

**SENATE  
STATE OF MINNESOTA  
NINETY-THIRD SESSION**

**S.F. No. 2741**

(SENATE AUTHORS: PUTNAM)

DATE  
03/08/2023

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OFFICIAL STATUS  
Introduction and first reading  
Referred to Agriculture, Broadband, and Rural Development

1.1 A bill for an act

1.2 relating to state government; establishing a budget for the Department of

1.3 Agriculture, the Board of Animal Health, the Agricultural Utilization Research

1.4 Institute, and the Office of Broadband Development; transferring money to the

1.5 border-to-border broadband fund account; making policy and technical changes

1.6 to agriculture provisions; modifying fees; creating accounts; requiring reports;

1.7 providing civil penalties; appropriating money; amending Minnesota Statutes

1.8 2022, sections 17.055, subdivision 1, by adding subdivisions; 17.116, subdivision

1.9 3; 18B.01, subdivision 2b, by adding a subdivision; 18B.051; 18B.055; 18C.425,

1.10 subdivision 6; 18H.02, by adding a subdivision; 18H.03, subdivision 6; 18H.05;

1.11 18H.07, by adding subdivisions; 18H.08, subdivision 2; 18H.09; 18H.13,

1.12 subdivision 3; 18H.15; 25.39, subdivision 1; 28A.08, by adding a subdivision;

1.13 28A.082, subdivision 1; 28A.09, by adding a subdivision; 41A.12, subdivision 4;

1.14 41A.21, subdivision 6; 116J.395, subdivision 7; 223.16, by adding a subdivision;

1.15 223.17, subdivisions 7, 7a; 223.175; 223.19; 232.22, subdivision 5; Laws 2021,

1.16 First Special Session chapter 3, article 1, section 2, subdivision 5, as amended;

1.17 proposing coding for new law in Minnesota Statutes, chapters 17; 223; repealing

1.18 Minnesota Statutes 2022, sections 17.055, subdivision 2; 18H.02, subdivisions

1.19 21, 22, 23; 18H.07, subdivisions 2, 3; 35.156, subdivision 2.

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

1.21 **ARTICLE 1**

1.22 **APPROPRIATIONS**

1.23 Section 1. **AGRICULTURE APPROPRIATIONS.**

1.24 The sums shown in the columns marked "Appropriations" are appropriated to the agencies

1.25 and for the purposes specified in this article. The appropriations are from the general fund,

1.26 or another named fund, and are available for the fiscal years indicated for each purpose.

1.27 The figures "2024" and "2025" used in this article mean that the appropriations listed under

1.28 them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively.



- 3.1 financial assistance grants are available until  
3.2 June 30, 2027.
- 3.3 (c) \$100,000 the first year and \$100,000 the  
3.4 second year are transferred from the general  
3.5 fund to the pollinator research account  
3.6 established under Minnesota Statutes, section  
3.7 18B.051.
- 3.8 (d) \$400,000 the first year and \$400,000 the  
3.9 second year are for transfer to the noxious  
3.10 weed and invasive plant species assistance  
3.11 account in the agricultural fund to award  
3.12 grants to local units of government and Tribal  
3.13 Nations under Minnesota Statutes, section  
3.14 18.90.
- 3.15 (e) \$175,000 the first year and \$175,000 the  
3.16 second year are for compensation for  
3.17 destroyed or crippled livestock under  
3.18 Minnesota Statutes, section 3.737. The first  
3.19 year appropriation may be spent to compensate  
3.20 for livestock that were destroyed or crippled  
3.21 during fiscal year 2023. If the amount in the  
3.22 first year is insufficient, the amount in the  
3.23 second year is available in the first year. The  
3.24 commissioner may use up to \$5,000 each year  
3.25 to reimburse expenses incurred by university  
3.26 extension educators to provide fair market  
3.27 values of destroyed or crippled livestock. If  
3.28 the commissioner receives federal dollars to  
3.29 pay claims for destroyed or crippled livestock,  
3.30 an equivalent amount of this appropriation  
3.31 may be used to reimburse nonlethal prevention  
3.32 methods performed by federal wildlife services  
3.33 staff.
- 3.34 (f) \$155,000 the first year and \$155,000 the  
3.35 second year are for compensation for crop

4.1 damage under Minnesota Statutes, section  
4.2 3.7371. If the amount in the first year is  
4.3 insufficient, the amount in the second year is  
4.4 available in the first year. The commissioner  
4.5 may use up to \$10,000 of the appropriation  
4.6 each year to reimburse expenses incurred by  
4.7 the commissioner or the commissioner's  
4.8 approved agent to investigate and resolve  
4.9 claims, as well as for costs associated with  
4.10 training for approved agents. The  
4.11 commissioner may use up to \$20,000 of the  
4.12 appropriation each year to make grants to  
4.13 producers for measures to protect stored crops  
4.14 from elk damage. If the commissioner  
4.15 determines that claims made under Minnesota  
4.16 Statutes, section 3.737 or 3.7371, are  
4.17 unusually high, amounts appropriated for  
4.18 either program may be transferred to the  
4.19 appropriation for the other program.

4.20 (g) \$5,000,000 the first year is for transfer to  
4.21 the grain indemnity account to pay valid  
4.22 claims for unpaid grain transactions. This is a  
4.23 onetime appropriation and transfer.

4.24 (h) \$825,000 the first year and \$825,000 the  
4.25 second year are to replace capital equipment  
4.26 in the Department of Agriculture's analytical  
4.27 laboratory. The base for fiscal year 2026 and  
4.28 thereafter is \$825,000.

