

1.1 Senator moves to amend S.F. No. 3955 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 APPROPRIATIONS

1.5 Section 1. APPROPRIATIONS.

1.6 The sums shown in the columns marked "Appropriations" are added to or, if shown in
1.7 parenthesis, subtracted from the appropriation in Laws 2023, chapter 43, or appropriated
1.8 to the agencies and for the purposes specified in this article. The appropriations are from
1.9 the general fund, or another named fund, and are available for the fiscal years indicated for
1.10 each purpose. The figures "2024" and "2025" used in this article mean that the appropriations
1.11 listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025,
1.12 respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The
1.13 biennium" is fiscal years 2024 and 2025.

1.14 APPROPRIATIONS

1.15 Available for the Year

1.16 Ending June 30

1.17 2024

2025

1.18 Sec. 2. DEPARTMENT OF AGRICULTURE \$ 475,000 \$ 1,650,000

1.19 (a) \$750,000 the second year is for home water
1.20 treatment such as reverse osmosis treatment
1.21 for private wells that are tested at or above the
1.22 maximum contaminant level of 10 mg/L and
1.23 located in Dodge, Fillmore, Goodhue,
1.24 Houston, Mower, Olmsted, or Wabasha
1.25 County. Priority shall be given to households
1.26 at or below 300 percent of the federal poverty
1.27 guidelines and households with infants and
1.28 pregnant individuals. This appropriation may
1.29 also be used for education, outreach, and
1.30 technical assistance to homeowners.
1.31 Notwithstanding Minnesota Statutes, section
1.32 16B.98, subdivision 14, the commissioner may
1.33 use up to 6.5 percent of this appropriation for
1.34 administrative costs. This appropriation is

2.1 available until June 30, 2027. This is a onetime
2.2 appropriation.

2.3 (b) \$500,000 the second year is for the soil
2.4 health financial assistance program under
2.5 Minnesota Statutes, section 17.134, for
2.6 projects located in Dodge, Fillmore, Goodhue,
2.7 Houston, Mower, Olmsted, or Wabasha
2.8 County. The commissioner may award no
2.9 more than \$50,000 of the appropriation each
2.10 year to a single recipient. Notwithstanding
2.11 Minnesota Statutes, section 16B.98,
2.12 subdivision 14, the commissioner may use up
2.13 to 6.5 percent of this appropriation for costs
2.14 incurred to administer the program.

2.15 Appropriations encumbered under contract on
2.16 or before June 30, 2025, for soil health
2.17 financial assistance grants are available until
2.18 June 30, 2027. This appropriation is in
2.19 addition to the appropriation in Laws 2023,
2.20 chapter 43, article 1, section 2, subdivision 2,
2.21 paragraph (b). This is a onetime appropriation.

2.22 (c) \$50,000 the first year is to convene a
2.23 working group of interested parties, including
2.24 representatives from the Department of
2.25 Natural Resources, to investigate and
2.26 recommend options for addressing crop and
2.27 fence destruction due to Cervidae. By
2.28 February 1, 2025, the commissioner must
2.29 submit a report on the findings and
2.30 recommendations of the working group to the
2.31 chairs and ranking minority members of the
2.32 legislative committees with jurisdiction over
2.33 agriculture policy and finance.

2.34 Notwithstanding Minnesota Statutes, section
2.35 16A.28, any unencumbered balance does not

3.1 cancel at the end of the first year and is
3.2 available in the second year. This is a onetime
3.3 appropriation.

3.4 (d) \$100,000 the second year is to develop and
3.5 enhance farm-to-school markets by providing
3.6 more fruits, vegetables, meat, poultry, grain,
3.7 and dairy for children in schools and early
3.8 childhood education centers, child care
3.9 centers, and family child care programs,
3.10 including, at the commissioner's discretion,
3.11 providing grants to reimburse schools, early
3.12 childhood education centers, child care
3.13 centers, and family child care programs, for
3.14 purchasing equipment and agricultural
3.15 products. This appropriation is for the
3.16 agricultural growth, research, and innovation
3.17 program under Minnesota Statutes, section
3.18 41A.12. Any unencumbered balance at the
3.19 end of the second year may be used for other
3.20 purposes under the agricultural growth,
3.21 research, and innovation program and is
3.22 available until June 30, 2027. Notwithstanding
3.23 Minnesota Statutes, section 16B.98,
3.24 subdivision 14, the commissioner may use up
3.25 to 6.5 percent of this appropriation for
3.26 administrative costs. This appropriation is in
3.27 addition to the appropriation in Laws 2023,
3.28 chapter 43, article 1, section 2, subdivision 4,
3.29 paragraph (c). This is a onetime appropriation.

3.30 (e) \$300,000 the second year is for the
3.31 protecting livestock grant program for
3.32 producers to support installation of measures
3.33 to prevent transmission of avian influenza.
3.34 This appropriation is for the agricultural
3.35 growth, research, and innovation program

4.1 under Minnesota Statutes, section 41A.12.
4.2 Notwithstanding Minnesota Statutes, section
4.3 16B.98, subdivision 14, the commissioner may
4.4 use up to 6.5 percent of this appropriation for
4.5 administrative costs. This appropriation is
4.6 available until June 30, 2027. This is a onetime
4.7 appropriation.

4.8 (f) \$375,000 the first year is to provide grants
4.9 to secondary career and technical education
4.10 programs for the purpose of offering
4.11 instruction in meat cutting and butchery. This
4.12 appropriation is for the agricultural growth,
4.13 research, and innovation program under
4.14 Minnesota Statutes, section 41A.12.
4.15 Notwithstanding Minnesota Statutes, section
4.16 16B.98, subdivision 14, the commissioner may
4.17 use up to 6.5 percent of this appropriation for
4.18 administrative costs. This is a onetime
4.19 appropriation. Notwithstanding Minnesota
4.20 Statutes, section 16A.28, any unencumbered
4.21 balance does not cancel at the end of the first
4.22 year and is available in the second year. Grants
4.23 may be used for costs, including but not
4.24 limited to:

4.25 (1) equipment required for a meat cutting
4.26 program;

4.27 (2) facility renovation to accommodate meat
4.28 cutting; and

4.29 (3) training faculty to teach the fundamentals
4.30 of meat processing.

4.31 A grant recipient may be awarded a grant of
4.32 up to \$75,000 and may use up to ten percent
4.33 of the grant for faculty training. Priority may
4.34 be given to applicants who are coordinating

5.1 with meat cutting and butchery programs at
5.2 Minnesota State Colleges and Universities
5.3 institutions or with local industry partners.

5.4 By January 15, 2025, the commissioner must
5.5 report to the chairs and ranking minority
5.6 members of the legislative committees with
5.7 jurisdiction over agriculture finance and
5.8 education finance by listing the grants made
5.9 under this paragraph by county and noting the
5.10 number and amount of grant requests not
5.11 fulfilled. The report may include additional
5.12 information as determined by the
5.13 commissioner, including but not limited to
5.14 information regarding the outcomes produced
5.15 by these grants. If additional grants are
5.16 awarded under this paragraph that were not
5.17 covered in the report due by January 15, 2025,
5.18 the commissioner must submit an additional
5.19 report to the chairs and ranking minority
5.20 members of the legislative committees with
5.21 jurisdiction over agriculture finance and
5.22 education finance regarding all grants issued
5.23 under this paragraph by November 1, 2025.

5.24 (g) \$50,000 the first year is to prepare a report
5.25 on agricultural land trends. For the purposes
5.26 of this section, "agricultural land" means
5.27 property classified as class 2a agricultural land
5.28 or class 2b rural vacant land under Minnesota
5.29 Statutes, section 273.13, subdivision 23. The
5.30 report shall include the following:

5.31 (1) information about agricultural land sales,
5.32 including price, number of acres, type of
5.33 buyer, and type of financing used;

5.34 (2) information about agricultural land use,
5.35 including differences among regions; and

6.1 (3) legislative recommendations for ensuring
6.2 that agricultural land is available to farmers.

6.3 No data included in this report shall reveal
6.4 personally identifiable information. The
6.5 commissioner may contract with external
6.6 experts to develop this report and may
6.7 coordinate with the Department of Revenue,
6.8 University of Minnesota Extension, and
6.9 Minnesota State Colleges and Universities.

6.10 No later than January 3, 2025, the
6.11 commissioner must submit the report to the
6.12 chairs and ranking minority members of the
6.13 legislative committees and divisions with
6.14 jurisdiction over agriculture. Notwithstanding
6.15 Minnesota Statutes, section 16A.28, any
6.16 unencumbered balance does not cancel at the
6.17 end of the first year and is available in the
6.18 second year. This is a onetime appropriation.

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

6.20 Sec. 3. Laws 2023, chapter 43, article 1, section 2, subdivision 1, is amended to read:

6.21			<u>92,025,000</u>		<u>72,223,000</u>
6.22	Subdivision 1. Total Appropriation	\$	<u>88,025,000</u>	\$	<u>76,643,000</u>

6.23	Appropriations by Fund	
6.24	2024	2025
6.25	<u>91,626,000</u>	<u>71,824,000</u>
6.26	General	<u>87,626,000</u> <u>76,244,000</u>
6.27	Remediation	399,000 399,000

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

7.1 Sec. 4. Laws 2023, chapter 43, article 1, section 2, subdivision 2, is amended to read:

7.2 **Subd. 2. Protection Services**

7.3 Appropriations by Fund

7.4	2024	2025
7.5		18,743,000
7.6	General 32,034,000	<u>18,818,000</u>
7.7	Remediation 399,000	399,000

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

7.12 (b) \$625,000 the first year and \$625,000 the
7.13 second year are for the soil health financial
7.14 assistance program under Minnesota Statutes,
7.15 section 17.134. The commissioner may award
7.16 no more than \$50,000 of the appropriation
7.17 each year to a single recipient. The
7.18 commissioner may use up to 6.5 percent of
7.19 this appropriation for costs incurred to
7.20 administer the program. Any unencumbered
7.21 balance does not cancel at the end of the first
7.22 year and is available in the second year.

