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

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. APPROPRIATIONS.

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

APPROPRIATIONS
Available for the Year

<table>
<thead>
<tr>
<th></th>
<th>Ending June 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024</td>
<td>2025</td>
</tr>
</tbody>
</table>

Sec. 2. DEPARTMENT OF AGRICULTURE

$475,000 $1,650,000

(a) $750,000 the second year is for home water treatment such as reverse osmosis treatment for private wells that are tested at or above the maximum contaminant level of 10 mg/L and located in Dodge, Fillmore, Goodhue, Houston, Mower, Olmsted, or Wabasha County. Priority shall be given to households at or below 300 percent of the federal poverty guidelines and households with infants and pregnant individuals. This appropriation may also be used for education, outreach, and technical assistance to homeowners.

Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 6.5 percent of this appropriation for administrative costs. This appropriation is
available until June 30, 2027. This is a onetime appropriation.

(b) $500,000 the second year is for the soil health financial assistance program under Minnesota Statutes, section 17.134, for projects located in Dodge, Fillmore, Goodhue, Houston, Mower, Olmsted, or Wabasha County. The commissioner may award no more than $50,000 of the appropriation each year to a single recipient. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program. Appropriations encumbered under contract on or before June 30, 2025, for soil health financial assistance grants are available until June 30, 2027. This appropriation is in addition to the appropriation in Laws 2023, chapter 43, article 1, section 2, subdivision 2, paragraph (b). This is a onetime appropriation.

(c) $50,000 the first year is to convene a working group of interested parties, including representatives from the Department of Natural Resources, to investigate and recommend options for addressing crop and fence destruction due to Cervidae. By February 1, 2025, the commissioner must submit a report on the findings and recommendations of the working group to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture policy and finance. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not

Article 1 Sec. 2. 2
cancel at the end of the first year and is available in the second year. This is a onetime appropriation.

(d) $100,000 the second year is to develop and enhance farm-to-school markets by providing more fruits, vegetables, meat, poultry, grain, and dairy for children in schools and early childhood education centers, child care centers, and family child care programs, including, at the commissioner's discretion, providing grants to reimburse schools, early childhood education centers, child care centers, and family child care programs, for purchasing equipment and agricultural products. This appropriation is for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. Any unencumbered balance at the end of the second year may be used for other purposes under the agricultural growth, research, and innovation program and is available until June 30, 2027. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 6.5 percent of this appropriation for administrative costs. This appropriation is in addition to the appropriation in Laws 2023, chapter 43, article 1, section 2, subdivision 4, paragraph (c). This is a onetime appropriation.

(e) $300,000 the second year is for the protecting livestock grant program for producers to support installation of measures to prevent transmission of avian influenza. This appropriation is for the agricultural growth, research, and innovation program.
under Minnesota Statutes, section 41A.12.

Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 6.5 percent of this appropriation for administrative costs. This appropriation is available until June 30, 2027. This is a onetime appropriation.

(f) $375,000 the first year is to provide grants to secondary career and technical education programs for the purpose of offering instruction in meat cutting and butchery. This appropriation is for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12.

Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 6.5 percent of this appropriation for administrative costs. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. Grants may be used for costs, including but not limited to:

(1) equipment required for a meat cutting program;

(2) facility renovation to accommodate meat cutting; and

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

A grant recipient may be awarded a grant of up to $75,000 and may use up to ten percent of the grant for faculty training. Priority may be given to applicants who are coordinating...
with meat cutting and butchery programs at
Minnesota State Colleges and Universities
institutions or with local industry partners.

By January 15, 2025, the commissioner must
report to the chairs and ranking minority
members of the legislative committees with
jurisdiction over agriculture finance and
education finance by listing the grants made
under this paragraph by county and noting the
number and amount of grant requests not
fulfilled. The report may include additional
information as determined by the
commissioner, including but not limited to
information regarding the outcomes produced
by these grants. If additional grants are
awarded under this paragraph that were not
covered in the report due by January 15, 2025,
the commissioner must submit an additional
report to the chairs and ranking minority
members of the legislative committees with
jurisdiction over agriculture finance and
education finance regarding all grants issued
under this paragraph by November 1, 2025.

