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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 1898

03/04/2021 Authored by Sundin
The bill was read for the first time and referred to the Committee on Agriculture Finance and Policy
03/11/2021 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time

1.1 A bill for an act
1.2 relating to agriculture; making various changes to agriculture-related provisions;
1.3 modifying programs; amending Minnesota Statutes 2020, sections 17.1017,
1.4 subdivisions 5, 6; 41A.16, subdivision 5; 41A.17, subdivision 4.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2020, section 17.1017, subdivision 5, is amended to read:

1.7 Subd. 5. Eligible projects. (a) The commissioner, in cooperation with the program
1.8 partners and advisers, shall establish project eligibility guidelines and application processes
1.9 to be used to review and select project applicants for financing or other financial or technical
1.10 assistance. All projects must be located in an underserved community or must serve primarily
1.11 underserved communities in low-income and moderate-income areas.

1.12 (b) Projects eligible for financing include, but are not limited to, new construction,
1.13 renovations, expansions of operations, and infrastructure upgrades of grocery stores and
1.14 small food retailers to improve the availability of and access to affordable, nutritious food,
1.15 including fresh fruits and vegetables, and build capacity in areas of greatest need.

1.16 (c) Projects eligible for other types of financial assistance such as grants or technical
1.17 assistance are primarily projects throughout the state, including, but not limited to, feasibility
1.18 studies, new construction, renovations, expansion of operations, and infrastructure upgrades
1.19 of small food retailers.

1.20 Sec. 2. Minnesota Statutes 2020, section 17.1017, subdivision 6, is amended to read:

1.21 Subd. 6. Qualifications for receipt of financing and other financial or technical
1.22 assistance. (a) An applicant for receipt of financing through an economic or community

2.1 development financial institution, or an applicant for a grant or other financial or technical  
2.2 assistance, may be a for-profit or not-for-profit entity, including, but not limited to, a sole  
2.3 proprietorship, limited liability company, corporation, cooperative, nonprofit organization,  
2.4 or nonprofit community development organization. Each applicant must:

2.5 (1) demonstrate community engagement in and support for the project;

2.6 (2) demonstrate the capacity to successfully implement the project;

2.7 (3) demonstrate a viable plan for long-term sustainability, including the ability to increase  
2.8 the availability of and access to affordable, nutritious, and culturally appropriate food,  
2.9 including fresh fruits and vegetables, for underserved communities in low-income and  
2.10 moderate-income areas; and

2.11 (4) demonstrate the ability to repay the debt, to the extent that the financing requires  
2.12 repayment.

2.13 (b) Each applicant must also agree to comply with the following conditions for a period  
2.14 of at least five years, except as otherwise specified in this section:

2.15 (1) accept Supplemental Nutrition Assistance Program (SNAP) benefits;

2.16 ~~(2) apply to accept Special Supplemental Nutrition Program for Women, Infants, and~~  
2.17 ~~Children (WIC) benefits and, if approved, accept WIC benefits;~~

2.18 ~~(3)~~ (2) allocate at least 30 percent of retail space for the sale of affordable, nutritious,  
2.19 and culturally appropriate foods, including fruits and vegetables, low-fat and nonfat dairy,  
2.20 fortified dairy substitute beverages such as soy-based or nut-based dairy substitute beverages,  
2.21 whole grain-rich staple foods, meats, poultry, fish, seafood, and other proteins, consistent  
2.22 with nutrition standards in national guidelines described in the current United States  
2.23 Department of Agriculture Dietary Guidelines for Americans;

2.24 ~~(4)~~ (3) comply with all data collection and reporting requirements established by the  
2.25 commissioner; and

2.26 ~~(5)~~ (4) promote the hiring, training, and retention of local or regional residents from  
2.27 low-income and moderate-income areas that reflect area demographics, including  
2.28 communities of color.

2.29 (c) A selected project that is a small food retailer is not subject to the allocation agreement  
2.30 under paragraph (b), clause (3), and may use financing, grants, or other financial or technical  
2.31 assistance for refrigeration, displays, or onetime capital expenditures for the promotion and  
2.32 sale of perishable foods, including a combination of affordable, nutritious, and culturally

3.1 appropriate fresh or frozen dairy, dairy substitute products, produce, meats, poultry, and  
3.2 fish, consistent with nutrition standards in national guidelines described in the current United  
3.3 States Department of Agriculture Dietary Guidelines for Americans.