7.23 Appropriations encumbered under contract on
7.24 or before June 30, 2025, for soil health
7.25 financial assistance grants are available until
7.26 June 30, 2027. The base for this appropriation
7.27 is \$639,000 in fiscal year 2026 and each year
7.28 thereafter.

7.29 (c) \$800,000 the first year is for transfer to the
7.30 pollinator research account established under
7.31 Minnesota Statutes, section 18B.051. The base
7.32 for this transfer is \$100,000 in fiscal year 2026
7.33 and each year thereafter.

7.34 (d) \$150,000 the first year and \$150,000 the
7.35 second year are for transfer to the noxious

8.1 weed and invasive plant species assistance
8.2 account established under Minnesota Statutes,
8.3 section 18.89, to award grants under
8.4 Minnesota Statutes, section 18.90, to counties,
8.5 municipalities, and other weed management
8.6 entities, including Minnesota Tribal
8.7 governments as defined in Minnesota Statutes,
8.8 section 10.65. This is a onetime appropriation.
8.9 (e) \$175,000 the first year and \$175,000 the
8.10 second year are for compensation for
8.11 destroyed or crippled livestock under
8.12 Minnesota Statutes, section 3.737. The first
8.13 year appropriation may be spent to compensate
8.14 for livestock that were destroyed or crippled
8.15 during fiscal year 2023. If the amount in the
8.16 first year is insufficient, the amount in the
8.17 second year is available in the first year. The
8.18 commissioner may use up to \$5,000 each year
8.19 to reimburse expenses incurred by university
8.20 extension educators to provide fair market
8.21 values of destroyed or crippled livestock. If
8.22 the commissioner receives federal dollars to
8.23 pay claims for destroyed or crippled livestock,
8.24 an equivalent amount of this appropriation
8.25 may be used to reimburse nonlethal prevention
8.26 methods performed by federal wildlife services
8.27 staff.
8.28 (f) \$155,000 the first year and ~~\$155,000~~
8.29 \$230,000 the second year are for compensation
8.30 for crop damage under Minnesota Statutes,
8.31 section 3.7371. If the amount in the first year
8.32 is insufficient, the amount in the second year
8.33 is available in the first year. The commissioner
8.34 may use up to \$10,000 of the appropriation
8.35 each year to reimburse expenses incurred by

9.1 the commissioner or the commissioner's
9.2 approved agent to investigate and resolve
9.3 claims, as well as for costs associated with
9.4 training for approved agents. The
9.5 commissioner may use up to \$40,000 of the
9.6 appropriation each year to make grants to
9.7 producers for measures to protect stored crops
9.8 from elk damage. If the commissioner
9.9 determines that claims made under Minnesota
9.10 Statutes, section 3.737 or 3.7371, are
9.11 unusually high, amounts appropriated for
9.12 either program may be transferred to the
9.13 appropriation for the other program. The base
9.14 for this appropriation is \$155,000 in fiscal year
9.15 2026 and each year thereafter.

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

9.20 (h) \$75,000 the first year and \$75,000 the
9.21 second year are to support a meat processing
9.22 liaison position to assist new or existing meat
9.23 and poultry processing operations in getting
9.24 started, expanding, growing, or transitioning
9.25 into new business models.

9.26 (i) \$2,200,000 the first year and \$1,650,000
9.27 the second year are additional funding to
9.28 maintain the current level of service delivery
9.29 for programs under this subdivision. The base
9.30 for this appropriation is \$1,925,000 for fiscal
9.31 year 2026 and each year thereafter.

9.32 (j) \$250,000 the first year and \$250,000 the
9.33 second year are for grants to organizations in
9.34 Minnesota to develop enterprises, supply
9.35 chains, and markets for continuous-living

10.1 cover crops and cropping systems in the early
10.2 stages of commercial development. For the
10.3 purposes of this paragraph, "continuous-living
10.4 cover crops and cropping systems" refers to
10.5 agroforestry, perennial biomass, perennial
10.6 forage, perennial grains, and winter-annual
10.7 cereal grains and oilseeds that have market
10.8 value as harvested or grazed commodities. By
10.9 February 1 each year, the commissioner must
10.10 submit a report to the chairs and ranking
10.11 minority members of the legislative
10.12 committees with jurisdiction over agriculture
10.13 finance and policy detailing uses of the funds
10.14 in this paragraph, including administrative
10.15 costs, and the achievements these funds
10.16 contributed to. The commissioner may use up
10.17 to 6.5 percent of this appropriation for
10.18 administrative costs. This is a onetime
10.19 appropriation.

10.20 (k) \$45,000 the first year and \$45,000 the
10.21 second year are appropriated for
10.22 wolf-livestock conflict-prevention grants. The
10.23 commissioner may use some of this
10.24 appropriation to support nonlethal prevention
10.25 work performed by federal wildlife services.
10.26 This is a onetime appropriation.

10.27 (l) \$10,000,000 the first year is for transfer to
10.28 the grain indemnity account established in
10.29 Minnesota Statutes, section 223.24. This is a
10.30 onetime transfer.

10.31 (m) \$125,000 the first year and \$125,000 the
10.32 second year are for the PFAS in pesticides
10.33 review. This is a onetime appropriation.

11.1 (n) \$1,941,000 the first year is for transfer to
 11.2 the food handler license account. This is a
 11.3 onetime transfer.

11.4 Sec. 5. Laws 2023, chapter 43, article 1, section 2, subdivision 3, is amended to read:

11.5 **Subd. 3. Agricultural Marketing and**
 11.6 **Development**

5,165,000 4,985,000

11.7 (a) \$150,000 the first year and \$150,000 the
 11.8 second year are to expand international trade
 11.9 opportunities and markets for Minnesota
 11.10 agricultural products.

11.11 (b) \$186,000 the first year and \$186,000 the
 11.12 second year are for transfer to the Minnesota
 11.13 grown account and may be used as grants for
 11.14 Minnesota grown promotion under Minnesota
 11.15 Statutes, section 17.102. Notwithstanding
 11.16 Minnesota Statutes, section 16A.28, the
 11.17 appropriations encumbered under contract on
 11.18 or before June 30, 2025, for Minnesota grown
 11.19 grants in this paragraph are available until June
 11.20 30, 2027.

11.21 (c) \$634,000 the first year and \$634,000 the
 11.22 second year are for the continuation of the
 11.23 dairy development and profitability
 11.24 enhancement programs, including dairy
 11.25 profitability teams and dairy business planning
 11.26 grants under Minnesota Statutes, section
 11.27 32D.30.

11.28 (d) The commissioner may use funds
 11.29 appropriated in this subdivision for annual
 11.30 cost-share payments to resident farmers or
 11.31 entities that sell, process, or package
 11.32 agricultural products in this state for the costs
 11.33 of organic certification. The commissioner
 11.34 may allocate these funds for assistance to

12.1 persons transitioning from conventional to
12.2 organic agriculture.

12.3 (e) \$600,000 the first year and \$420,000 the
12.4 second year are to maintain the current level
12.5 of service delivery. The base for this
12.6 appropriation is ~~\$490,000~~ \$510,000 for fiscal
12.7 year 2026 and each year thereafter.

12.8 (f) \$100,000 the first year and \$100,000 the
12.9 second year are for mental health outreach and
12.10 support to farmers, ranchers, and others in the
12.11 agricultural community and for farm safety
12.12 grant and outreach programs under Minnesota
12.13 Statutes, section 17.1195. Mental health
12.14 outreach and support may include a 24-hour
12.15 hotline, stigma reduction, and education.
12.16 Notwithstanding Minnesota Statutes, section
12.17 16A.28, any unencumbered balance does not
12.18 cancel at the end of the first year and is
12.19 available in the second year. This is a onetime
12.20 appropriation.

12.21 (g) \$100,000 the first year and \$100,000 the
12.22 second year are to award and administer grants
12.23 ~~for infrastructure~~ and other forms of financial
12.24 assistance to support EBT, SNAP, SFMNP,
12.25 and related programs at farmers markets.
12.26 Grants may be used for staff costs associated
12.27 with program administration, compliance, and
12.28 reporting. The commissioner may use up to
12.29 6.5 percent of the appropriation each year to
12.30 administer the grant program. Notwithstanding
12.31 Minnesota Statutes, section 16A.28, any
12.32 unencumbered balance does not cancel at the
12.33 end of the first year and is available in the
12.34 second year. This is a onetime appropriation.

13.1 (h) \$200,000 the first year and \$200,000 the
 13.2 second year are to award cooperative grants
 13.3 under Minnesota Statutes, section 17.1016.
 13.4 The commissioner may use up to 6.5 percent
 13.5 of the appropriation each year to administer
 13.6 the grant program. Notwithstanding Minnesota
 13.7 Statutes, section 16A.28, any unencumbered
 13.8 balance does not cancel at the end of the first
 13.9 year and is available in the second year. This
 13.10 is a onetime appropriation.

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

13.12 Sec. 6. Laws 2023, chapter 43, article 1, section 2, subdivision 4, is amended to read:

13.13	Subd. 4. Agriculture, Bioenergy, and Bioproduct	<u>37,809,000</u>	<u>33,809,000</u>
13.14	Advancement	<u>33,809,000</u>	<u>38,154,000</u>

13.15 (a) \$10,702,000 the first year and \$10,702,000
 13.16 the second year are for the agriculture
 13.17 research, education, extension, and technology
 13.18 transfer program under Minnesota Statutes,
 13.19 section 41A.14. Except as provided below,
 13.20 the appropriation each year is for transfer to
 13.21 the agriculture research, education, extension,
 13.22 and technology transfer account under
 13.23 Minnesota Statutes, section 41A.14,
 13.24 subdivision 3, and the commissioner shall
 13.25 transfer funds each year to the Board of
 13.26 Regents of the University of Minnesota for
 13.27 purposes of Minnesota Statutes, section
 13.28 41A.14. To the extent practicable, money
 13.29 expended under Minnesota Statutes, section
 13.30 41A.14, subdivision 1, clauses (1) and (2),
 13.31 must supplement and not supplant existing
 13.32 sources and levels of funding. The
 13.33 commissioner may use up to one percent of
 13.34 this appropriation for costs incurred to
 13.35 administer the program.