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

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

(2) information about agricultural land use,
including differences among regions; and
(3) legislative recommendations for ensuring that agricultural land is available to farmers.

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

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

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

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

<table>
<thead>
<tr>
<th>Subdivision 1. <strong>Total Appropriation</strong></th>
<th>2024</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subdivision 1. <strong>Total Appropriation</strong></td>
<td>$92,025,000</td>
<td>$72,223,000</td>
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<tr>
<td>Appropriations by Fund</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General</td>
<td>$87,626,000</td>
<td>$76,244,000</td>
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<tr>
<td>91,626,000</td>
<td>74,824,000</td>
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<tr>
<td>Remediation</td>
<td>399,000</td>
<td>399,000</td>
</tr>
<tr>
<td>87,626,000</td>
<td>76,244,000</td>
<td></td>
</tr>
</tbody>
</table>

The amounts that may be spent for each purpose are specified in the following subdivisions.
Sec. 4. Laws 2023, chapter 43, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. Protection Services

### Appropriations by Fund

<table>
<thead>
<tr>
<th>Fund</th>
<th>2024</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>32,034,000</td>
<td>18,818,000</td>
</tr>
<tr>
<td>Remediation</td>
<td>399,000</td>
<td>399,000</td>
</tr>
</tbody>
</table>

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

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

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

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

(d) $150,000 the first year and $150,000 the second year are for transfer to the noxious
(a) $175,000 the first year and $175,000 the second year are for compensation for destroyed or crippled livestock under Minnesota Statutes, section 3.737. The first year appropriation may be spent to compensate for livestock that were destroyed or crippled during fiscal year 2023. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to $5,000 each year to reimburse expenses incurred by university extension educators to provide fair market values of destroyed or crippled livestock. If the commissioner receives federal dollars to pay claims for destroyed or crippled livestock, an equivalent amount of this appropriation may be used to reimburse nonlethal prevention methods performed by federal wildlife services staff.

(f) $155,000 the first year and $155,000 the second year are for compensation for crop damage under Minnesota Statutes, section 3.7371. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to $10,000 of the appropriation each year to reimburse expenses incurred by
the commissioner or the commissioner's approved agent to investigate and resolve claims, as well as for costs associated with training for approved agents. The commissioner may use up to $40,000 of the appropriation each year to make grants to producers for measures to protect stored crops from elk damage. If the commissioner determines that claims made under Minnesota Statutes, section 3.737 or 3.7371, are unusually high, amounts appropriated for either program may be transferred to the appropriation for the other program. The base for this appropriation is $155,000 in fiscal year 2026 and each year thereafter.

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

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

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

(j) $250,000 the first year and $250,000 the second year are for grants to organizations in Minnesota to develop enterprises, supply chains, and markets for continuous-living
cover crops and cropping systems in the early
stages of commercial development. For the
purposes of this paragraph, "continuous-living
cover crops and cropping systems" refers to
agroforestry, perennial biomass, perennial
forage, perennial grains, and winter-annual
cereal grains and oilseeds that have market
value as harvested or grazed commodities. By
February 1 each year, the commissioner must
submit a report to the chairs and ranking
minority members of the legislative
committees with jurisdiction over agriculture
finance and policy detailing uses of the funds
in this paragraph, including administrative
costs, and the achievements these funds
contributed to. The commissioner may use up
to 6.5 percent of this appropriation for
administrative costs. This is a onetime
appropriation.

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

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

(m) $125,000 the first year and $125,000 the
second year are for the PFAS in pesticides
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.
11.6 Agricultural Marketing and
11.7 Development

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

11.12 (b) $186,000 the first year and $186,000 the
11.13 second year are for transfer to the Minnesota
11.14 grown account and may be used as grants for
11.15 Minnesota grown promotion under Minnesota
11.16 Statutes, section 17.102. Notwithstanding
11.17 Minnesota Statutes, section 16A.28, the
11.18 appropriations encumbered under contract on
11.19 or before June 30, 2025, for Minnesota grown
11.20 grants in this paragraph are available until June
11.21 30, 2027.