4.29 (i) \$75,000 the first year and \$75,000 the  
4.30 second year are to support a meat processing  
4.31 liaison position to assist new or existing meat  
4.32 and poultry processing operations in getting  
4.33 started, expanding, growing, or transitioning  
4.34 into new business models.

5.1 (j) \$1,862,000 the first year and \$2,562,000  
 5.2 the second year are additional funding to  
 5.3 maintain the current level of service delivery  
 5.4 for programs under this subdivision.

5.5 **Subd. 3. Agricultural Marketing and**  
 5.6 **Development**

5,374,000

7,005,000

5.7 (a) \$150,000 the first year and \$150,000 the  
 5.8 second year are to expand international trade  
 5.9 opportunities and markets for Minnesota  
 5.10 agricultural products.

5.11 (b) \$261,000 the first year and \$261,000 the  
 5.12 second year are for transfer to the Minnesota  
 5.13 grown account and may be used as grants for  
 5.14 Minnesota grown promotion under Minnesota  
 5.15 Statutes, section 17.102. Of this amount,  
 5.16 \$75,000 the first year and \$75,000 the second  
 5.17 year are for the promotion of locally raised  
 5.18 and processed meat, poultry, eggs, milk, and  
 5.19 livestock products. Notwithstanding  
 5.20 Minnesota Statutes, section 16A.28, the  
 5.21 appropriations encumbered under contract on  
 5.22 or before June 30, 2025, for Minnesota grown  
 5.23 grants in this paragraph are available until June  
 5.24 30, 2027.

5.25 (c) \$634,000 the first year and \$634,000 the  
 5.26 second year are for continuation of the dairy  
 5.27 development and profitability enhancement  
 5.28 programs including dairy profitability teams  
 5.29 and dairy business planning grants under  
 5.30 Minnesota Statutes, section 32D.30.

5.31 (d) \$250,000 the first year and \$250,000 the  
 5.32 second year are for mental health outreach and  
 5.33 support to farmers, ranchers, and others in the  
 5.34 agricultural community and for farm safety  
 5.35 grant and outreach programs under Minnesota

6.1 Statutes, section 17.1195. Mental health  
6.2 outreach and support may include a 24-hour  
6.3 hotline, stigma reduction, and education. Of  
6.4 this amount, up to \$100,000 each year is for  
6.5 a grant to the Minnesota FFA Foundation to  
6.6 engage FFA chapters in creating education,  
6.7 training, or outreach projects that respond to  
6.8 community needs to mitigate stress and  
6.9 promote mental health. Notwithstanding  
6.10 Minnesota Statutes, section 16A.28, any  
6.11 unencumbered balance does not cancel at the  
6.12 end of the first year and is available in the  
6.13 second year.

6.14 (e) \$350,000 the first year and \$350,000 the  
6.15 second year are to award and administer grants  
6.16 to facilitate the start-up or expansion of  
6.17 aggregation and food hub services at farmers  
6.18 markets. This is a onetime appropriation.  
6.19 Notwithstanding Minnesota Statutes, section  
6.20 16A.28, any unencumbered balance does not  
6.21 cancel at the end of the first year and is  
6.22 available in the second year.

6.23 (f) The commissioner may use funds  
6.24 appropriated in this subdivision for annual  
6.25 cost-share payments to resident farmers or  
6.26 entities that sell, process, or package  
6.27 agricultural products in this state for the costs  
6.28 of organic certification. The commissioner  
6.29 may allocate these funds for assistance to  
6.30 persons transitioning from conventional to  
6.31 organic agriculture.

6.32 (g) \$534,000 the first year and \$665,000 the  
6.33 second year are to maintain the current level  
6.34 of service delivery.

7.1	<b><u>Subd. 4. Agriculture, Bioenergy, and Bioproduct</u></b>		
7.2	<b><u>Advancement</u></b>	<u>31,382,000</u>	<u>31,382,000</u>
7.3	<u>(a) \$9,300,000 the first year and \$9,300,000</u>		
7.4	<u>the second year are for transfer to the</u>		
7.5	<u>agriculture research, education, extension, and</u>		
7.6	<u>technology transfer account under Minnesota</u>		
7.7	<u>Statutes, section 41A.14, subdivision 3. Of</u>		
7.8	<u>these amounts: at least \$600,000 the first year</u>		
7.9	<u>and \$600,000 the second year are for the</u>		
7.10	<u>Minnesota Agricultural Experiment Station's</u>		
7.11	<u>agriculture rapid response fund under</u>		
7.12	<u>Minnesota Statutes, section 41A.14,</u>		
7.13	<u>subdivision 1, clause (2); \$2,000,000 the first</u>		
7.14	<u>year and \$2,000,000 the second year are for</u>		
7.15	<u>grants to the Minnesota Agriculture Education</u>		
7.16	<u>Leadership Council to enhance agricultural</u>		
7.17	<u>education with priority given to Farm Business</u>		
7.18	<u>Management challenge grants; \$350,000 the</u>		
7.19	<u>first year and \$350,000 the second year are</u>		
7.20	<u>for potato breeding; and \$450,000 the first</u>		
7.21	<u>year and \$450,000 the second year are for the</u>		
7.22	<u>cultivated wild rice breeding project at the</u>		
7.23	<u>North Central Research and Outreach Center</u>		
7.24	<u>to include a tenure track/research associate</u>		
7.25	<u>plant breeder. The commissioner shall transfer</u>		
7.26	<u>the remaining funds in this appropriation each</u>		
7.27	<u>year to the Board of Regents of the University</u>		
7.28	<u>of Minnesota for purposes of Minnesota</u>		
7.29	<u>Statutes, section 41A.14. Of the amount</u>		
7.30	<u>transferred to the Board of Regents, up to</u>		
7.31	<u>\$1,000,000 each year is for research on avian</u>		
7.32	<u>influenza, salmonella, and other turkey-related</u>		
7.33	<u>diseases. To the extent practicable, money</u>		
7.34	<u>expended under Minnesota Statutes, section</u>		
7.35	<u>41A.14, subdivision 1, clauses (1) and (2),</u>		
7.36	<u>must supplement and not supplant existing</u>		