14.1 Of the amount appropriated for the agriculture
14.2 research, education, extension, and technology
14.3 transfer grant program under Minnesota
14.4 Statutes, section 41A.14:
14.5 (1) \$600,000 the first year and \$600,000 the
14.6 second year are for the Minnesota Agricultural
14.7 Experiment Station's agriculture rapid
14.8 response fund under Minnesota Statutes,
14.9 section 41A.14, subdivision 1, clause (2);
14.10 (2) up to \$1,000,000 the first year and up to
14.11 \$1,000,000 the second year are for research
14.12 on avian influenza, salmonella, and other
14.13 turkey-related diseases and disease prevention
14.14 measures;
14.15 (3) \$2,250,000 the first year and \$2,250,000
14.16 the second year are for grants to the Minnesota
14.17 Agricultural Education Leadership Council to
14.18 enhance agricultural education with priority
14.19 given to Farm Business Management
14.20 challenge grants;
14.21 (4) \$450,000 the first year is for the cultivated
14.22 wild rice breeding project at the North Central
14.23 Research and Outreach Center to include a
14.24 tenure track/research associate plant breeder;
14.25 (5) \$350,000 the first year and \$350,000 the
14.26 second year are for potato breeding;
14.27 (6) \$802,000 the first year and \$802,000 the
14.28 second year are to fund the Forever Green
14.29 Initiative and protect the state's natural
14.30 resources while increasing the efficiency,
14.31 profitability, and productivity of Minnesota
14.32 farmers by incorporating perennial and
14.33 winter-annual crops into existing agricultural
14.34 practices. The base for the allocation under

15.1 this clause is \$802,000 in fiscal year 2026 and
 15.2 each year thereafter. By February 1 each year,
 15.3 the dean of the College of Food, Agricultural
 15.4 and Natural Resource Sciences must submit
 15.5 a report to the chairs and ranking minority
 15.6 members of the legislative committees with
 15.7 jurisdiction over agriculture finance and policy
 15.8 and higher education detailing uses of the
 15.9 funds in this paragraph, including
 15.10 administrative costs, and the achievements
 15.11 these funds contributed to; ~~and~~
 15.12 (7) \$350,000 each year is for farm-scale winter
 15.13 greenhouse research and development
 15.14 coordinated by University of Minnesota
 15.15 Extension Regional Sustainable Development
 15.16 Partnerships. The allocation in this clause is
 15.17 onetime;
 15.18 (8) \$200,000 the second year is for research
 15.19 on natural stands of wild rice; and
 15.20 (9) \$250,000 the second year is for the
 15.21 cultivated wild rice forward selection project
 15.22 at the North Central Research and Outreach
 15.23 Center to include a tenure track or research
 15.24 associate plant scientist.
 15.25 (b) The base for the agriculture research,
 15.26 education, extension, and technology transfer
 15.27 program is \$10,352,000 in fiscal year 2026
 15.28 and \$10,352,000 in fiscal year 2027.
 15.29 (c) ~~\$27,107,000~~ \$23,107,000 the first year ~~and~~
 15.30 ~~\$23,107,000 the second year are~~ is for the
 15.31 agricultural growth, research, and innovation
 15.32 program under Minnesota Statutes, section
 15.33 41A.12. Except as provided below, the
 15.34 commissioner may allocate this appropriation

16.1 ~~each year~~ among the following areas:

16.2 facilitating the start-up, modernization,

16.3 improvement, or expansion of livestock

16.4 operations, including beginning and

16.5 transitioning livestock operations with

16.6 preference given to robotic dairy-milking

16.7 equipment; assisting value-added agricultural

16.8 businesses to begin or expand, to access new

16.9 markets, or to diversify, including aquaponics

16.10 systems, with preference given to hemp fiber

16.11 processing equipment; facilitating the start-up,

16.12 modernization, or expansion of other

16.13 beginning and transitioning farms, including

16.14 by providing loans under Minnesota Statutes,

16.15 section 41B.056; sustainable agriculture

16.16 on-farm research and demonstration; the

16.17 development or expansion of food hubs and

16.18 other alternative community-based food

16.19 distribution systems; enhancing renewable

16.20 energy infrastructure and use; crop research,

16.21 including basic and applied turf seed research;

16.22 Farm Business Management tuition assistance;

16.23 and good agricultural practices and good

16.24 handling practices certification assistance. The

16.25 commissioner may use up to 6.5 percent of

16.26 this appropriation for costs incurred to

16.27 administer the program.

16.28 Of the amount appropriated for the agricultural

16.29 growth, research, and innovation program

16.30 under Minnesota Statutes, section 41A.12:

16.31 (1) \$1,000,000 the first year ~~and \$1,000,000~~

16.32 ~~the second year are~~ is for distribution in equal

16.33 amounts to each of the state's county fairs to

16.34 preserve and promote Minnesota agriculture;

17.1 (2) \$5,750,000 the first year ~~and \$5,750,000~~
17.2 ~~the second year are~~ is for incentive payments
17.3 under Minnesota Statutes, sections 41A.16,
17.4 41A.17, 41A.18, and 41A.20. Notwithstanding
17.5 Minnesota Statutes, section 16A.28, the first
17.6 year appropriation is available until June 30,
17.7 2025, ~~and the second year appropriation is~~
17.8 ~~available until June 30, 2026.~~ If this
17.9 appropriation exceeds the total amount for
17.10 which all producers are eligible in a fiscal
17.11 year, the balance of the appropriation is
17.12 available for other purposes under this
17.13 paragraph. ~~The base under this clause is~~
17.14 ~~\$3,000,000 in fiscal year 2026 and each year~~
17.15 ~~thereafter;~~

17.16 (3) \$3,375,000 the first year ~~and \$3,375,000~~
17.17 ~~the second year are~~ is for grants that enable
17.18 retail petroleum dispensers, fuel storage tanks,
17.19 and other equipment to dispense biofuels to
17.20 the public in accordance with the biofuel
17.21 replacement goals established under
17.22 Minnesota Statutes, section 239.7911. A retail
17.23 petroleum dispenser selling petroleum for use
17.24 in spark ignition engines for vehicle model
17.25 years after 2000 is eligible for grant money
17.26 under this clause if the retail petroleum
17.27 dispenser has no more than 10 retail petroleum
17.28 dispensing sites and each site is located in
17.29 Minnesota. The grant money must be used to
17.30 replace or upgrade equipment that does not
17.31 have the ability to be certified for E25. A grant
17.32 award must not exceed 65 percent of the cost
17.33 of the appropriate technology. A grant award
17.34 must not exceed \$200,000 per station. The
17.35 commissioner must cooperate with biofuel
17.36 stakeholders in the implementation of the grant

18.1 program. The commissioner, in cooperation
18.2 with any economic or community development
18.3 financial institution and any other entity with
18.4 which the commissioner contracts, must
18.5 submit a report on the biofuels infrastructure
18.6 financial assistance program by January 15 of
18.7 each year to the chairs and ranking minority
18.8 members of the legislative committees and
18.9 divisions with jurisdiction over agriculture
18.10 policy and finance. The annual report must
18.11 include but not be limited to a summary of the
18.12 following metrics: (i) the number and types
18.13 of projects financed; (ii) the amount of dollars
18.14 leveraged or matched per project; (iii) the
18.15 geographic distribution of financed projects;
18.16 (iv) any market expansion associated with
18.17 upgraded infrastructure; (v) the demographics
18.18 of the areas served; (vi) the costs of the
18.19 program; and (vii) the number of grants to
18.20 minority-owned or female-owned businesses.
18.21 ~~The base under this clause is \$3,000,000 for~~
18.22 ~~fiscal year 2026 and each year thereafter;~~
18.23 (4) \$1,250,000 the first year ~~and \$1,250,000~~
18.24 ~~the second year are~~ is for grants to facilitate
18.25 the start-up, modernization, or expansion of
18.26 meat, poultry, egg, and milk processing
18.27 facilities. A grant award under this clause must
18.28 not exceed \$200,000. Any unencumbered
18.29 balance at the end of the second year does not
18.30 cancel until June 30, 2026, and may be used
18.31 for other purposes under this paragraph. ~~The~~
18.32 ~~base under this clause is \$250,000 in fiscal~~
18.33 ~~year 2026 and each year thereafter;~~
18.34 (5) \$1,150,000 the first year ~~and \$1,150,000~~
18.35 ~~the second year are for~~ is to develop and

19.1 enhance farm-to-school markets for Minnesota
19.2 farmers by providing more fruits, vegetables,
19.3 meat, poultry, grain, and dairy for children in
19.4 school and schools, early childhood education
19.5 centers, child care centers, and family child
19.6 care programs, including, at the
19.7 commissioner's discretion, providing grants
19.8 to reimburse schools and, early childhood
19.9 education centers, child care centers, and
19.10 family child care programs, for purchasing
19.11 equipment and agricultural products. Of the
19.12 amount appropriated, \$150,000 each year is
19.13 for a statewide coordinator of
19.14 farm-to-institution strategy and programming.
19.15 The coordinator must consult with relevant
19.16 stakeholders and provide technical assistance
19.17 and training for participating farmers and
19.18 eligible grant recipients. The base under this
19.19 clause is \$1,294,000 in fiscal year 2026 and
19.20 each year thereafter;
19.21 ~~(6) \$4,000,000 the first year is for Dairy~~
19.22 ~~Assistance, Investment, Relief Initiative~~
19.23 ~~(DAIRI) grants and other forms of financial~~
19.24 ~~assistance to Minnesota dairy farms that enroll~~
19.25 ~~in coverage under a federal dairy risk~~
19.26 ~~protection program and produced no more~~
19.27 ~~than 16,000,000 pounds of milk in 2022. The~~
19.28 ~~commissioner must make DAIRI payments~~
19.29 ~~based on the amount of milk produced in~~
19.30 ~~2022, up to 5,000,000 pounds per participating~~
19.31 ~~farm, at a rate determined by the commissioner~~
19.32 ~~within the limits of available funding. Any~~
19.33 ~~unencumbered balance does not cancel at the~~
19.34 ~~end of the first year and is available in the~~
19.35 ~~second year. Any unencumbered balance at~~
19.36 ~~the end of the second year does not cancel~~