11.22 (c) $634,000 the first year and $634,000 the
11.23 second year are for the continuation of the
11.24 dairy development and profitability
11.25 enhancement programs, including dairy
11.26 profitability teams and dairy business planning
11.27 grants under Minnesota Statutes, section
11.28 32D.30.

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

d) $600,000 the first year and $420,000 the second year are to maintain the current level of service delivery. The base for this appropriation is $490,000 for fiscal year 2026 and each year thereafter.

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

(g) $100,000 the first year and $100,000 the second year are to award and administer grants for infrastructure and other forms of financial assistance to support EBT, SNAP, SFMNP, and related programs at farmers markets. Grants may be used for staff costs associated with program administration, compliance, and reporting. The commissioner may use up to 6.5 percent of the appropriation each year to administer the grant program. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. This is a onetime appropriation.
13.1 (h) $200,000 the first year and $200,000 the second year are to award cooperative grants under Minnesota Statutes, section 17.1016.

13.2 The commissioner may use up to 6.5 percent of the appropriation each year to administer the grant program. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. This is a onetime appropriation.

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

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

13.13 Subd. 4. **Agriculture, Bioenergy, and Bioproduct Advancement**

13.14 (a) $10,702,000 the first year and $10,702,000 the second year are for the agriculture research, education, extension, and technology transfer program under Minnesota Statutes, section 41A.14. Except as provided below, the appropriation each year is for transfer to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3, and the commissioner shall transfer funds each year to the Board of Regents of the University of Minnesota for purposes of Minnesota Statutes, section 41A.14. To the extent practicable, money expended under Minnesota Statutes, section 41A.14, subdivision 1, clauses (1) and (2), must supplement and not supplant existing sources and levels of funding. The commissioner may use up to one percent of this appropriation for costs incurred to administer the program.
Of the amount appropriated for the agriculture research, education, extension, and technology transfer grant program under Minnesota Statutes, section 41A.14:

(1) $600,000 the first year and $600,000 the second year are for the Minnesota Agricultural Experiment Station's agriculture rapid response fund under Minnesota Statutes, section 41A.14, subdivision 1, clause (2);

(2) up to $1,000,000 the first year and up to $1,000,000 the second year are for research on avian influenza, salmonella, and other turkey-related diseases and disease prevention measures;

(3) $2,250,000 the first year and $2,250,000 the second year are for grants to the Minnesota Agricultural Education Leadership Council to enhance agricultural education with priority given to Farm Business Management challenge grants;

(4) $450,000 the first year is for the cultivated wild rice breeding project at the North Central Research and Outreach Center to include a tenure track/research associate plant breeder;

(5) $350,000 the first year and $350,000 the second year are for potato breeding;

(6) $802,000 the first year and $802,000 the second year are to fund the Forever Green Initiative and protect the state's natural resources while increasing the efficiency, profitability, and productivity of Minnesota farmers by incorporating perennial and winter-annual crops into existing agricultural practices. The base for the allocation under
this clause is $802,000 in fiscal year 2026 and
each year thereafter. By February 1 each year,
the dean of the College of Food, Agricultural
and Natural Resource Sciences must submit
a report to the chairs and ranking minority
members of the legislative committees with
jurisdiction over agriculture finance and policy
and higher education detailing uses of the
funds in this paragraph, including
administrative costs, and the achievements
these funds contributed to; and

(7) $350,000 each year is for farm-scale winter
greenhouse research and development
coordinated by University of Minnesota
Extension Regional Sustainable Development
Partnerships. The allocation in this clause is
ontime;

(8) $200,000 the second year is for research
on natural stands of wild rice; and

(9) $250,000 the second year is for the
cultivated wild rice forward selection project
at the North Central Research and Outreach
Center to include a tenure track or research
associate plant scientist.

(b) The base for the agriculture research,
education, extension, and technology transfer
program is $10,352,000 in fiscal year 2026
and $10,352,000 in fiscal year 2027.