8.1 sources and levels of funding. The  
8.2 commissioner may use up to one percent of  
8.3 this appropriation for costs incurred to  
8.4 administer the program.

8.5 (b) \$22,082,000 the first year and \$22,082,000  
8.6 the second year are for the agricultural growth,  
8.7 research, and innovation program under  
8.8 Minnesota Statutes, section 41A.12. Except  
8.9 as provided below, the commissioner may  
8.10 allocate the appropriation each year among  
8.11 the following areas: facilitating the start-up,  
8.12 modernization, improvement, or expansion of  
8.13 livestock operations including beginning and  
8.14 transitioning livestock operations with  
8.15 preference given to robotic dairy-milking  
8.16 equipment; providing funding not to exceed  
8.17 \$800,000 each year to develop and enhance  
8.18 farm-to-school markets for Minnesota farmers  
8.19 by providing more fruits, vegetables, meat,  
8.20 grain, and dairy for Minnesota children in  
8.21 schools and early childhood education centers  
8.22 including, at the commissioner's discretion,  
8.23 reimbursing schools and early childhood  
8.24 education centers for purchases from local  
8.25 farmers; assisting value-added agricultural  
8.26 businesses to begin or expand, to access new  
8.27 markets, or to diversify, including aquaponics  
8.28 systems; providing funding not to exceed  
8.29 \$600,000 each year for urban youth  
8.30 agricultural education or urban agriculture  
8.31 community development; providing funding  
8.32 not to exceed \$450,000 each year for the good  
8.33 food access program under Minnesota  
8.34 Statutes, section 17.1017; facilitating the  
8.35 start-up, modernization, or expansion of other  
8.36 beginning and transitioning farms including

9.1 by providing loans under Minnesota Statutes,  
9.2 section 41B.056; sustainable agriculture  
9.3 on-farm research and demonstration;  
9.4 development or expansion of food hubs and  
9.5 other alternative community-based food  
9.6 distribution systems; enhancing renewable  
9.7 energy infrastructure and use; crop research,  
9.8 including basic and applied turf seed research;  
9.9 Farm Business Management tuition assistance;  
9.10 and good agricultural practices and good  
9.11 handling practices certification assistance. The  
9.12 commissioner may use up to 6.5 percent of  
9.13 this appropriation for costs incurred to  
9.14 administer the program.

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

9.18 (1) \$1,000,000 the first year and \$1,000,000  
9.19 the second year are for distribution in equal  
9.20 amounts to each of the state's county fairs to  
9.21 preserve and promote Minnesota agriculture;

9.22 (2) \$8,250,000 the first year and \$8,250,000  
9.23 the second year are for incentive payments  
9.24 under Minnesota Statutes, sections 41A.16,  
9.25 41A.17, 41A.18, and 41A.20. Notwithstanding  
9.26 Minnesota Statutes, section 16A.28, the first  
9.27 year appropriation is available until June 30,  
9.28 2025, and the second year appropriation is  
9.29 available until June 30, 2026. If this  
9.30 appropriation exceeds the total amount for  
9.31 which all producers are eligible in a fiscal  
9.32 year, the balance of the appropriation is  
9.33 available for other purposes under this  
9.34 paragraph. The base under this clause is  
9.35 \$10,750,000 in fiscal year 2026 and thereafter;

10.1 (3) \$4,500,000 the first year and \$4,500,000  
10.2 the second year are for grants that enable retail  
10.3 petroleum dispensers, fuel storage tanks, and  
10.4 other equipment to dispense biofuels to the  
10.5 public in accordance with the biofuel  
10.6 replacement goals established under  
10.7 Minnesota Statutes, section 239.7911. A retail  
10.8 petroleum dispenser selling petroleum for use  
10.9 in spark ignition engines for vehicle model  
10.10 years after 2000 is eligible for grant money  
10.11 under this clause if the retail petroleum  
10.12 dispenser has no more than 10 retail petroleum  
10.13 dispensing sites and each site is located in  
10.14 Minnesota. The grant money must be used to  
10.15 replace or upgrade equipment that does not  
10.16 have the ability to be certified for E25. A grant  
10.17 award must not exceed 65 percent of the cost  
10.18 of the appropriate technology. A grant award  
10.19 must not exceed \$200,000 per station. The  
10.20 commissioner must cooperate with biofuel  
10.21 stakeholders in the implementation of the grant  
10.22 program. The commissioner, in cooperation  
10.23 with any economic or community development  
10.24 financial institution and any other entity with  
10.25 which it contracts, must submit a report on the  
10.26 biofuels infrastructure financial assistance  
10.27 program by January 15 of each year to the  
10.28 chairs and ranking minority members of the  
10.29 legislative committees and divisions with  
10.30 jurisdiction over agriculture policy and  
10.31 finance. The annual report must include but  
10.32 not be limited to a summary of the following  
10.33 metrics: (i) the number and types of projects  
10.34 financed; (ii) the amount of dollars leveraged  
10.35 or matched per project; (iii) the geographic  
10.36 distribution of financed projects; (iv) any