20.1 ~~until June 30, 2026, and may be used for other~~
20.2 ~~purposes under this paragraph. The allocation~~
20.3 ~~in this clause is onetime;~~
20.4 ~~(7) (6) \$2,000,000 the first year and~~
20.5 ~~\$2,000,000 the second year are~~ is for urban
20.6 youth agricultural education or urban
20.7 agriculture community development; and
20.8 ~~(8) (7) \$1,000,000 the first year and~~
20.9 ~~\$1,000,000 the second year are~~ is for the good
20.10 food access program under Minnesota
20.11 Statutes, section 17.1017.
20.12 Notwithstanding Minnesota Statutes, section
20.13 16A.28, any unencumbered balance does not
20.14 cancel at the end of the first year and is
20.15 available for the second year, and
20.16 appropriations encumbered under contract on
20.17 or before June 30, 2025, for agricultural
20.18 growth, research, and innovation grants are
20.19 available until June 30, 2028.
20.20 (d) \$27,452,000 the second year is for the
20.21 agricultural growth, research, and innovation
20.22 program under Minnesota Statutes, section
20.23 41A.12. Except as provided below, the
20.24 commissioner may allocate this appropriation
20.25 among the following areas: facilitating the
20.26 start-up, modernization, improvement, or
20.27 expansion of livestock operations, including
20.28 beginning and transitioning livestock
20.29 operations with preference given to robotic
20.30 dairy-milking equipment; assisting
20.31 value-added agricultural businesses to begin
20.32 or expand, to access new markets, or to
20.33 diversify, including aquaponics systems, with
20.34 preference given to hemp fiber processing
20.35 equipment; facilitating the start-up,

21.1 modernization, or expansion of other
21.2 beginning and transitioning farms, including
21.3 by providing loans under Minnesota Statutes,
21.4 section 41B.056; sustainable agriculture
21.5 on-farm research and demonstration; the
21.6 development or expansion of food hubs and
21.7 other alternative community-based food
21.8 distribution systems; enhancing renewable
21.9 energy infrastructure and use; crop research,
21.10 including basic and applied turf seed research;
21.11 Farm Business Management tuition assistance;
21.12 and good agricultural practices and good
21.13 handling practices certification assistance. The
21.14 commissioner may use up to 6.5 percent of
21.15 this appropriation for costs incurred to
21.16 administer the program.

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

21.20 (1) \$1,000,000 the second year is for
21.21 distribution in equal amounts to each of the
21.22 state's county fairs to preserve and promote
21.23 Minnesota agriculture;

21.24 (2) \$5,750,000 the second year is for incentive
21.25 payments under Minnesota Statutes, sections
21.26 41A.16, 41A.17, 41A.18, and 41A.20.
21.27 Notwithstanding Minnesota Statutes, section
21.28 16A.28, this appropriation is available until
21.29 June 30, 2027. If this appropriation exceeds
21.30 the total amount for which all producers are
21.31 eligible in a fiscal year, the balance of the
21.32 appropriation is available for other purposes
21.33 under this paragraph. The base under this
21.34 clause is \$3,000,000 in fiscal year 2026 and
21.35 each year thereafter;

22.1 (3) \$3,375,000 the second year is for grants
22.2 that enable retail petroleum dispensers, fuel
22.3 storage tanks, and other equipment to dispense
22.4 biofuels to the public in accordance with the
22.5 biofuel replacement goals established under
22.6 Minnesota Statutes, section 239.7911. A retail
22.7 petroleum dispenser selling petroleum for use
22.8 in spark ignition engines for vehicle model
22.9 years after 2000 is eligible for grant money
22.10 under this clause if the retail petroleum
22.11 dispenser has no more than ten retail
22.12 petroleum dispensing sites and each site is
22.13 located in Minnesota. The grant money must
22.14 be used to replace or upgrade equipment that
22.15 does not have the ability to be certified for
22.16 E25. A grant award must not exceed 65
22.17 percent of the cost of the appropriate
22.18 technology. A grant award must not exceed
22.19 \$200,000 per station. The commissioner must
22.20 cooperate with biofuel stakeholders in the
22.21 implementation of the grant program. The
22.22 commissioner, in cooperation with any
22.23 economic or community development
22.24 financial institution and any other entity with
22.25 which the commissioner contracts, must
22.26 submit a report on the biofuels infrastructure
22.27 financial assistance program by January 15 of
22.28 each year to the chairs and ranking minority
22.29 members of the legislative committees and
22.30 divisions with jurisdiction over agriculture
22.31 policy and finance. The annual report must
22.32 include but not be limited to a summary of the
22.33 following metrics: (i) the number and types
22.34 of projects financed; (ii) the amount of dollars
22.35 leveraged or matched per project; (iii) the
22.36 geographic distribution of financed projects;

23.1 (iv) any market expansion associated with
23.2 upgraded infrastructure; (v) the demographics
23.3 of the areas served; (vi) the costs of the
23.4 program; and (vii) the number of grants to
23.5 minority-owned or female-owned businesses.
23.6 The base under this clause is \$3,000,000 for
23.7 fiscal year 2026 and each year thereafter;
23.8 (4) \$1,250,000 the second year is for grants
23.9 to facilitate the start-up, modernization, or
23.10 expansion of meat, poultry, egg, and milk
23.11 processing facilities. A grant award under this
23.12 clause must not exceed \$200,000. Any
23.13 unencumbered balance at the end of the second
23.14 year does not cancel until June 30, 2027, and
23.15 may be used for other purposes under this
23.16 paragraph. The base under this clause is
23.17 \$250,000 in fiscal year 2026 and each year
23.18 thereafter;
23.19 (5) \$1,150,000 the first year is to develop and
23.20 enhance farm-to-school markets for Minnesota
23.21 farmers by providing more fruits, vegetables,
23.22 meat, poultry, grain, and dairy for children in
23.23 schools, early childhood education centers,
23.24 child care centers, and family child care
23.25 programs, including, at the commissioner's
23.26 discretion, providing grants to reimburse
23.27 schools, early childhood education centers,
23.28 child care centers, and family child care
23.29 programs, for purchasing equipment and
23.30 agricultural products. Of the amount
23.31 appropriated, \$150,000 each year is for a
23.32 statewide coordinator of farm-to-institution
23.33 strategy and programming. The coordinator
23.34 must consult with relevant stakeholders and
23.35 provide technical assistance and training for

24.1 participating farmers and eligible grant
24.2 recipients. The base under this clause is
24.3 \$1,294,000 in fiscal year 2026 and each year
24.4 thereafter;

24.5 (6) \$4,000,000 the second year is for Dairy
24.6 Assistance, Investment, Relief Initiative
24.7 (DAIRI) grants and other forms of financial
24.8 assistance to Minnesota dairy farms that enroll
24.9 in coverage under a federal dairy risk
24.10 protection program and produced no more
24.11 than 16,000,000 pounds of milk in 2022. The
24.12 commissioner must make DAIRI payments
24.13 based on the amount of milk produced in
24.14 2022, up to 5,000,000 pounds per participating
24.15 farm, at a rate determined by the commissioner
24.16 within the limits of available funding. Any
24.17 unencumbered balance on June 30, 2026, may
24.18 be used for other purposes under this
24.19 paragraph. The allocation in this clause is
24.20 onetime;

24.21 (7) \$2,000,000 the second year is for urban
24.22 youth agricultural education or urban
24.23 agriculture community development; and

24.24 (8) \$1,000,000 the second year is for the good
24.25 food access program under Minnesota
24.26 Statutes, section 17.1017.

24.27 Notwithstanding Minnesota Statutes, section
24.28 16A.28, this appropriation does not cancel at
24.29 the end of the second year and is available
24.30 until June 30, 2027. Appropriations
24.31 encumbered under contract on or before June
24.32 30, 2027, for agricultural growth, research,
24.33 and innovation grants are available until June
24.34 30, 2030.

25.1 ~~(d)~~ (e) The base for the agricultural growth,
 25.2 research, and innovation program is
 25.3 ~~\$16,294,000~~ \$17,582,000 in fiscal year 2026
 25.4 and each year thereafter and includes \$200,000
 25.5 each year for cooperative development grants.

25.6 Sec. 7. Laws 2023, chapter 43, article 1, section 2, subdivision 5, is amended to read:

25.7	Subd. 5. Administration and Financial		
25.8	Assistance	16,618,000	14,287,000

25.9 (a) \$474,000 the first year and \$474,000 the
 25.10 second year are for payments to county and
 25.11 district agricultural societies and associations
 25.12 under Minnesota Statutes, section 38.02,
 25.13 subdivision 1. Aid payments to county and
 25.14 district agricultural societies and associations
 25.15 must be disbursed no later than July 15 of each
 25.16 year. These payments are the amount of aid
 25.17 from the state for an annual fair held in the
 25.18 previous calendar year.

25.19 (b) \$350,000 the first year and \$350,000 the
 25.20 second year are for grants to the Minnesota
 25.21 Agricultural Education and Leadership
 25.22 Council for programs of the council under
 25.23 Minnesota Statutes, chapter 41D. The base for
 25.24 this appropriation is \$250,000 in fiscal year
 25.25 2026 and each year thereafter.

25.26 (c) \$2,000 the first year is for a grant to the
 25.27 Minnesota State Poultry Association. This is
 25.28 a onetime appropriation. Notwithstanding
 25.29 Minnesota Statutes, section 16A.28, any
 25.30 unencumbered balance does not cancel at the
 25.31 end of the first year and is available for the
 25.32 second year.

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

26.1 Livestock Breeders Association. This is a
26.2 onetime appropriation.

26.3 (e) \$60,000 the first year and \$60,000 the
26.4 second year are for grants to the Northern
26.5 Crops Institute that may be used to purchase
26.6 equipment. This is a onetime appropriation.

26.7 (f) \$34,000 the first year and \$34,000 the
26.8 second year are for grants to the Minnesota
26.9 State Horticultural Society. This is a onetime
26.10 appropriation.

26.11 (g) \$25,000 the first year and \$25,000 the
26.12 second year are for grants to the Center for
26.13 Rural Policy and Development. This is a
26.14 onetime appropriation.