(c) $27,107,000 $23,107,000 the first year and
$23,107,000 the second year are is for the
agricultural growth, research, and innovation
program under Minnesota Statutes, section
41A.12. Except as provided below, the
commissioner may allocate this appropriation
each year among the following areas:
facilitating the start-up, modernization, improvement, or expansion of livestock operations, including beginning and transitioning livestock operations with preference given to robotic dairy-milking equipment; assisting value-added agricultural businesses to begin or expand, to access new markets, or to diversify, including aquaponics systems, with preference given to hemp fiber processing equipment; facilitating the start-up, modernization, or expansion of other beginning and transitioning farms, including by providing loans under Minnesota Statutes, section 41B.056; sustainable agriculture on-farm research and demonstration; the development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research, including basic and applied turf seed research; Farm Business Management tuition assistance; and good agricultural practices and good handling practices certification assistance. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.

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

(1) $1,000,000 the first year and $1,000,000 the second year are for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture;
(2) $5,750,000 the first year and $5,750,000 the second year are for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. Notwithstanding Minnesota Statutes, section 16A.28, the first year appropriation is available until June 30, 2025, and the second year appropriation is available until June 30, 2026. If this appropriation exceeds the total amount for which all producers are eligible in a fiscal year, the balance of the appropriation is available for other purposes under this paragraph. The base under this clause is $3,000,000 in fiscal year 2026 and each year thereafter;

(3) $3,375,000 the first year and $3,375,000 the second year are for grants that enable retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than 10 retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 65 percent of the cost of the appropriate technology. A grant award must not exceed $200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant.
program. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which the commissioner contracts, must submit a report on the biofuels infrastructure financial assistance program by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The annual report must include but not be limited to a summary of the following metrics: (i) the number and types of projects financed; (ii) the amount of dollars leveraged or matched per project; (iii) the geographic distribution of financed projects; (iv) any market expansion associated with upgraded infrastructure; (v) the demographics of the areas served; (vi) the costs of the program; and (vii) the number of grants to minority-owned or female-owned businesses:

The base under this clause is $3,000,000 for fiscal year 2026 and each year thereafter;

(4) $1,250,000 the first year and $1,250,000 the second year are for grants to facilitate the start-up, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed $200,000. Any unencumbered balance at the end of the second year does not cancel until June 30, 2026, and may be used for other purposes under this paragraph. The base under this clause is $250,000 in fiscal year 2026 and each year thereafter;

(5) $1,150,000 the first year and $1,150,000 the second year are for is to develop and
enhance farm-to-school markets for Minnesota farmers by providing more fruits, vegetables, meat, poultry, grain, and dairy for children in school and schools, early childhood education centers, child care centers, and family child care programs, including, at the commissioner's discretion, providing grants to reimburse schools and early childhood education centers, child care centers, and family child care programs, for purchasing equipment and agricultural products. Of the amount appropriated, $150,000 each year is for a statewide coordinator of farm-to-institution strategy and programming. The coordinator must consult with relevant stakeholders and provide technical assistance and training for participating farmers and eligible grant recipients. The base under this clause is $1,294,000 in fiscal year 2026 and each year thereafter.

(6) $4,000,000 the first year is for Dairy Assistance, Investment, Relief Initiative (DAIRI) grants and other forms of financial assistance to Minnesota dairy farms that enroll in coverage under a federal dairy risk protection program and produced no more than 16,000,000 pounds of milk in 2022. The commissioner must make DAIRI payments based on the amount of milk produced in 2022, up to 5,000,000 pounds per participating farm, at a rate determined by the commissioner within the limits of available funding. Any unencumbered balance does not cancel at the end of the first year and is available in the second year. Any unencumbered balance at the end of the second year does not cancel.
until June 30, 2026, and may be used for other purposes under this paragraph. The allocation in this clause is onetime.

(7) (6) $2,000,000 the first year and $2,000,000 the second year are for urban youth agricultural education or urban agriculture community development; and

(8) (7) $1,000,000 the first year and $1,000,000 the second year are for the good food access program under Minnesota Statutes, section 17.1017.

Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available for the second year, and appropriations encumbered under contract on or before June 30, 2025, for agricultural growth, research, and innovation grants are available until June 30, 2028.