11.1 market expansion associated with upgraded  
11.2 infrastructure; (v) the demographics of the  
11.3 areas served; (vi) the costs of the program;  
11.4 and (vii) the number of grants to  
11.5 minority-owned or female-owned businesses;  
11.6 (4) \$250,000 the first year and \$250,000 the  
11.7 second year are for grants to facilitate the  
11.8 start-up, modernization, or expansion of  
11.9 copacking facilities, commercial kitchens, and  
11.10 other key supply chain infrastructure, such as  
11.11 shared cold-chain capacity. Money  
11.12 appropriated in this clause may also be used  
11.13 to assist value-added processors with food  
11.14 safety and environmental sustainability  
11.15 guideline planning and third-party certification  
11.16 services. The base under this clause is  
11.17 \$250,000 in fiscal year 2026 and thereafter;  
11.18 and  
11.19 (5) \$500,000 the first year and \$500,000 the  
11.20 second year are for grants to facilitate the  
11.21 start-up, modernization, or expansion of meat,  
11.22 poultry, egg, and milk processing facilities. A  
11.23 grant award under this clause must not exceed  
11.24 \$200,000. Any unencumbered balance at the  
11.25 end of the second year does not cancel until  
11.26 June 30, 2026, and may be used for other  
11.27 purposes under this paragraph. The base under  
11.28 this clause is \$500,000 in fiscal year 2026 and  
11.29 thereafter.  
11.30 Notwithstanding Minnesota Statutes, section  
11.31 16A.28, any unencumbered balance does not  
11.32 cancel at the end of the first year and is  
11.33 available for the second year, and  
11.34 appropriations encumbered under contract on  
11.35 or before June 30, 2025, for agricultural

12.1 growth, research, and innovation grants are  
 12.2 available until June 30, 2028.

12.3 (c) The base for the agricultural growth,  
 12.4 research, and innovation program is  
 12.5 \$24,582,000 in fiscal year 2026 and  
 12.6 \$24,582,000 in fiscal year 2027, and includes  
 12.7 funding for incentive payments under  
 12.8 Minnesota Statutes, sections 41A.16, 41A.17,  
 12.9 41A.18, and 41A.20.

12.10	<b><u>Subd. 5. Administration and Financial</u></b>		
12.11	<b><u>Assistance</u></b>	<u>18,848,000</u>	<u>17,014,000</u>

12.12 (a) \$674,000 the first year and \$674,000 the  
 12.13 second year are for payments to county and  
 12.14 district agricultural societies and associations  
 12.15 under Minnesota Statutes, section 38.02,  
 12.16 subdivision 1. Aid payments to county and  
 12.17 district agricultural societies and associations  
 12.18 shall be disbursed no later than July 15 of each  
 12.19 year. These payments are the amount of aid  
 12.20 from the state for an annual fair held in the  
 12.21 previous calendar year.

12.22 (b) \$250,000 the first year and \$250,000 the  
 12.23 second year are for grants to the Minnesota  
 12.24 Agricultural Education and Leadership  
 12.25 Council for programs of the council under  
 12.26 Minnesota Statutes, chapter 41D.

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

- 13.1 (d) \$18,000 the first year and \$18,000 the  
13.2 second year are for grants to the Minnesota  
13.3 Livestock Breeders Association. This is a  
13.4 onetime appropriation.
- 13.5 (e) \$47,000 the first year and \$47,000 the  
13.6 second year are for grants to the Northern  
13.7 Crops Institute to purchase equipment. This  
13.8 is a onetime appropriation.
- 13.9 (f) \$34,000 the first year and \$34,000 the  
13.10 second year are for grants to the Minnesota  
13.11 State Horticultural Society. This is a onetime  
13.12 appropriation.
- 13.13 (g) \$150,000 the first year and \$150,000 the  
13.14 second year are for grants to the Center for  
13.15 Rural Policy and Development. This is a  
13.16 onetime appropriation.
- 13.17 (h) \$75,000 the first year and \$75,000 the  
13.18 second year are for grants to the Minnesota  
13.19 Turf Seed Council for basic and applied  
13.20 research. The Minnesota Turf Seed Council  
13.21 may subcontract with a qualified third party  
13.22 for some or all of the basic or applied research.  
13.23 No later than January 15, 2025, the Minnesota  
13.24 Turf Seed Council must submit a report  
13.25 outlining the use of the grant money and  
13.26 related accomplishments to the chairs and  
13.27 ranking minority members of the legislative  
13.28 committees with jurisdiction over agriculture.  
13.29 This is a onetime appropriation. Any  
13.30 unencumbered balance does not cancel at the  
13.31 end of the first year and is available in the  
13.32 second year.
- 13.33 (i) \$75,000 the first year and \$75,000 the  
13.34 second year are for grants to Greater Mankato

14.1 Growth, Inc., for assistance to  
14.2 agriculture-related businesses to promote jobs,  
14.3 innovation, and synergy development. This is  
14.4 a onetime appropriation.