26.15 (h) \$75,000 the first year and \$75,000 the
26.16 second year are appropriated from the general
26.17 fund to the commissioner of agriculture for
26.18 grants to the Minnesota Turf Seed Council for
26.19 basic and applied research on: (1) the
26.20 improved production of forage and turf seed
26.21 related to new and improved varieties; and (2)
26.22 native plants, including plant breeding,
26.23 nutrient management, pest management,
26.24 disease management, yield, and viability. The
26.25 Minnesota Turf Seed Council may subcontract
26.26 with a qualified third party for some or all of
26.27 the basic or applied research. Any
26.28 unencumbered balance does not cancel at the
26.29 end of the first year and is available in the
26.30 second year. The Minnesota Turf Seed Council
26.31 must prepare a report outlining the use of the
26.32 grant money and related accomplishments. No
26.33 later than January 15, 2025, the council must
26.34 submit the report to the chairs and ranking
26.35 minority members of the legislative

27.1 committees and divisions with jurisdiction
27.2 over agriculture finance and policy. This is a
27.3 onetime appropriation.

27.4 (i) \$100,000 the first year and \$100,000 the
27.5 second year are for grants to GreenSeam for
27.6 assistance to agriculture-related businesses to
27.7 support business retention and development,
27.8 business attraction and creation, talent
27.9 development and attraction, and regional
27.10 branding and promotion. These are onetime
27.11 appropriations. No later than December 1,
27.12 2024, and December 1, 2025, GreenSeam
27.13 must report to the chairs and ranking minority
27.14 members of the legislative committees with
27.15 jurisdiction over agriculture and rural
27.16 development with information on new and
27.17 existing businesses supported, number of new
27.18 jobs created in the region, new educational
27.19 partnerships and programs supported, and
27.20 regional branding and promotional efforts.

27.21 (j) \$1,950,000 the first year and \$1,950,000
27.22 the second year are for grants to Second
27.23 Harvest Heartland on behalf of Minnesota's
27.24 six Feeding America food banks for the
27.25 following purposes:

27.26 (1) at least \$850,000 each year must be
27.27 allocated to purchase milk for distribution to
27.28 Minnesota's food shelves and other charitable
27.29 organizations that are eligible to receive food
27.30 from the food banks. Milk purchased under
27.31 the grants must be acquired from Minnesota
27.32 milk processors and based on low-cost bids.
27.33 The milk must be allocated to each Feeding
27.34 America food bank serving Minnesota
27.35 according to the formula used in the

28.1 distribution of United States Department of
28.2 Agriculture commodities under The
28.3 Emergency Food Assistance Program. Second
28.4 Harvest Heartland may enter into contracts or
28.5 agreements with food banks for shared funding
28.6 or reimbursement of the direct purchase of
28.7 milk. Each food bank that receives funding
28.8 under this clause may use up to two percent
28.9 for administrative expenses. Notwithstanding
28.10 Minnesota Statutes, section 16A.28, any
28.11 unencumbered balance the first year does not
28.12 cancel and is available the second year;

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

28.28 (3) to purchase and distribute protein products,
28.29 including but not limited to pork, poultry, beef,
28.30 dry legumes, cheese, and eggs to Minnesota's
28.31 food shelves and other charitable organizations
28.32 that are eligible to receive food from the food
28.33 banks. Second Harvest Heartland may use up
28.34 to two percent of each grant awarded under
28.35 this clause for administrative expenses. Protein

29.1 products purchased under the grants must be
29.2 acquired from Minnesota processors and
29.3 producers.

29.4 Second Harvest Heartland must submit
29.5 quarterly reports to the commissioner and the
29.6 chairs and ranking minority members of the
29.7 legislative committees with jurisdiction over
29.8 agriculture finance in the form prescribed by
29.9 the commissioner. The reports must include
29.10 but are not limited to information on the
29.11 expenditure of funds, the amount of milk or
29.12 other commodities purchased, and the
29.13 organizations to which this food was
29.14 distributed. The base for this appropriation is
29.15 \$1,700,000 for fiscal year 2026 and each year
29.16 thereafter.

29.17 (k) \$25,000 the first year and \$25,000 the
29.18 second year are for grants to the Southern
29.19 Minnesota Initiative Foundation to promote
29.20 local foods through an annual event that raises
29.21 public awareness of local foods and connects
29.22 local food producers and processors with
29.23 potential buyers.

29.24 (l) \$300,000 the first year and \$300,000 the
29.25 second year are for grants to The Good Acre
29.26 for the Local Emergency Assistance Farmer
29.27 Fund (LEAFF) program to compensate
29.28 emerging farmers for crops donated to hunger
29.29 relief organizations in Minnesota. This is a
29.30 onetime appropriation.

29.31 (m) \$750,000 the first year and \$750,000 the
29.32 second year are to expand the Emerging
29.33 Farmers Office and provide services to
29.34 beginning and emerging farmers to increase
29.35 connections between farmers and market

30.1 opportunities throughout the state. This
30.2 appropriation may be used for grants,
30.3 translation services, training programs, or
30.4 other purposes in line with the
30.5 recommendations of the Emerging Farmer
30.6 Working Group established under Minnesota
30.7 Statutes, section 17.055, subdivision 1. The
30.8 base for this appropriation is \$1,000,000 in
30.9 fiscal year 2026 and each year thereafter.

30.10 (n) \$50,000 the first year is to provide
30.11 technical assistance and leadership in the
30.12 development of a comprehensive and
30.13 well-documented state aquaculture plan. The
30.14 commissioner must provide the state
30.15 aquaculture plan to the legislative committees
30.16 with jurisdiction over agriculture finance and
30.17 policy by February 15, 2025.

30.18 (o) \$337,000 the first year and \$337,000 the
30.19 second year are for farm advocate services.
30.20 Of these amounts, \$50,000 the first year and
30.21 \$50,000 the second year are for the
30.22 continuation of the farmland transition
30.23 programs and may be used for grants to
30.24 farmland access teams to provide technical
30.25 assistance to potential beginning farmers.
30.26 Farmland access teams must assist existing
30.27 farmers and beginning farmers with
30.28 transitioning farm ownership and farm
30.29 operation. Services provided by teams may
30.30 include but are not limited to mediation
30.31 assistance, designing contracts, financial
30.32 planning, tax preparation, estate planning, and
30.33 housing assistance.

30.34 (p) \$260,000 the first year and \$260,000 the
30.35 second year are for a pass-through grant to

31.1 Region Five Development Commission to
31.2 provide, in collaboration with Farm Business
31.3 Management, statewide mental health
31.4 counseling support to Minnesota farm
31.5 operators, families, and employees, and
31.6 individuals who work with Minnesota farmers
31.7 in a professional capacity. Region Five
31.8 Development Commission may use up to 6.5
31.9 percent of the grant awarded under this
31.10 paragraph for administration.

31.11 (q) \$1,000,000 the first year is for transfer to
31.12 the agricultural emergency account established
31.13 under Minnesota Statutes, section 17.041.

31.14 (r) \$1,084,000 the first year and \$500,000 the
31.15 second year are to support IT modernization
31.16 efforts, including laying the technology
31.17 foundations needed for improving customer
31.18 interactions with the department for licensing
31.19 and payments. This is a onetime appropriation.

31.20 (s) \$275,000 the first year is for technical
31.21 assistance grants to certified community
31.22 development financial institutions that
31.23 participate in United States Department of
31.24 Agriculture loan or grant programs for small
31.25 or emerging farmers, including but not limited
31.26 to the Increasing Land, Capital, and Market
31.27 Access Program. For purposes of this
31.28 paragraph, "emerging farmer" has the meaning
31.29 given in Minnesota Statutes, section 17.055,
31.30 subdivision 1. The commissioner may use up
31.31 to 6.5 percent of this appropriation for costs
31.32 incurred to administer the program.

31.33 Notwithstanding Minnesota Statutes, section
31.34 16A.28, any unencumbered balance does not
31.35 cancel at the end of the first year and is

32.1 available in the second year. This is a onetime
32.2 appropriation.

32.3 (t) \$1,425,000 the first year and \$1,425,000
32.4 the second year are for transfer to the
32.5 agricultural and environmental revolving loan
32.6 account established under Minnesota Statutes,
32.7 section 17.117, subdivision 5a, for low-interest
32.8 loans under Minnesota Statutes, section
32.9 17.117.

32.10 (u) \$150,000 the first year and \$150,000 the
32.11 second year are for administrative support for
32.12 the Rural Finance Authority.

32.13 (v) The base in fiscal years 2026 and 2027 is
32.14 \$150,000 each year to coordinate
32.15 climate-related activities and services within
32.16 the Department of Agriculture and
32.17 counterparts in local, state, and federal
32.18 agencies and to hire a full-time climate
32.19 implementation coordinator. The climate
32.20 implementation coordinator must coordinate
32.21 efforts seeking federal funding for Minnesota's
32.22 agricultural climate adaptation and mitigation
32.23 efforts and develop strategic partnerships with
32.24 the private sector and nongovernment
32.25 organizations.

32.26 (w) \$1,200,000 the first year and \$930,000 the
32.27 second year are to maintain the current level
32.28 of service delivery. The base for this
32.29 appropriation is ~~\$1,085,000~~ \$1,065,000 in
32.30 fiscal year 2026 and ~~\$1,085,000~~ \$1,065,000
32.31 in fiscal year 2027.

32.32 (x) \$250,000 the first year is for a grant to the
32.33 Board of Regents of the University of
32.34 Minnesota to purchase equipment for the

33.1 Veterinary Diagnostic Laboratory to test for
33.2 chronic wasting disease, African swine fever,
33.3 avian influenza, and other animal diseases.
33.4 The Veterinary Diagnostic Laboratory must
33.5 report expenditures under this paragraph to
33.6 the legislative committees with jurisdiction
33.7 over agriculture finance and higher education
33.8 with a report submitted by January 3, 2024,
33.9 and a final report submitted by December 31,
33.10 2024. The reports must include a list of
33.11 equipment purchased, including the cost of
33.12 each item.