(d) $27,452,000 the second year is for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. Except as provided below, the commissioner may allocate this appropriation among the following areas: facilitating the start-up, modernization, improvement, or expansion of livestock operations, including beginning and transitioning livestock operations with preference given to robotic dairy-milking equipment; assisting value-added agricultural businesses to begin or expand, to access new markets, or to diversify, including aquaponics systems, with preference given to hemp fiber processing equipment; facilitating the start-up.
modernization, or expansion of other
beginning and transitioning farms, including
by providing loans under Minnesota Statutes,
section 41B.056; sustainable agriculture
on-farm research and demonstration; the
development or expansion of food hubs and
other alternative community-based food
distribution systems; enhancing renewable
energy infrastructure and use; crop research,
including basic and applied turf seed research;
Farm Business Management tuition assistance;
and good agricultural practices and good
handling practices certification assistance. The
commissioner may use up to 6.5 percent of
this appropriation for costs incurred to
administer the program.

Of the amount appropriated for the agricultural
growth, research, and innovation program
under Minnesota Statutes, section 41A.12:
(1) $1,000,000 the second year is for
distribution in equal amounts to each of the
state's county fairs to preserve and promote
Minnesota agriculture;
(2) $5,750,000 the second year is for incentive
payments under Minnesota Statutes, sections
41A.16, 41A.17, 41A.18, and 41A.20.
Notwithstanding Minnesota Statutes, section
16A.28, this appropriation is available until
June 30, 2027. If this appropriation exceeds
the total amount for which all producers are
eligible in a fiscal year, the balance of the
appropriation is available for other purposes
under this paragraph. The base under this
clause is $3,000,000 in fiscal year 2026 and
each year thereafter;
(3) $3,375,000 the second year is for grants that enable retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than ten retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 65 percent of the cost of the appropriate technology. A grant award must not exceed $200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which the commissioner contracts, must submit a report on the biofuels infrastructure financial assistance program by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The annual report must include but not be limited to a summary of the following metrics: (i) the number and types of projects financed; (ii) the amount of dollars leveraged or matched per project; (iii) the geographic distribution of financed projects.
(iv) any market expansion associated with upgraded infrastructure; (v) the demographics of the areas served; (vi) the costs of the program; and (vii) the number of grants to minority-owned or female-owned businesses.

The base under this clause is $3,000,000 for fiscal year 2026 and each year thereafter;

(4) $1,250,000 the second year is for grants to facilitate the start-up, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed $200,000. Any unencumbered balance at the end of the second year does not cancel until June 30, 2027, and may be used for other purposes under this paragraph. The base under this clause is $250,000 in fiscal year 2026 and each year thereafter;

(5) $1,150,000 the first year is to develop and enhance farm-to-school markets for Minnesota farmers by providing more fruits, vegetables, meat, poultry, grain, and dairy for children in schools, early childhood education centers, child care centers, and family child care programs, including, at the commissioner's discretion, providing grants to reimburse schools, early childhood education centers, child care centers, and family child care programs, for purchasing equipment and agricultural products. Of the amount appropriated, $150,000 each year is for a statewide coordinator of farm-to-institution strategy and programming. The coordinator must consult with relevant stakeholders and provide technical assistance and training for
participating farmers and eligible grant recipients. The base under this clause is $1,294,000 in fiscal year 2026 and each year thereafter;

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

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

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

Notwithstanding Minnesota Statutes, section 16A.28, this appropriation does not cancel at the end of the second year and is available until June 30, 2027. Appropriations encumbered under contract on or before June 30, 2027, for agricultural growth, research, and innovation grants are available until June 30, 2030.
(d) (e) The base for the agricultural growth, research, and innovation program is $16,294,000 in fiscal year 2026 and each year thereafter and includes $200,000 each year for cooperative development grants.

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

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

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

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

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

(d) $18,000 the first year and $18,000 the second year are for grants to the Minnesota Association for...
Livestock Breeders Association. This is a onetime appropriation.