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

14.10 (1) to purchase milk for distribution to  
14.11 Minnesota's food shelves and other charitable  
14.12 organizations that are eligible to receive food  
14.13 from the food banks. Milk purchased under  
14.14 the grants must be acquired from Minnesota  
14.15 milk processors and based on low-cost bids.  
14.16 The milk must be allocated to each Feeding  
14.17 America food bank serving Minnesota  
14.18 according to the formula used in the  
14.19 distribution of United States Department of  
14.20 Agriculture commodities under The  
14.21 Emergency Food Assistance Program. Second  
14.22 Harvest Heartland may enter into contracts or  
14.23 agreements with food banks for shared funding  
14.24 or reimbursement of the direct purchase of  
14.25 milk. Each food bank that receives funding  
14.26 under this clause may use up to two percent  
14.27 for administrative expenses;

14.28 (2) to compensate agricultural producers and  
14.29 processors for costs incurred to harvest and  
14.30 package for transfer surplus fruits, vegetables,  
14.31 and other agricultural commodities that would  
14.32 otherwise go unharvested, be discarded, or  
14.33 sold in a secondary market. Surplus  
14.34 commodities must be distributed statewide to  
14.35 food shelves and other charitable organizations

15.1 that are eligible to receive food from the food  
15.2 banks. Surplus food acquired under this clause  
15.3 must be from Minnesota producers and  
15.4 processors. Second Harvest Heartland may  
15.5 use up to 15 percent of each grant awarded  
15.6 under this clause for administrative and  
15.7 transportation expenses; and  
15.8 (3) to purchase and distribute protein products,  
15.9 including but not limited to pork, poultry, beef,  
15.10 dry legumes, cheese, and eggs to Minnesota's  
15.11 food shelves and other charitable organizations  
15.12 that are eligible to receive food from the food  
15.13 banks. Second Harvest Heartland may use up  
15.14 to two percent of each grant awarded under  
15.15 this clause for administrative expenses. Protein  
15.16 products purchased under the grants must be  
15.17 acquired from Minnesota processors and  
15.18 producers.

15.19 Of the amount appropriated under this  
15.20 paragraph, at least \$850,000 each year must  
15.21 be allocated under clause (1). Notwithstanding  
15.22 Minnesota Statutes, section 16A.28, any  
15.23 unencumbered balance the first year does not  
15.24 cancel and is available in the second year.  
15.25 Second Harvest Heartland must submit  
15.26 quarterly reports to the commissioner and the  
15.27 chairs and ranking minority members of the  
15.28 legislative committees with jurisdiction over  
15.29 agriculture finance in the form prescribed by  
15.30 the commissioner. The reports must include  
15.31 but are not limited to information on the  
15.32 expenditure of funds, the amount of milk or  
15.33 other commodities purchased, and the  
15.34 organizations to which this food was  
15.35 distributed.

- 16.1 (k) \$25,000 the first year and \$25,000 the  
16.2 second year are for grants to the Southern  
16.3 Minnesota Initiative Foundation to promote  
16.4 local foods through an annual event that raises  
16.5 public awareness of local foods and connects  
16.6 local food producers and processors with  
16.7 potential buyers.
- 16.8 (l) \$100,000 the first year and \$100,000 the  
16.9 second year are for grants to The Good Acre  
16.10 for the Local Emergency Assistance Farmer  
16.11 Fund (LEAFF) program to compensate  
16.12 emerging farmers for crops donated to hunger  
16.13 relief organizations in Minnesota. The base is  
16.14 \$100,000 in fiscal year 2026 and thereafter.
- 16.15 (m) \$250,000 the first year and \$250,000 the  
16.16 second year are for grants to organizations that  
16.17 provide technical and culturally relevant  
16.18 services to emerging farmers and related  
16.19 businesses.
- 16.20 (n) \$425,000 the first year and \$575,000 the  
16.21 second year are to expand the Emerging  
16.22 Farmer Office. The Emerging Farmer Office  
16.23 must engage and support emerging farmers  
16.24 regarding resources and opportunities  
16.25 available throughout the Department of  
16.26 Agriculture and the state. For purposes of this  
16.27 paragraph, "emerging farmer" has the meaning  
16.28 given in Minnesota Statutes, section 17.055,  
16.29 subdivision 1. Of the amount appropriated  
16.30 each year, \$25,000 is for translation services.  
16.31 The base is \$625,000 in fiscal year 2026 and  
16.32 thereafter.
- 16.33 (o) \$337,000 the first year and \$337,000 the  
16.34 second year are for farm advocate services.  
16.35 Of these amounts, \$50,000 the first year and

17.1 \$50,000 the second year are for the  
17.2 continuation of the farmland transition  
17.3 programs and may be used for grants to  
17.4 farmland access teams to provide technical  
17.5 assistance to potential beginning farmers.  
17.6 Farmland access teams must assist existing  
17.7 farmers and beginning farmers on transitioning  
17.8 farm ownership and farm operation. Services  
17.9 provided by teams may include but are not  
17.10 limited to mediation assistance, designing  
17.11 contracts, financial planning, tax preparation,  
17.12 estate planning, and housing assistance.

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

17.25 (q) \$1,500,000 the first year is for transfer to  
17.26 the agricultural emergency account established  
17.27 under Minnesota Statutes, section 17.041. This  
17.28 is a onetime transfer.

17.29 (r) \$1,784,000 the first year and \$1,200,000  
17.30 the second year are to support IT  
17.31 modernization efforts, including laying the  
17.32 technology foundations needed for improving  
17.33 customer interactions with the department for  
17.34 licensing and payments.