33.13 (y) \$1,000,000 the first year and \$1,000,000
33.14 the second year are to award and administer
33.15 down payment assistance grants under
33.16 Minnesota Statutes, section 17.133, with
33.17 priority given to ~~emerging~~ farmers
33.18 experiencing limited land access as defined in
33.19 Minnesota Statutes, section ~~17.055~~,
33.20 ~~subdivision 1~~ 17.133, subdivision 1, or farmers
33.21 who have a net farm profit of \$100,000 or less
33.22 the previous year. Notwithstanding Minnesota
33.23 Statutes, section 16A.28, any unencumbered
33.24 balance at the end of the first year does not
33.25 cancel and is available in the second year and
33.26 appropriations encumbered under contract by
33.27 June 30, 2025, are available until June 30,
33.28 2027.

33.29 (z) \$222,000 the first year and \$322,000 the
33.30 second year are for meat processing training
33.31 and retention incentive grants under section
33.32 5. The commissioner may use up to 6.5
33.33 percent of this appropriation for costs incurred
33.34 to administer the program. Notwithstanding
33.35 Minnesota Statutes, section 16A.28, any

34.1 unencumbered balance does not cancel at the
34.2 end of the first year and is available in the
34.3 second year. This is a onetime appropriation.

34.4 (aa) \$300,000 the first year and \$300,000 the
34.5 second year are for transfer to the Board of
34.6 Regents of the University of Minnesota to
34.7 evaluate, propagate, and maintain the genetic
34.8 diversity of oilseeds, grains, grasses, legumes,
34.9 and other plants including flax, timothy,
34.10 barley, rye, triticale, alfalfa, orchard grass,
34.11 clover, and other species and varieties that
34.12 were in commercial distribution and use in
34.13 Minnesota before 1970, excluding wild rice.
34.14 This effort must also protect traditional seeds
34.15 brought to Minnesota by immigrant
34.16 communities. This appropriation includes
34.17 funding for associated extension and outreach
34.18 to small and Black, Indigenous, and People of
34.19 Color (BIPOC) farmers. This is a onetime
34.20 appropriation.

34.21 (bb) The commissioner shall continue to
34.22 increase connections with ethnic minority and
34.23 immigrant farmers to farming opportunities
34.24 and farming programs throughout the state.

34.25 **Sec. 8. COMMISSIONER OF HEALTH; APPROPRIATIONS.**

34.26 \$2,000,000 in fiscal year 2025 is appropriated from the general fund to the commissioner
34.27 of health to establish a mitigation program for contaminated wells, including testing,
34.28 repairing, and replacing wells and providing home water treatment, such as reverse osmosis
34.29 treatment, for private wells that are tested at or above the maximum contaminant level of
34.30 10 mg/L located in Dodge, Fillmore, Goodhue, Houston, Mower, Olmsted, or Wabasha
34.31 County. This appropriation is available until June 30, 2027. This is a onetime appropriation.
34.32 Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner
34.33 may use up to 6.5 percent of this appropriation for administrative costs.

ARTICLE 2

AGRICULTURE POLICY

35.1
35.2
35.3 Section 1. Minnesota Statutes 2023 Supplement, section 17.055, subdivision 3, is amended
35.4 to read:

35.5 Subd. 3. **Beginning farmer equipment and infrastructure grants.** (a) The commissioner
35.6 may award and administer equipment and infrastructure grants to beginning farmers. The
35.7 commissioner shall give preference to applicants who are ~~emerging~~ farmers experiencing
35.8 limited land access as defined in section 17.133, subdivision 1. Grant money may be used
35.9 for equipment and infrastructure development.

35.10 (b) The commissioner shall develop competitive eligibility criteria and may allocate
35.11 grants on a needs basis.

35.12 (c) Grant projects may continue for up to two years.

35.13 Sec. 2. Minnesota Statutes 2022, section 17.116, subdivision 2, is amended to read:

35.14 Subd. 2. **Eligibility.** (a) Grants may ~~only~~ be made to farmers, and organizations such as
35.15 farms, agricultural cooperatives, educational institutions, individuals at educational
35.16 institutions, ~~or~~ nonprofit organizations, Tribal governments, or local units of government
35.17 residing or located in the state for research or demonstrations on farms in the state.

35.18 (b) Grants may only be made for projects that show:

35.19 (1) the ability to maximize direct or indirect energy savings or production;

35.20 (2) a positive effect or reduced adverse effect on the environment; or

35.21 (3) increased profitability for the individual farm by reducing costs or improving
35.22 marketing opportunities.

35.23 Sec. 3. Minnesota Statutes 2022, section 17.133, subdivision 1, is amended to read:

35.24 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
35.25 the meanings given.

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

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

35.29 (2) has participated in the business operation of a farm for at least three years;

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

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

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

36.5 (d) "Incubator farm" means a farm where people are given temporary, exclusive, and
36.6 affordable access to small parcels of land, infrastructure, and often training, for the purpose
36.7 of honing skills and launching farm businesses.

36.8 (e) "Limited land access" means farming without ownership of land and:

36.9 (1) under a lease or other rental arrangement of no more than three years in duration
36.10 when the person leasing or renting the land is not related to the lessee or renter by blood or
36.11 marriage;

36.12 (2) farming by renting land from an incubator farm as defined in this section;

36.13 (3) farming with no current lease or other rental arrangement; or

36.14 (4) farming where access to land is constrained by Tribal land ownership patterns,
36.15 treaties, or federal and Tribal laws and regulations.

36.16 Sec. 4. Minnesota Statutes 2023 Supplement, section 17.133, subdivision 3, is amended
36.17 to read:

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

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

36.26 (2) the number and amount of grants;

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

36.28 (4) the number of grant recipients who are ~~emerging farmers~~ farmers experiencing limited
36.29 land access or who have a net farm profit of \$100,000 or less the previous year;

36.30 (5) disaggregated data regarding the gender, race, and ethnicity of grant recipients;

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

37.3 (7) the number and amount of grant applications that exceeded the allocation available
37.4 in each year.

37.5 Sec. 5. Minnesota Statutes 2023 Supplement, section 18C.425, subdivision 6, is amended
37.6 to read:

37.7 Subd. 6. **Payment of inspection fee.** (a) The person who registers and distributes in the
37.8 state a specialty fertilizer, soil amendment, or plant amendment under section 18C.411 shall
37.9 pay the inspection fee to the commissioner.

37.10 (b) The person licensed under section 18C.415 who distributes a fertilizer to a person
37.11 not required to be so licensed shall pay the inspection fee to the commissioner, except as
37.12 exempted under section 18C.421, subdivision 1, paragraph (b).

37.13 (c) The person responsible for payment of the inspection fees for fertilizers, soil
37.14 amendments, or plant amendments sold and used in this state must pay the inspection fee
37.15 set under paragraph (e), and until June 30, ~~2024~~ 2034, an additional 40 cents per ton, of
37.16 fertilizer, soil amendment, and plant amendment sold or distributed in this state, with a
37.17 minimum of \$10 on all tonnage reports. Notwithstanding section 18C.131, the commissioner
37.18 must deposit all revenue from the additional 40 cents per ton fee in the agricultural fertilizer
37.19 research and education account in section 18C.80. Products sold or distributed to
37.20 manufacturers or exchanged between them are exempt from the inspection fee imposed by
37.21 this subdivision if the products are used exclusively for manufacturing purposes.

37.22 (d) A registrant or licensee must retain invoices showing proof of fertilizer, plant
37.23 amendment, or soil amendment distribution amounts and inspection fees paid for a period
37.24 of three years.

37.25 (e) By commissioner's order, the commissioner must set the inspection fee at no less
37.26 than 39 cents per ton and no more than 70 cents per ton. The commissioner must hold a
37.27 public meeting before increasing the fee by more than five cents per ton.

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

37.29 Sec. 6. Minnesota Statutes 2022, section 18C.70, subdivision 5, is amended to read:

37.30 Subd. 5. **Expiration.** This section expires June 30, ~~2025~~ 2035.

38.1 Sec. 7. Minnesota Statutes 2022, section 18C.71, subdivision 4, is amended to read:

38.2 Subd. 4. **Expiration.** This section expires June 30, ~~2025~~ 2035.

38.3 Sec. 8. Minnesota Statutes 2022, section 18C.80, subdivision 2, is amended to read:

38.4 Subd. 2. **Expiration.** This section expires June 30, ~~2025~~ 2035.

38.5 Sec. 9. Minnesota Statutes 2022, section 28A.10, is amended to read:

38.6 **28A.10 POSTING OF LICENSE; RULES.**

38.7 All such licenses shall be issued for a period of one year and shall be posted or displayed
38.8 in a conspicuous place at the place of business so licensed. ~~Except as provided in sections~~
38.9 ~~29.22, subdivision 4 and 31.39, all such license fees and penalties collected by the~~
38.10 ~~commissioner shall be deposited into the state treasury and credited to the general fund.~~

38.11 The commissioner may adopt such rules in conformity with law as the commissioner deems
38.12 necessary to effectively and efficiently carry out the provisions of sections 28A.01 to 28A.16.

38.13 Sec. 10. Minnesota Statutes 2022, section 31.94, is amended to read:

38.14 **31.94 ORGANIC AGRICULTURE; COMMISSIONER DUTIES.**

38.15 (a) In order to promote opportunities for organic agriculture in Minnesota, the
38.16 commissioner shall:

38.17 (1) survey producers and support services and organizations to determine information
38.18 and research needs in the area of organic agriculture practices;

38.19 (2) work with the University of Minnesota and other research and education institutions
38.20 to demonstrate the on-farm applicability of organic agriculture practices to conditions in
38.21 this state;

38.22 (3) direct the programs of the department so as to work toward the promotion of organic
38.23 agriculture in this state;

38.24 (4) inform agencies about state or federal programs that support organic agriculture
38.25 practices; and

38.26 (5) work closely with producers, producer organizations, the University of Minnesota,
38.27 and other appropriate agencies and organizations to identify opportunities and needs as well
38.28 as ensure coordination and avoid duplication of state agency efforts regarding research,
38.29 teaching, marketing, and extension work relating to organic agriculture.