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

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

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

(h) $75,000 the first year and $75,000 the second year are appropriated from the general fund to the commissioner of agriculture for grants to the Minnesota Turf Seed Council for basic and applied research on: (1) the improved production of forage and turf seed related to new and improved varieties; and (2) native plants, including plant breeding, nutrient management, pest management, disease management, yield, and viability. The Minnesota Turf Seed Council may subcontract with a qualified third party for some or all of the basic or applied research. Any unencumbered balance does not cancel at the end of the first year and is available in the second year. The Minnesota Turf Seed Council must prepare a report outlining the use of the grant money and related accomplishments. No later than January 15, 2025, the council must submit the report to the chairs and ranking minority members of the legislative...
committees and divisions with jurisdiction over agriculture finance and policy. This is a onetime appropriation.

(i) $100,000 the first year and $100,000 the second year are for grants to GreenSeam for assistance to agriculture-related businesses to support business retention and development, business attraction and creation, talent development and attraction, and regional branding and promotion. These are onetime appropriations. No later than December 1, 2024, and December 1, 2025, GreenSeam must report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and rural development with information on new and existing businesses supported, number of new jobs created in the region, new educational partnerships and programs supported, and regional branding and promotional efforts.

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

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

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

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

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

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

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

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

(m) $750,000 the first year and $750,000 the second year are to expand the Emerging Farmers Office and provide services to beginning and emerging farmers to increase connections between farmers and market.
opportunities throughout the state. This appropriation may be used for grants, translation services, training programs, or other purposes in line with the recommendations of the Emerging Farmer Working Group established under Minnesota Statutes, section 17.055, subdivision 1. The base for this appropriation is $1,000,000 in fiscal year 2026 and each year thereafter.

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

(o) $337,000 the first year and $337,000 the second year are for farm advocate services. Of these amounts, $50,000 the first year and $50,000 the second year are for the continuation of the farmland transition programs and may be used for grants to farmland access teams to provide technical assistance to potential beginning farmers. Farmland access teams must assist existing farmers and beginning farmers with transitioning farm ownership and farm operation. Services provided by teams may include but are not limited to mediation assistance, designing contracts, financial planning, tax preparation, estate planning, and housing assistance.

(p) $260,000 the first year and $260,000 the second year are for a pass-through grant to...
Region Five Development Commission to provide, in collaboration with Farm Business Management, statewide mental health counseling support to Minnesota farm operators, families, and employees, and individuals who work with Minnesota farmers in a professional capacity. Region Five Development Commission may use up to 6.5 percent of the grant awarded under this paragraph for administration.

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

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

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

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

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

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

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

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

(x) $250,000 the first year is for a grant to the Board of Regents of the University of Minnesota to purchase equipment for the
Veterinary Diagnostic Laboratory to test for chronic wasting disease, African swine fever, avian influenza, and other animal diseases. The Veterinary Diagnostic Laboratory must report expenditures under this paragraph to the legislative committees with jurisdiction over agriculture finance and higher education with a report submitted by January 3, 2024, and a final report submitted by December 31, 2024. The reports must include a list of equipment purchased, including the cost of each item.

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

(z) $222,000 the first year and $322,000 the second year are for meat processing training and retention incentive grants under section 5. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program. Notwithstanding Minnesota Statutes, section 16A.28, any
unencumbered balance does not cancel at the
end of the first year and is available in the
second year. This is a onetime appropriation.

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

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

Sec. 8. COMMISSIONER OF HEALTH; APPROPRIATIONS.

$2,000,000 in fiscal year 2025 is appropriated from the general fund to the commissioner
of health to establish a mitigation program for contaminated wells, including testing,
repairing, and replacing wells and providing home water treatment, such as reverse osmosis
treatment, for private wells that are tested at or above the maximum contaminant level of
10 mg/L located in Dodge, Fillmore, Goodhue, Houston, Mower, Olmsted, or Wabasha
County. This appropriation is available until June 30, 2027. This is a onetime appropriation.
Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner
may use up to 6.5 percent of this appropriation for administrative costs.
Section 1. Minnesota Statutes 2023 Supplement, section 17.055, subdivision 3, is amended to read:

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

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

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

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

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

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

1. the ability to maximize direct or indirect energy savings or production;
2. a positive effect or reduced adverse effect on the environment; or
3. increased profitability for the individual farm by reducing costs or improving marketing opportunities.

