

SENATE
STATE OF MINNESOTA
FIFTH SPECIAL SESSION

S.F. No. 27

(SENATE AUTHORS: GOGGIN, Weber, Westrom, Frentz and Lang)

DATE
10/12/2020

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Introduction and first reading
Laid on table

OFFICIAL STATUS

1.1 A bill for an act
 1.2 relating to agriculture; modifying the farm loan origination fee grant program;
 1.3 amending Laws 2020, chapter 101, section 5, subdivision 1.

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

1.5 Section 1. Laws 2020, chapter 101, section 5, subdivision 1, is amended to read:

1.6 Subdivision 1. **Farm loan origination fee grants.** (a) \$175,000 in fiscal year 2020 is
 1.7 appropriated from the coronavirus relief federal fund to the commissioner of agriculture for
 1.8 grants to eligible farmers who have been approved for farm debt restructuring loans
 1.9 guaranteed by the United States Department of Agriculture (USDA), Farm Service Agency
 1.10 or issued under a loan program administered by the Rural Finance Authority. The
 1.11 commissioner must award an eligible farmer a grant in an amount equal to 50 percent of
 1.12 the loan origination fee amount required for the farmer to obtain the USDA, Farm Service
 1.13 Agency guaranteed loan or Rural Finance Authority program loan.

1.14 (b) For purposes of this section, "eligible farmer" means an individual who regularly
 1.15 participates in physical labor or operations management in the individual's farming operation
 1.16 and files "Schedule F" as part of the person's annual Form 1040 filing with the United States
 1.17 Internal Revenue Service or a family farm organized under Minnesota Statutes, section
 1.18 500.24, if the individual or family farm:

1.19 ~~(1) has a total net worth of less than \$800,000 in calendar year 2020; and~~

1.20 ~~(2) is either in mediation proceedings under Minnesota Statutes, chapter 583, or has~~
 1.21 ~~received a mediation notice under Minnesota Statutes, section 583.26, subdivision 1,~~
 1.22 ~~paragraph (a).~~

2.1 (c) The commissioner must give first priority to grant applicants who are currently in
2.2 mediation under Minnesota Statutes, chapter 583, ~~and must give second priority to grant~~
2.3 ~~applicants who have received a mediation notice under Minnesota Statutes, section 583.26,~~
2.4 ~~subdivision 1, paragraph (a).~~

2.5 (d) The amount appropriated under this subdivision is onetime.

2.6 (e) The commissioner may use up to ten percent of the amount appropriated under this
2.7 section to administer the grant program.

2.8 (f) If money appropriated under this subdivision is not encumbered by November 15,
2.9 2020, the commissioner may award the unencumbered amount as grants of not more than
2.10 \$5,000 per farmer to eligible farmers who can otherwise demonstrate financial need due to
2.11 COVID-19 but have not been approved for a farm debt restructuring loan guaranteed by
2.12 USDA, Farm Service Agency or issued under a loan program administered by the Rural
2.13 Finance Authority. When awarding grants under this paragraph, the commissioner must
2.14 give preference to farmers in mediation as required under paragraph (c).

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