39.1 (b) By November 15 of each year that ends in a zero or a five, the commissioner, in
39.2 conjunction with the task force created in paragraph (c), shall report on the status of organic
39.3 agriculture in Minnesota to the legislative policy and finance committees and divisions with
39.4 jurisdiction over agriculture. The report must include available data on organic acreage and
39.5 production, available data on the sales or market performance of organic products, and
39.6 recommendations regarding programs, policies, and research efforts that will benefit
39.7 Minnesota's organic agriculture sector.

39.8 (c) A Minnesota Organic Advisory Task Force shall advise the commissioner and the
39.9 University of Minnesota on policies and programs that will improve organic agriculture in
39.10 Minnesota, including how available resources can most effectively be used for outreach,
39.11 education, research, and technical assistance that meet the needs of the organic agriculture
39.12 sector. The task force must consist of the following residents of the state:

39.13 (1) three organic farmers;

39.14 (2) one wholesaler or distributor of organic products;

39.15 (3) one representative of organic certification agencies;

39.16 (4) two organic processors;

39.17 (5) one representative from University of Minnesota Extension;

39.18 (6) one University of Minnesota faculty member;

39.19 (7) one representative from a nonprofit organization representing producers;

39.20 (8) two public members;

39.21 (9) one representative from the United States Department of Agriculture;

39.22 (10) one retailer of organic products; and

39.23 (11) one organic consumer representative.

39.24 The commissioner, in consultation with the director of the Minnesota Agricultural Experiment
39.25 Station; the dean and director of University of Minnesota Extension and the dean of the
39.26 College of Food, Agricultural and Natural Resource Sciences, shall appoint members to
39.27 serve three-year terms.

39.28 Compensation and removal of members are governed by section 15.059, subdivision 6.
39.29 The task force must meet at least twice each year and expires on June 30, ~~2024~~ 2034.

39.30 (d) For the purposes of expanding, improving, and developing production and marketing
39.31 of the organic products of Minnesota agriculture, the commissioner may receive funds from

40.1 state and federal sources and spend them, including through grants or contracts, to assist
 40.2 producers and processors to achieve certification, to conduct education or marketing
 40.3 activities, to enter into research and development partnerships, or to address production or
 40.4 marketing obstacles to the growth and well-being of the industry.

40.5 (e) The commissioner may facilitate the registration of state organic production and
 40.6 handling operations including those exempt from organic certification according to Code
 40.7 of Federal Regulations, title 7, section 205.101, and accredited certification agencies
 40.8 operating within the state.

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

40.10 Sec. 11. Minnesota Statutes 2022, section 32D.30, is amended to read:

40.11 **32D.30 DAIRY DEVELOPMENT AND PROFITABILITY ENHANCEMENT.**

40.12 Subdivision 1. **Program.** The commissioner must implement a dairy development and
 40.13 profitability enhancement program consisting of a dairy profitability enhancement teams
 40.14 and program, dairy business planning grants, and other services to support the dairy industry.

40.15 Subd. 2. **Dairy profitability enhancement teams program.** (a) The dairy profitability
 40.16 enhancement teams program must provide ~~one-on-one~~ information and technical assistance
 40.17 to dairy farms of all sizes to enhance their financial success and long-term sustainability.
 40.18 ~~Teams~~ The program must assist dairy producers in all dairy-producing regions of the state
 40.19 ~~and.~~ Assistance to producers from the program may consist of be provided individually, as
 40.20 a team, or through other methods by farm business management instructors, dairy extension
 40.21 specialists, and other dairy industry partners. ~~Teams~~ The program may engage in activities
 40.22 ~~including such as~~ comprehensive financial analysis, risk management education, enhanced
 40.23 milk marketing tools and technologies, ~~and~~ facilitating or improving production systems,
 40.24 including rotational grazing and other sustainable agriculture methods, and value-added
 40.25 opportunities.

40.26 (b) The commissioner must make grants to regional or statewide organizations qualified
 40.27 to manage the various components of the teams program and serve as program administrators.
 40.28 Each regional or statewide organization must designate a coordinator responsible for
 40.29 overseeing the program and submitting periodic reports to the commissioner regarding
 40.30 aggregate changes in producer financial stability, productivity, product quality, animal
 40.31 health, environmental protection, and other performance measures attributable to the program.
 40.32 The organizations must submit this information in a format that maintains the confidentiality
 40.33 of individual dairy producers.

41.1 Subd. 3. **Dairy business planning grants.** The commissioner may award dairy business
41.2 planning grants of up to \$5,000 per producer or dairy processor to ~~develop comprehensive~~
41.3 ~~business plans~~ use technical assistance services for evaluating operations, transitional
41.4 changes, expansions, improvements, and other business modifications. Producers and
41.5 processors must not use dairy business planning grants for capital improvements.

41.6 Subd. 4. **Funding allocation.** Except as specified in law, the commissioner may allocate
41.7 dairy development and profitability enhancement program dollars ~~among~~ for the permissible
41.8 uses specified in this section and other needs to support the dairy industry, including efforts
41.9 to improve the quality of milk produced in the state, in the proportions that the commissioner
41.10 deems most beneficial to the state's dairy farmers.

41.11 Subd. 5. **Reporting.** No later than July 1 each year, the commissioner must submit a
41.12 detailed accomplishment report and work plan detailing future plans for, and the actual and
41.13 anticipated accomplishments from, expenditures under this section to the chairs and ranking
41.14 minority members of the legislative committees and divisions with jurisdiction over
41.15 agriculture policy and finance. If the commissioner significantly modifies a submitted work
41.16 plan during the fiscal year, the commissioner must notify the chairs and ranking minority
41.17 members.

41.18 Sec. 12. Minnesota Statutes 2023 Supplement, section 41B.0391, subdivision 1, is amended
41.19 to read:

41.20 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
41.21 the meanings given.

41.22 (b) "Agricultural assets" means agricultural land, livestock, facilities, buildings, and
41.23 machinery used for farming in Minnesota.

41.24 (c) "Beginning farmer" means an individual or LLC owned by an individual who:

41.25 (1) is a resident of Minnesota;

41.26 (2) is seeking entry, or has entered within the last ten years, into farming;

41.27 (3) intends to farm land located within the state borders of Minnesota;

41.28 (4) except as provided in subdivision 2, paragraph (f), is not and whose spouse is not a
41.29 family member of the owner of the agricultural assets from whom the beginning farmer is
41.30 seeking to purchase or rent agricultural assets;

41.31 (5) except as provided in subdivision 2, paragraph (f), is not and whose spouse is not a
41.32 family member of a partner, member, shareholder, or trustee of the owner of agricultural

42.1 assets from whom the beginning farmer is seeking to purchase or rent agricultural assets;
42.2 and

42.3 (6) meets the following eligibility requirements as determined by the authority:

42.4 (i) has a net worth that does not exceed the limit provided under section 41B.03,
42.5 subdivision 3, paragraph (a), clause (2);

42.6 (ii) provides the majority of the day-to-day physical labor and management of the farm;

42.7 (iii) has, by the judgment of the authority, adequate farming experience or demonstrates
42.8 knowledge in the type of farming for which the beginning farmer seeks assistance from the
42.9 authority;

42.10 (iv) demonstrates to the authority a profit potential by submitting projected earnings
42.11 statements;

42.12 (v) asserts to the satisfaction of the authority that farming will be a significant source
42.13 of income for the beginning farmer;

42.14 (vi) is enrolled in or has completed within ten years of their first year of farming a
42.15 financial management program approved by the authority or the commissioner of agriculture;

42.16 (vii) agrees to notify the authority if the beginning farmer no longer meets the eligibility
42.17 requirements within the three-year certification period, in which case the beginning farmer
42.18 is no longer eligible for credits under this section; and

42.19 (viii) has other qualifications as specified by the authority.

42.20 The authority may waive the requirement in item (vi) if the participant requests a waiver
42.21 and has a four-year degree in an agricultural program or related field, reasonable agricultural
42.22 job-related experience, or certification as an adult farm management instructor.

42.23 (d) "Emerging farmer" means an emerging farmer within the meaning of section 17.055,
42.24 subdivision 1.

42.25 (e) "Family member" means a family member within the meaning of the Internal Revenue
42.26 Code, section 267(c)(4).

42.27 (f) "Farm product" means plants and animals useful to humans and includes, but is not
42.28 limited to, forage and sod crops, oilseeds, grain and feed crops, dairy and dairy products,
42.29 poultry and poultry products, livestock, fruits, and vegetables.

42.30 (g) "Farming" means the active use, management, and operation of real and personal
42.31 property for the production of a farm product.

43.1 (h)"Limited land access" has the meaning given in section 17.133, subdivision 1.

43.2 ~~(h)~~ (i) "Owner of agricultural assets" means an individual, trust, or pass-through entity
43.3 that is the owner in fee of agricultural land or has legal title to any other agricultural asset.
43.4 Owner of agricultural assets does not mean an equipment dealer, livestock dealer defined
43.5 in section 17A.03, subdivision 7, or comparable entity that is engaged in the business of
43.6 selling agricultural assets for profit and that is not engaged in farming as its primary business
43.7 activity. An owner of agricultural assets approved and certified by the authority under
43.8 subdivision 4 must notify the authority if the owner no longer meets the definition in this
43.9 paragraph within the three year certification period and is then no longer eligible for credits
43.10 under this section.

43.11 ~~(i)~~ (j) "Resident" has the meaning given in section 290.01, subdivision 7.

43.12 ~~(j)~~ (k) "Share rent agreement" means a rental agreement in which the principal
43.13 consideration given to the owner of agricultural assets is a predetermined portion of the
43.14 production of farm products produced from the rented agricultural assets and which provides
43.15 for sharing production costs or risk of loss, or both.

43.16 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
43.17 31, 2024.

