the state. The commissioner must submit the application required under this  
48.11 paragraph by the later of September 30, 2021, or 90 days after the date on which the United  
48.12 States Department of the Treasury begins accepting capital projects fund applications. The  
48.13 commissioner must specify in the application that the award will be used for grants ~~and~~ that  
48.14 satisfy the purposes specified under Minnesota Statutes, section 116J.395.

48.15 (b) Of the amount awarded to the state of Minnesota pursuant to the application required  
48.16 in paragraph (a), notwithstanding Minnesota Statutes, sections 3.3005 and 4.07, 50 percent  
48.17 in fiscal year 2022 and 50 percent in fiscal year 2023 are appropriated to the commissioner  
48.18 of employment and economic development. This is a onetime appropriation and must be  
48.19 used for grants ~~and~~ that satisfy the purposes specified under Minnesota Statutes, section  
48.20 116J.395. All money awarded under this section must be spent by December 31, 2026.

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

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

48.25 **Sec. 2. LOWER POPULATION DENSITY PILOT PROGRAM.**

48.26 (a) The commissioner of employment and economic development must establish a pilot  
48.27 program to provide broadband service to unserved and underserved areas, as defined in  
48.28 Minnesota Statutes, section 116J.394, of the state where a 50 percent match formula is not  
48.29 adequate to make a business case for the extension of broadband facilities. Grants awarded  
48.30 under this section shall adhere to all other requirements of Minnesota Statutes, section  
48.31 116J.395, subdivisions 1 to 6, and may fund up to 75 percent of the total cost of a project,

49.1 notwithstanding Minnesota Statutes section 116J.395, subdivision 7. Grants awarded to a  
49.2 single project under this section may not exceed \$10,000,000.

49.3 (b) The commissioner of employment and economic development may use up to  
49.4 \$30,000,000 from the appropriations in sections 3 and 4 for the lower population density  
49.5 pilot program under paragraph (a).

49.6 (c) No later than December 31, 2023, the Office of Broadband Development must submit  
49.7 a report to the chairs and ranking minority members of the senate and house of representatives  
49.8 committees with primary jurisdiction over broadband policy and finance analyzing the  
49.9 impacts of this section on the number and amounts of grants awarded under Minnesota  
49.10 Statutes, section 116J.395.

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

49.12 Sec. 3. **BROADBAND DEVELOPMENT; APPLICATION FOR FEDERAL**  
49.13 **FUNDING; APPROPRIATION.**

49.14 (a) The commissioner of employment and economic development must prepare and  
49.15 submit a grant plan application to the United States Department of the Treasury requesting  
49.16 that \$60,703,000 of Minnesota's capital projects fund allocation under Public Law 117-2  
49.17 be used for grants that satisfy the purposes specified under Minnesota Statutes, section  
49.18 116J.395, and sections 2, 5, and 6 of this article. The commissioner must submit the  
49.19 application required under this paragraph by September 24, 2022.

49.20 (b) Notwithstanding Minnesota Statutes, sections 3.3005 and 4.07, the amount awarded  
49.21 to Minnesota pursuant to the application required in paragraph (a) is appropriated to the  
49.22 commissioner of employment and economic development. This appropriation (1) must be  
49.23 used only for grants that satisfy the purposes specified under Minnesota Statutes, section  
49.24 116J.395, and sections 2, 5, and 6 of this article, and (2) is available until December 31,  
49.25 2026.

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

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

50.1 Sec. 4. **BROADBAND DEVELOPMENT; APPROPRIATION.**

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

50.7 (b) The commissioner of employment and economic development may temporarily  
50.8 modify program standards under Minnesota Statutes, section 116J.395, and sections 2 and  
50.9 6 of this article to the extent necessary to comply with federal standards that apply to funding  
50.10 received under this section.

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

50.12 Sec. 5. **BROADBAND LINE EXTENSION PROGRAM; APPROPRIATION.**

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

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

50.17 Sec. 6. **BROADBAND; MAPPING.**

50.18 The commissioner of employment and economic development may use up to \$15,000,000  
50.19 from the appropriations in sections 3 and 4 for comprehensive statewide mapping if the  
50.20 commissioner determines that comprehensive statewide mapping is an eligible expense  
50.21 under federal law.

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

50.23 Sec. 7. **TRANSFER.**

50.24 \$25,000,000 in fiscal year 2023 is transferred from the general fund to the  
50.25 border-to-border broadband fund account established in Minnesota Statutes, section 116J.396.  
50.26 The base for this transfer is \$25,000,000 in fiscal year 2024 and \$0 in fiscal year 2025 and  
50.27 later.

## ARTICLE 5

## 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 that the department deems necessary to ensure that 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 that 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 that the department deems necessary to ensure that 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 that 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 with broadband service available at that address; and

(2) programs administered by government agencies, nonprofit organizations, or the applicable broadband service provider that reduce the cost of broadband service and for which the persons may be eligible.

Subd. 4. Reverse auction process. (a) No later than ten days after the date that 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 that the notification is received, a broadband service provider may submit a bid to the department to extend the

52.1 broadband service provider's existing broadband infrastructure to a location where broadband  
52.2 service is currently unavailable.