18.1 (s) \$150,000 the first year and \$150,000 the  
18.2 second year are to coordinate climate-related  
18.3 activities and services within the Department  
18.4 of Agriculture and counterparts in local, state,  
18.5 and federal agencies and to hire a full-time  
18.6 climate implementation coordinator. The  
18.7 climate implementation coordinator must  
18.8 coordinate efforts seeking federal funding for  
18.9 Minnesota's agricultural climate adaptation  
18.10 and mitigation efforts and develop strategic  
18.11 partnerships with the private sector and  
18.12 nongovernment organizations.

18.13 (t) \$2,000,000 first year and \$2,000,000 the  
18.14 second year are transferred to the agricultural  
18.15 and environmental revolving loan account  
18.16 established under Minnesota Statutes, section  
18.17 17.117, subdivision 5a, for low-interest loans  
18.18 to farmers, rural landowners, and agricultural  
18.19 businesses through the agriculture best  
18.20 management practices loan program. The base  
18.21 is \$3,000,000 in fiscal year 2026 and  
18.22 thereafter.

18.23 (u) \$200,000 the first year and \$200,000 the  
18.24 second year are to award and administer  
18.25 beginning farmer equipment and infrastructure  
18.26 grants under Minnesota Statutes, section  
18.27 17.055.

18.28 (v) \$150,000 the first year and \$150,000 the  
18.29 second year are for administrative support for  
18.30 the Rural Finance Authority.

18.31 (w) The commissioner shall continue to  
18.32 increase connections with ethnic minority and  
18.33 immigrant farmers to farming opportunities  
18.34 and farming programs throughout the state.

19.1 (x) \$1,015,000 the first year and \$1,417,000  
 19.2 the second year are to maintain the current  
 19.3 level of service delivery.

19.4 (y) \$250,000 the second year is for a grant to  
 19.5 the Board of Regents of the University of  
 19.6 Minnesota to purchase equipment for the  
 19.7 Veterinary Diagnostic Laboratory to test for  
 19.8 chronic wasting disease, African swine fever,  
 19.9 avian influenza, and other animal diseases.

19.10 The Veterinary Diagnostic Laboratory must  
 19.11 report expenditures under this paragraph to  
 19.12 the legislative committees with jurisdiction  
 19.13 over agriculture finance and higher education  
 19.14 with initial reports completed by January 3,  
 19.15 2025, and January 3, 2026, and a final report  
 19.16 by September 1, 2027. The reports must  
 19.17 include a list of equipment purchased,  
 19.18 including the cost of each item. The base for  
 19.19 this appropriation is \$250,000 in fiscal year  
 19.20 2026 and \$0 in fiscal year 2027.

19.21 **Sec. 3. BOARD OF ANIMAL HEALTH**                    **\$            6,780,000 \$            6,946,000**

19.22 (a) \$173,000 the first year and \$173,000 the  
 19.23 second year are to cover increased costs  
 19.24 associated with importing companion animals  
 19.25 from parts of the world with a high prevalence  
 19.26 of animal diseases.

19.27 (b) \$560,000 the first year and \$560,000 the  
 19.28 second year are for agricultural emergency  
 19.29 preparedness and response.

19.30 **Sec. 4. AGRICULTURAL UTILIZATION**  
 19.31 **RESEARCH INSTITUTE**                    **\$            4,543,000 \$            4,243,000**

19.32 \$300,000 the first year is for equipment  
 19.33 upgrades, equipment replacement, installation  
 19.34 expenses, and laboratory infrastructure at the  
 19.35 Agricultural Utilization Research Institute's

20.1 laboratories in Crookston, Marshall, and  
 20.2 Waseca.

20.3 Sec. 5. Laws 2021, First Special Session chapter 3, article 1, section 2, subdivision 5, as  
 20.4 amended by Laws 2022, chapter 95, article 1, section 1, subdivision 5, is amended to read:

20.5	<b>Subd. 5. Administration and Financial</b>		
20.6	<b>Assistance</b>	11,477,000	13,429,000

20.7 (a) \$474,000 the first year and \$474,000 the  
 20.8 second year are for payments to county and  
 20.9 district agricultural societies and associations  
 20.10 under Minnesota Statutes, section 38.02,  
 20.11 subdivision 1. Aid payments to county and  
 20.12 district agricultural societies and associations  
 20.13 shall be disbursed no later than July 15 of each  
 20.14 year. These payments are the amount of aid  
 20.15 from the state for an annual fair held in the  
 20.16 previous calendar year.

20.17 (b) \$387,000 the first year and \$337,000 the  
 20.18 second year are for farm advocate services.  
 20.19 Of these amounts, \$100,000 the first year and  
 20.20 \$50,000 the second year are for a pilot  
 20.21 program creating farmland access teams to  
 20.22 provide technical assistance to potential  
 20.23 beginning farmers. The farmland access teams  
 20.24 must assist existing farmers and beginning  
 20.25 farmers on transitioning farm ownership and  
 20.26 operation. Services provided by teams may  
 20.27 include but are not limited to providing  
 20.28 mediation assistance, designing contracts,  
 20.29 financial planning, tax preparation, estate  
 20.30 planning, and housing assistance. Of this  
 20.31 amount for farm transitions, up to \$50,000 the  
 20.32 first year may be used to upgrade the  
 20.33 Minnesota FarmLink web application that  
 20.34 connects farmers looking for land with farmers  
 20.35 looking to transition their land.