43.18 Sec. 13. Minnesota Statutes 2023 Supplement, section 41B.0391, subdivision 2, is amended
43.19 to read:

43.20 Subd. 2. **Tax credit for owners of agricultural assets.** (a) An owner of agricultural
43.21 assets may take a credit against the tax due under chapter 290 for the sale or rental of
43.22 agricultural assets to a beginning farmer in the amount allocated by the authority under
43.23 subdivision 4. An owner of agricultural assets is eligible for allocation of a credit equal to:

43.24 (1) eight percent of the lesser of the sale price or the fair market value of the agricultural
43.25 asset, up to a maximum of \$50,000;

43.26 (2) ten percent of the gross rental income in each of the first, second, and third years of
43.27 a rental agreement, up to a maximum of \$7,000 per year; or

43.28 (3) 15 percent of the cash equivalent of the gross rental income in each of the first,
43.29 second, and third years of a share rent agreement, up to a maximum of \$10,000 per year.

43.30 (b) A qualifying rental agreement includes cash rent of agricultural assets or a share rent
43.31 agreement. The agricultural asset must be rented at prevailing community rates as determined
43.32 by the authority.

44.1 (c) The credit may be claimed only after approval and certification by the authority, and
44.2 is limited to the amount stated on the certificate issued under subdivision 4. An owner of
44.3 agricultural assets must apply to the authority for certification and allocation of a credit, in
44.4 a form and manner prescribed by the authority.

44.5 (d) An owner of agricultural assets or beginning farmer may terminate a rental agreement,
44.6 including a share rent agreement, for reasonable cause upon approval of the authority. If a
44.7 rental agreement is terminated without the fault of the owner of agricultural assets, the tax
44.8 credits shall not be retroactively disallowed. In determining reasonable cause, the authority
44.9 must look at which party was at fault in the termination of the agreement. If the authority
44.10 determines the owner of agricultural assets did not have reasonable cause, the owner of
44.11 agricultural assets must repay all credits received as a result of the rental agreement to the
44.12 commissioner of revenue. The repayment is additional income tax for the taxable year in
44.13 which the authority makes its decision or when a final adjudication under subdivision 5,
44.14 paragraph (a), is made, whichever is later.

44.15 (e) The credit is limited to the liability for tax as computed under chapter 290 for the
44.16 taxable year. If the amount of the credit determined under this section for any taxable year
44.17 exceeds this limitation, the excess is a beginning farmer incentive credit carryover according
44.18 to section 290.06, subdivision 37.

44.19 (f) For purposes of the credit for the sale of agricultural land only, the family member
44.20 definitional exclusions in subdivision 1, paragraph (c), clauses (4) and (5), do not apply.
44.21 For a sale to a family member to qualify for the credit, the sales price of the agricultural
44.22 land must equal or exceed the assessed value of the land as of the date of the sale. For
44.23 purposes of this paragraph, "sale to a family member" means a sale to a beginning farmer
44.24 in which the beginning farmer or the beginning farmer's spouse is a family member of:

44.25 (1) the owner of the agricultural land; or

44.26 (2) a partner, member, shareholder, or trustee of the owner of the agricultural land.

44.27 (g) For a sale to ~~an emerging~~ a farmer experiencing limited land access, the credit rate
44.28 under paragraph (a), clause (1), is twelve percent rather than eight percent.

44.29 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
44.30 31, 2024.

44.31 Sec. 14. Minnesota Statutes 2023 Supplement, section 41B.0391, subdivision 4, is amended
44.32 to read:

44.33 Subd. 4. **Authority duties.** (a) The authority shall:

45.1 (1) approve and certify or recertify beginning farmers as eligible for the program under
45.2 this section;

45.3 (2) approve and certify or recertify owners of agricultural assets as eligible for the tax
45.4 credit under subdivision 2 subject to the allocation limits in paragraph (c);

45.5 (3) provide necessary and reasonable assistance and support to beginning farmers for
45.6 qualification and participation in financial management programs approved by the authority;

45.7 (4) refer beginning farmers to agencies and organizations that may provide additional
45.8 pertinent information and assistance; and

45.9 (5) notwithstanding section 41B.211, the Rural Finance Authority must share information
45.10 with the commissioner of revenue to the extent necessary to administer provisions under
45.11 this subdivision and section 290.06, subdivisions 37 and 38. The Rural Finance Authority
45.12 must annually notify the commissioner of revenue of approval and certification or
45.13 recertification of beginning farmers and owners of agricultural assets under this section.
45.14 For credits under subdivision 2, the notification must include the amount of credit approved
45.15 by the authority and stated on the credit certificate.

45.16 (b) The certification of a beginning farmer or an owner of agricultural assets under this
45.17 section is valid for the year of the certification and the two following years, after which
45.18 time the beginning farmer or owner of agricultural assets must apply to the authority for
45.19 recertification.

45.20 (c) For credits for owners of agricultural assets allowed under subdivision 2, the authority
45.21 must not allocate more than \$6,500,000 for taxable years beginning after December 31,
45.22 2022, and before January 1, 2024, and \$4,000,000 for taxable years beginning after December
45.23 31, 2023. The authority must allocate credits on a first-come, first-served basis beginning
45.24 on January 1 of each year, except that recertifications for the second and third years of
45.25 credits under subdivision 2, paragraph (a), clauses (1) and (2), have first priority. Any
45.26 amount authorized but not allocated for taxable years ending before January 1, 2023, is
45.27 canceled and is not allocated for future taxable years. For taxable years beginning after
45.28 December 31, 2022, any amount authorized but not allocated in any taxable year does not
45.29 cancel and is added to the allocation for the next taxable year. For each taxable year, 50
45.30 percent of newly allocated credits must be allocated to emerging owners of agricultural
45.31 assets that sell or rent agricultural assets to beginning farmers who are experiencing limited
45.32 land access farmers. Any portion of a taxable year's newly allocated credits that is reserved
45.33 for emerging sales or rentals to farmers experiencing limited land access that is not allocated

46.1 by September 30 of the taxable year is available for allocation to other credit allocations
46.2 beginning on October 1.

46.3 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
46.4 31, 2024.

46.5 Sec. 15. Minnesota Statutes 2023 Supplement, section 41B.0391, subdivision 6, is amended
46.6 to read:

46.7 Subd. 6. **Report to legislature.** (a) No later than February 1, 2024, the Rural Finance
46.8 Authority, in consultation with the commissioner of revenue, must provide a report to the
46.9 chairs and ranking minority members of the legislative committees having jurisdiction over
46.10 agriculture, economic development, rural development, and taxes, in compliance with
46.11 sections 3.195 and 3.197, on the beginning farmer tax credits under this section issued in
46.12 tax years beginning after December 31, 2017, and before January 1, 2024.

46.13 (b) The report must include background information on beginning farmers in Minnesota
46.14 and any other information the commissioner and authority find relevant to evaluating the
46.15 effect of the credits on increasing opportunities for and the number of beginning farmers.

46.16 (c) For credits issued under subdivision 2, paragraph (a), clauses (1) to (3), the report
46.17 must include:

46.18 (1) the number and amount of credits issued under each clause;

46.19 (2) the geographic distribution of credits issued under each clause;

46.20 (3) the type of agricultural assets for which credits were issued under clause (1);

46.21 (4) the number and geographic distribution of beginning farmers whose purchase or
46.22 rental of assets resulted in credits for the seller or owner of the asset;

46.23 (5) the number and amount of credits disallowed under subdivision 2, paragraph (d);

46.24 (6) data on the number of beginning farmers by geographic region in calendar years
46.25 2017 through 2023, including:

46.26 (i) the number of beginning farmers by race and ethnicity, as those terms are applied in
46.27 the 2020 United States Census; and

46.28 (ii) the number of beginning farmers who are experiencing limited land access and, to
46.29 the extent available, the number of beginning farmers who are emerging farmers; and

46.30 (7) the number and amount of credit applications that exceeded the allocation available
46.31 in each year.

47.1 (d) For credits issued under subdivision 3, the report must include:

47.2 (1) the number and amount of credits issued;

47.3 (2) the geographic distribution of credits;

47.4 (3) a listing and description of each approved financial management program for which
47.5 credits were issued; and

47.6 (4) a description of the approval procedure for financial management programs not on
47.7 the list maintained by the authority, as provided in subdivision 3, paragraph (a).

47.8 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
47.9 31, 2024.

47.10 Sec. 16. Minnesota Statutes 2022, section 41B.047, subdivision 1, is amended to read:

47.11 Subdivision 1. **Establishment.** The authority shall establish and implement a disaster
47.12 recovery loan program to help farmers:

47.13 (1) clean up, repair, or replace farm structures and septic and water systems, as well as
47.14 replace seed, other crop inputs, feed, and livestock;

47.15 (2) purchase watering systems, irrigation systems, ~~and~~ other drought mitigation systems
47.16 and practices, and feed when drought is the cause of the purchase;

47.17 (3) restore farmland;

47.18 (4) replace flocks or livestock, make building improvements, or cover the loss of revenue
47.19 when the replacement, improvements, or loss of revenue is due to the confirmed presence
47.20 of a highly contagious animal disease in a commercial poultry or game flock, or a commercial
47.21 livestock operation, located in Minnesota; or

47.22 (5) cover the loss of revenue when the revenue loss is due to an infectious human disease
47.23 for which the governor has declared a peacetime emergency under section 12.31.

47.24 Sec. 17. **REPEALER.**

47.25 Minnesota Statutes 2022, section 34.07, is repealed.

48.1

ARTICLE 3

48.2

BROADBAND

48.3 Section 1. Minnesota Statutes 2022, section 116J.396, is amended by adding a subdivision
48.4 to read:

48.5 Subd. 4. **Transfer.** The commissioner may transfer up to \$5,000,000 of a fiscal year
48.6 appropriation between the border-to-border broadband program, low density population
48.7 broadband program, and the broadband line extension program to meet demand.

48.8 Sec. 2. **BROADBAND DEVELOPMENT; APPLICATION FOR FEDERAL**
48.9 **FUNDING; APPROPRIATION.**

48.10 (a) The commissioner of employment and economic development must prepare and
48.11 submit an application to the United States Department of Commerce requesting State Digital
48.12 Equity Capacity Grant Funding made available under Public Law 117-58, the Infrastructure
48.13 Investment and Jobs Act.

48.14 (b) The amount awarded Minnesota from paragraph (a) is appropriated to the
48.15 commissioner of employment and economic development for purposes of the commissioner's
48.16 Minnesota Digital Opportunity Plan."