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

52.4 (1) a proposal to extend broadband infrastructure to one or more of the addresses on the  
52.5 list sent by the department to the broadband service provider under subdivision 3, paragraph  
52.6 (a), at which broadband service is unavailable;

52.7 (2) the amount of the broadband infrastructure extension's total cost that the broadband  
52.8 service provider proposes to pay;

52.9 (3) the amount of the broadband infrastructure extension's total cost that the broadband  
52.10 service provider proposes that the department is responsible for paying; and

52.11 (4) any additional information required by the department.

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

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

52.19 Subd. 5. **Line extension agreement.** The department must enter into a line extension  
52.20 agreement with each winning bidder identified under subdivision 4, except that the  
52.21 department may not enter into a line extension agreement to serve any customer located  
52.22 within an area that will be served by a grant already awarded by the department under section  
52.23 116J.395.

52.24 Subd. 6. **Contents of agreement.** A line extension agreement under subdivision 5 must  
52.25 contain the following terms:

52.26 (1) the broadband service provider agrees to extend broadband infrastructure to support  
52.27 broadband service scalable to speeds of at least 100 megabits per second download and 100  
52.28 megabits per second upload to each address included in the broadband service provider's  
52.29 winning bid;

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

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

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

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

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

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

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

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

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

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

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

53.18 (1) "broadband infrastructure" has the meaning given in section 116J.394, paragraph  
 53.19 (c);

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

53.21 (3) "provider" means a broadband service provider, but does not include an electric  
 53.22 cooperative association organized under chapter 308A that provides broadband service.

53.23 Subd. 2. **Use of existing easements for broadband services.** (a) A provider, provider's  
 53.24 affiliate, or another entity that has entered into an agreement with a provider, may use the  
 53.25 provider, affiliate, or entity's existing or subsequently acquired easements to install broadband  
 53.26 infrastructure and provide broadband service, which may include an agreement to lease  
 53.27 fiber capacity.

53.28 (b) Before exercising rights granted under this subdivision, a provider must provide  
 53.29 notice to the property owner on which the easement is located, as described in subdivision  
 53.30 3.

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

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

54.13 (b) The notice must include:

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

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

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

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

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

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

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

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

54.31 (c) To initiate an action under this subdivision, a property owner must serve a complaint  
54.32 upon the provider in the same manner as in a civil action and must file the complaint with

55.1 the district court for the county in which the easement is located. The complaint must state  
 55.2 whether the property owner:

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

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

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

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

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

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

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

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

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

55.31 (b) Any fees or costs incurred as a result of an action under this subdivision must be  
 55.32 paid by the party that incurred the fees or costs, except that a provider is responsible for a

56.1 property owner's attorney fees if the final judgment or award of damages by the court exceeds  
 56.2 140 percent of the provider's damage deposit made under subdivision 5, if applicable.

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

56.5 Subd. 8. **Local governmental right-of-way management preserved.** The placement  
 56.6 of broadband infrastructure to provide broadband service under subdivisions 2 to 7 is subject  
 56.7 to local government permitting and right-of-way management authority under section  
 56.8 237.163, and must be coordinated with the relevant local government unit in order to  
 56.9 minimize potential future relocations. The provider must notify a local government unit  
 56.10 prior to placing infrastructure for broadband service in an easement that is in or adjacent to  
 56.11 the local government unit's public right-of-way.

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

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

56.17 Delete the title and insert:

56.18 "A bill for an act  
 56.19 relating to state government; appropriating money for drought relief; establishing  
 56.20 cooperative grants for farmers; establishing farm down payment assistance grants;  
 56.21 establishing a soil health financial assistance pilot program; making policy and  
 56.22 technical changes to agricultural provisions; modifying previous appropriations;  
 56.23 establishing the broadband line extension program; establishing the lower  
 56.24 population density pilot program; requiring reports; appropriating money; amending  
 56.25 Minnesota Statutes 2020, sections 17.041, subdivision 1; 17.117, subdivisions 9,  
 56.26 9a, 10, 11, 11a; 17.118, subdivisions 1, 3; 18B.051; 18E.03, subdivision 3; 18E.04,  
 56.27 subdivisions 3, 4; 28A.21, subdivision 2; 35.05; 40A.18, subdivision 2; 41A.16,  
 56.28 subdivision 1, by adding a subdivision; 41A.17, subdivision 1, by adding a  
 56.29 subdivision; 41A.18, subdivision 1, by adding a subdivision; 41B.025, by adding  
 56.30 a subdivision; 41B.047, subdivision 3; 116J.396, subdivision 2; 223.17, subdivisions  
 56.31 4, 6; 346.155, subdivision 7; Minnesota Statutes 2021 Supplement, section 41A.21,  
 56.32 subdivision 2; Laws 2021, First Special Session chapter 3, article 1, sections 2; 4;  
 56.33 Laws 2021, First Special Session chapter 10, article 1, section 7; proposing coding  
 56.34 for new law in Minnesota Statutes, chapters 17; 116J."