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

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

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

1. is a resident of Minnesota who intends to acquire farmland located within the state and provide the majority of the day-to-day physical labor and management of the farm;
2. has participated in the business operation of a farm for at least three years;
3. grosses no more than $250,000 per year from the sale of farm products; and

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

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

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

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

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

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

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

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

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

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

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

(2) the number and amount of grants;

(3) the geographic distribution of grants by county;

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

(5) disaggregated data regarding the gender, race, and ethnicity of grant recipients;
(6) the number of farmers who cease to own land and are subject to payment of a penalty, along with the reasons for the land ownership cessation; and

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

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

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

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

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

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

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

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

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

Subd. 5. Expiration. This section expires June 30, 2025.
Sec. 7. Minnesota Statutes 2022, section 18C.71, subdivision 4, is amended to read:

Subd. 4. Expiration. This section expires June 30, 2025.

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

Subd. 2. Expiration. This section expires June 30, 2025.

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

28A.10 POSTING OF LICENSE; RULES.

All such licenses shall be issued for a period of one year and shall be posted or displayed in a conspicuous place at the place of business so licensed. Except as provided in sections 29.22, subdivision 4 and 31.39, all such license fees and penalties collected by the commissioner shall be deposited into the state treasury and credited to the general fund. The commissioner may adopt such rules in conformity with law as the commissioner deems necessary to effectively and efficiently carry out the provisions of sections 28A.01 to 28A.16.

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

31.94 ORGANIC AGRICULTURE; COMMISSIONER DUTIES.

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

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

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

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

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

(5) work closely with producers, producer organizations, the University of Minnesota, and other appropriate agencies and organizations to identify opportunities and needs as well as ensure coordination and avoid duplication of state agency efforts regarding research, teaching, marketing, and extension work relating to organic agriculture.
(b) By November 15 of each year that ends in a zero or a five, the commissioner, in conjunction with the task force created in paragraph (c), shall report on the status of organic agriculture in Minnesota to the legislative policy and finance committees and divisions with jurisdiction over agriculture. The report must include available data on organic acreage and production, available data on the sales or market performance of organic products, and recommendations regarding programs, policies, and research efforts that will benefit Minnesota's organic agriculture sector.

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

(1) three organic farmers;
(2) one wholesaler or distributor of organic products;
(3) one representative of organic certification agencies;
(4) two organic processors;
(5) one representative from University of Minnesota Extension;
(6) one University of Minnesota faculty member;
(7) one representative from a nonprofit organization representing producers;
(8) two public members;
(9) one representative from the United States Department of Agriculture;
(10) one retailer of organic products; and
(11) one organic consumer representative.

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

Compensation and removal of members are governed by section 15.059, subdivision 6.

The task force must meet at least twice each year and expires on June 30, 2034.

(d) For the purposes of expanding, improving, and developing production and marketing of the organic products of Minnesota agriculture, the commissioner may receive funds from
state and federal sources and spend them, including through grants or contracts, to assist
producers and processors to achieve certification, to conduct education or marketing
activities, to enter into research and development partnerships, or to address production or
marketing obstacles to the growth and well-being of the industry.

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

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

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

32D.30 DAIRY DEVELOPMENT AND PROFITABILITY ENHANCEMENT.

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

Subd. 2. Dairy profitability enhancement teams program. (a) The dairy profitability
enhancement teams program must provide one-on-one information and technical assistance
to dairy farms of all sizes to enhance their financial success and long-term sustainability.

Teams. The program must assist dairy producers in all dairy-producing regions of the state
and. Assistance to producers from the program may consist of provided individually, as
a team, or through other methods by farm business management instructors, dairy extension
specialists, and other dairy industry partners. Teams. The program may engage in activities
including such as comprehensive financial analysis, risk management education, enhanced
milk marketing tools and technologies, and facilitating or improving production systems,
including rotational grazing and other sustainable agriculture methods, and value-added
opportunities.