3.4 Sec. 3. Minnesota Statutes 2020, section 41A.16, subdivision 5, is amended to read:

3.5 Subd. 5. **Agricultural cellulosic biomass sourcing plan.** (a) An eligible producer who  
3.6 utilizes agricultural cellulosic biomass other than corn kernel fiber or biogas must submit  
3.7 a responsible biomass sourcing plan for approval by the commissioner prior to applying for  
3.8 payments under this section. The commissioner shall make the plan publicly available. The  
3.9 plan must:

3.10 (1) provide a detailed explanation of how agricultural cellulosic biomass will be produced  
3.11 and managed in a way that preserves soil quality, does not increase soil and nutrient runoff,  
3.12 avoids introduction of harmful invasive species, limits negative impacts on wildlife habitat,  
3.13 and reduces greenhouse gas emissions;

3.14 (2) include the producer's approach to verifying that biomass suppliers are following  
3.15 the plan;

3.16 (3) discuss how new technologies and practices that are not yet commercially viable  
3.17 may be encouraged and adopted during the life of the facility, and how the producer will  
3.18 encourage continuous improvement during the life of the project;

3.19 (4) include specific numeric goals and timelines for making progress;

3.20 (5) require agronomic practices that result in a positive Natural Resources Conservation  
3.21 Service Soil Conditioning Index score for acres from which biomass from corn stover will  
3.22 be harvested; and

3.23 (6) include biennial soil sampling to verify maintained or increased levels of soil organic  
3.24 matter.

3.25 (b) An eligible producer who utilizes agricultural cellulosic biomass and receives  
3.26 payments under this section shall submit an annual report on the producer's responsible  
3.27 biomass sourcing plan to the commissioner by January 15 each year. The report must include  
3.28 data on progress made by the producer in meeting specific goals laid out in the plan. The  
3.29 commissioner shall make the report publicly available. The commissioner shall perform an  
3.30 annual review of submitted reports and may make a determination that the producer is not  
3.31 following the plan based on the reports submitted. The commissioner may take appropriate  
3.32 steps, including reducing or ceasing payments, until the producer is in compliance with the  
3.33 plan.

4.1 Sec. 4. Minnesota Statutes 2020, section 41A.17, subdivision 4, is amended to read:

4.2 Subd. 4. **Agricultural cellulosic biomass sourcing plan.** (a) An eligible producer who  
4.3 utilizes agricultural cellulosic biomass other than corn kernel fiber or biogas must submit  
4.4 a responsible biomass sourcing plan to the commissioner prior to applying for payments  
4.5 under this section. The plan must:

4.6 (1) provide a detailed explanation of how agricultural cellulosic biomass will be produced  
4.7 and managed in a way that preserves soil quality, does not increase soil and nutrient runoff,  
4.8 avoids introduction of harmful invasive species, limits negative impacts on wildlife habitat,  
4.9 and reduces greenhouse gas emissions;

4.10 (2) include the producer's approach to verifying that biomass suppliers are following  
4.11 the plan;

4.12 (3) discuss how new technologies and practices that are not yet commercially viable  
4.13 may be encouraged and adopted during the life of the facility, and how the producer will  
4.14 encourage continuous improvement during the life of the project; and

4.15 (4) include specific numeric goals and timelines for making progress.

4.16 (b) An eligible producer who utilizes agricultural cellulosic biomass and receives  
4.17 payments under this section shall submit an annual report on the producer's responsible  
4.18 biomass sourcing plan to the commissioner by January 15 each year. The report must include  
4.19 data on progress made by the producer in meeting specific goals laid out in the plan. The  
4.20 commissioner shall make the report publicly available. The commissioner shall perform an  
4.21 annual review of submitted reports and may make a determination that the producer is not  
4.22 following the plan based on the reports submitted. The commissioner may take appropriate  
4.23 steps, including reducing or ceasing payments, until the producer is in compliance with the  
4.24 plan.