(b) The commissioner must make grants to regional or statewide organizations qualified
to manage the various components of the teams program and serve as program administrators.
Each regional or statewide organization must designate a coordinator responsible for
overseeing the program and submitting periodic reports to the commissioner regarding
aggregate changes in producer financial stability, productivity, product quality, animal
health, environmental protection, and other performance measures attributable to the program.
The organizations must submit this information in a format that maintains the confidentiality
of individual dairy producers.
Subd. 3. Dairy business planning grants. The commissioner may award dairy business planning grants of up to $5,000 per producer or dairy processor to develop comprehensive business plans, use technical assistance services for evaluating operations, transitional changes, expansions, improvements, and other business modifications. Producers and processors must not use dairy business planning grants for capital improvements.

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

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

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

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

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

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

(1) is a resident of Minnesota;

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

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

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

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

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

and

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

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

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

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

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

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

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

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

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

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

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

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

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

(g) "Farming" means the active use, management, and operation of real and personal property for the production of a farm product.
(h) "Limited land access" has the meaning given in section 17.133, subdivision 1.

(i) "Owner of agricultural assets" means an individual, trust, or pass-through entity that is the owner in fee of agricultural land or has legal title to any other agricultural asset.

Owner of agricultural assets does not mean an equipment dealer, livestock dealer defined in section 17A.03, subdivision 7, or comparable entity that is engaged in the business of selling agricultural assets for profit and that is not engaged in farming as its primary business activity. An owner of agricultural assets approved and certified by the authority under subdivision 4 must notify the authority if the owner no longer meets the definition in this paragraph within the three year certification period and is then no longer eligible for credits under this section.

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

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

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

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

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

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

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

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

(b) A qualifying rental agreement includes cash rent of agricultural assets or a share rent agreement. The agricultural asset must be rented at prevailing community rates as determined by the authority.
(c) The credit may be claimed only after approval and certification by the authority, and is limited to the amount stated on the certificate issued under subdivision 4. An owner of agricultural assets must apply to the authority for certification and allocation of a credit, in a form and manner prescribed by the authority.

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

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

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

1. the owner of the agricultural land; or
2. a partner, member, shareholder, or trustee of the owner of the agricultural land.

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

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2024.
(1) approve and certify or recertify beginning farmers as eligible for the program under this section;

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

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

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

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

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

(c) For credits for owners of agricultural assets allowed under subdivision 2, the authority must not allocate more than $6,500,000 for taxable years beginning after December 31, 2022, and before January 1, 2024, and $4,000,000 for taxable years beginning after December 31, 2023. The authority must allocate credits on a first-come, first-served basis beginning on January 1 of each year, except that recertifications for the second and third years of credits under subdivision 2, paragraph (a), clauses (1) and (2), have first priority. Any amount authorized but not allocated for taxable years ending before January 1, 2023, is canceled and is not allocated for future taxable years. For taxable years beginning after December 31, 2022, any amount authorized but not allocated in any taxable year does not cancel and is added to the allocation for the next taxable year. For each taxable year, 50 percent of newly allocated credits must be allocated to emerging owners of agricultural assets that sell or rent agricultural assets to beginning farmers who are experiencing limited land access farmers. Any portion of a taxable year's newly allocated credits that is reserved for emerging sales or rentals to farmers experiencing limited land access that is not allocated...
by September 30 of the taxable year is available for allocation to other credit allocations beginning on October 1.

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

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

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

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

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

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

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

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

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

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

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

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

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

(7) the number and amount of credit applications that exceeded the allocation available in each year.
(d) For credits issued under subdivision 3, the report must include:

(1) the number and amount of credits issued;

(2) the geographic distribution of credits;

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

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

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

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

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

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

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

(3) restore farmland;

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

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

Sec. 17. **REPEALER.**

Minnesota Statutes 2022, section 34.07, is repealed.
ARTICLE 3

BROADBAND

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

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

Sec. 2. BROADBAND DEVELOPMENT; APPLICATION FOR FEDERAL FUNDING; APPROPRIATION.

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

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