21.1 (c) \$47,000 the first year and \$47,000 the  
21.2 second year are for grants to the Northern  
21.3 Crops Institute that may be used to purchase  
21.4 equipment. These are onetime appropriations.

21.5 (d) \$238,000 the first year and \$260,000 the  
21.6 second year are for a pass-through grant to  
21.7 Region Five Development Commission to  
21.8 provide, in collaboration with Farm Business  
21.9 Management, statewide mental health  
21.10 counseling support to Minnesota farm  
21.11 operators, families, and employees, and  
21.12 individuals who work with Minnesota farmers  
21.13 in a professional capacity. Region Five  
21.14 Development Commission may use up to 6.5  
21.15 percent of the grant awarded under this  
21.16 paragraph for administration. The base for this  
21.17 appropriation is \$260,000 in fiscal year 2024  
21.18 and later.

21.19 (e) \$1,700,000 the first year and \$1,700,000  
21.20 the second year are for grants to Second  
21.21 Harvest Heartland on behalf of Minnesota's  
21.22 six Feeding America food banks for the  
21.23 following:

21.24 (1) to purchase milk for distribution to  
21.25 Minnesota's food shelves and other charitable  
21.26 organizations that are eligible to receive food  
21.27 from the food banks. Milk purchased under  
21.28 the grants must be acquired from Minnesota  
21.29 milk processors and based on low-cost bids.  
21.30 The milk must be allocated to each Feeding  
21.31 America food bank serving Minnesota  
21.32 according to the formula used in the  
21.33 distribution of United States Department of  
21.34 Agriculture commodities under The  
21.35 Emergency Food Assistance Program. Second

22.1 Harvest Heartland may enter into contracts or  
22.2 agreements with food banks for shared funding  
22.3 or reimbursement of the direct purchase of  
22.4 milk. Each food bank that receives funding  
22.5 under this clause may use up to two percent  
22.6 for administrative expenses;

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

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

22.33 Of the amount appropriated under this  
22.34 paragraph, at least \$600,000 each year must  
22.35 be allocated under clause (1). Notwithstanding

23.1 Minnesota Statutes, section 16A.28, any  
23.2 unencumbered balance the first year does not  
23.3 cancel and is available in the second year.  
23.4 Second Harvest Heartland must submit  
23.5 quarterly reports to the commissioner and the  
23.6 chairs and ranking minority members of the  
23.7 legislative committees with jurisdiction over  
23.8 agriculture finance in the form prescribed by  
23.9 the commissioner. The reports must include  
23.10 but are not limited to information on the  
23.11 expenditure of funds, the amount of milk or  
23.12 other commodities purchased, and the  
23.13 organizations to which this food was  
23.14 distributed.

23.15 (f) \$250,000 the first year and \$250,000 the  
23.16 second year are for grants to the Minnesota  
23.17 Agricultural Education and Leadership  
23.18 Council for programs of the council under  
23.19 Minnesota Statutes, chapter 41D.

23.20 (g) \$1,437,000 the first year and \$1,437,000  
23.21 the second year are for transfer to the  
23.22 agricultural and environmental revolving loan  
23.23 account established under Minnesota Statutes,  
23.24 section 17.117, subdivision 5a, for low-interest  
23.25 loans under Minnesota Statutes, section  
23.26 17.117. The base for appropriations under this  
23.27 paragraph in fiscal year 2024 and thereafter  
23.28 is \$1,425,000. The commissioner must  
23.29 examine how the department could use up to  
23.30 one-third of the amount transferred to the  
23.31 agricultural and environmental revolving loan  
23.32 account under this paragraph to award grants  
23.33 to rural landowners to replace septic systems  
23.34 that inadequately protect groundwater. No  
23.35 later than February 1, 2022, the commissioner

24.1 must report to the legislative committees with  
24.2 jurisdiction over agriculture finance and  
24.3 environment finance on the results of the  
24.4 examination required under this paragraph.  
24.5 The commissioner's report may include other  
24.6 funding sources for septic system replacement  
24.7 that are available to rural landowners.

24.8 (h) \$150,000 the first year and \$150,000 the  
24.9 second year are for grants to the Center for  
24.10 Rural Policy and Development. These are  
24.11 onetime appropriations.

24.12 (i) \$150,000 the first year is to provide grants  
24.13 to Central Lakes College for the purposes of  
24.14 designing, building, and offering credentials  
24.15 in the area of meat cutting and butchery that  
24.16 align with industry needs as advised by local  
24.17 industry advisory councils. Notwithstanding  
24.18 Minnesota Statutes, section 16A.28, any  
24.19 unencumbered balance does not cancel at the  
24.20 end of the first year and is available for the  
24.21 second year. The commissioner may only  
24.22 award a grant under this paragraph if the grant  
24.23 is matched by a like amount from another  
24.24 funding source. The commissioner must seek  
24.25 matching dollars from Minnesota State  
24.26 Colleges and Universities or other entities.  
24.27 The appropriation is onetime and is available  
24.28 until June 30, 2024. Any money remaining on  
24.29 June 30, 2024, must be transferred to the  
24.30 agricultural growth, research, and innovation  
24.31 program under Minnesota Statutes, section  
24.32 41A.12, and is available until June 30, 2025.  
24.33 Grants may be used for costs including but  
24.34 not limited to:

- 25.1 (1) facility renovation to accommodate meat  
25.2 cutting;
- 25.3 (2) curriculum design and approval from the  
25.4 Higher Learning Commission;
- 25.5 (3) program operational start-up costs;
- 25.6 (4) equipment required for a meat cutting  
25.7 program; and
- 25.8 (5) meat handling start-up costs in regard to  
25.9 meat access and market channel building.
- 25.10 No later than January 15, 2023, Central Lakes  
25.11 College must submit a report outlining the use  
25.12 of grant money to the chairs and ranking  
25.13 minority members of the legislative  
25.14 committees and divisions with jurisdiction  
25.15 over agriculture and higher education.
- 25.16 (j) \$2,000 the first year is for grants to the  
25.17 Minnesota State Poultry Association. This is  
25.18 a onetime appropriation. Notwithstanding  
25.19 Minnesota Statutes, section 16A.28, any  
25.20 unencumbered balance does not cancel at the  
25.21 end of the first year and is available for the  
25.22 second year.
- 25.23 (k) \$17,000 the first year and \$17,000 the  
25.24 second year are for grants to the Minnesota  
25.25 State Horticultural Society. These are onetime  
25.26 appropriations.
- 25.27 (l) \$18,000 the first year and \$18,000 the  
25.28 second year are for grants to the Minnesota  
25.29 Livestock Breeders Association. These are  
25.30 onetime appropriations.
- 25.31 (m) The commissioner shall continue to  
25.32 increase connections with ethnic minority and

26.1 immigrant farmers to farming opportunities  
26.2 and farming programs throughout the state.

26.3 (n) \$25,000 the first year and \$25,000 the  
26.4 second year are for grants to the Southern  
26.5 Minnesota Initiative Foundation to promote  
26.6 local foods through an annual event that raises  
26.7 public awareness of local foods and connects  
26.8 local food producers and processors with  
26.9 potential buyers.

26.10 (o) \$75,000 the first year and \$75,000 the  
26.11 second year are for grants to Greater Mankato  
26.12 Growth, Inc., for assistance to  
26.13 agriculture-related businesses to promote jobs,  
26.14 innovation, and synergy development. These  
26.15 are onetime appropriations.

26.16 (p) \$75,000 the first year and \$75,000 the  
26.17 second year are for grants to the Minnesota  
26.18 Turf Seed Council for basic and applied  
26.19 research. The Minnesota Turf Seed Council  
26.20 may subcontract with a qualified third party  
26.21 for some or all of the basic or applied research.  
26.22 No later than January 15, 2023, the Minnesota  
26.23 Turf Seed Council must submit a report  
26.24 outlining the use of the grant money and  
26.25 related accomplishments to the chairs and  
26.26 ranking minority members of the legislative  
26.27 committees with jurisdiction over agriculture.  
26.28 These are onetime appropriations. Any  
26.29 unencumbered balance does not cancel at the  
26.30 end of the first year and is available for the  
26.31 second year.

26.32 (q) \$150,000 the first year and \$150,000 the  
26.33 second year are to establish an emerging  
26.34 farmer office and hire a full-time emerging  
26.35 farmer outreach coordinator. The emerging

27.1 farmer outreach coordinator must engage and  
27.2 support emerging farmers regarding resources  
27.3 and opportunities available throughout the  
27.4 Department of Agriculture and the state. For  
27.5 purposes of this paragraph, "emerging farmer"  
27.6 has the meaning provided in Minnesota  
27.7 Statutes, section 17.055, subdivision 1. Of the  
27.8 amount appropriated each year, \$25,000 is for  
27.9 translation services for farmers and cottage  
27.10 food producers.

27.11 (r) \$222,000 the first year and \$286,000 the  
27.12 second year are to maintain the current level  
27.13 of service delivery.

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

27.16 (1) organizations to provide technical and  
27.17 culturally appropriate services to emerging  
27.18 farmers and related businesses;

27.19 (2) organizations to help emerging farmers  
27.20 pay for up to 65 percent of premium expenses  
27.21 each year up to two years under the federal  
27.22 micro farm insurance program; and

27.23 (3) The Good Acre for the Local Emergency  
27.24 Assistance Farmer Fund (LEAFF) program to  
27.25 compensate emerging farmers for crops  
27.26 donated to hunger relief organizations in  
27.27 Minnesota.

27.28 This is a onetime appropriation and is  
27.29 available until June 30, 2024.

27.30 (t) \$750,000 the second year is to support the  
27.31 IT modernization efforts, including laying the  
27.32 technology foundations needed for improving  
27.33 customer interactions with the department for  
27.34 licensing and payments. The base for this

28.1 appropriation is \$584,000 in fiscal year 2024  
28.2 and \$0 in fiscal year 2025.

28.3 (u) \$1,500,000 the first year is for transfer to  
28.4 the agricultural emergency account established  
28.5 under Minnesota Statutes, section 17.041. This  
28.6 is a onetime transfer. This transfer is in  
28.7 addition to the appropriations made in Laws  
28.8 2022, chapter 47, section 2.

28.9 Notwithstanding Minnesota Statutes, section  
28.10 17.041, the commissioner may use the amount  
28.11 to be transferred for the purposes identified  
28.12 under Laws 2022, chapter 47, section 2,  
28.13 paragraph (b). This paragraph expires on  
28.14 December 31, 2022.

28.15 (v) \$250,000 in the second year is for a grant  
28.16 to the Board of Regents of the University of  
28.17 Minnesota to purchase equipment for the  
28.18 Veterinary Diagnostic Laboratory to test for  
28.19 chronic wasting disease, African swine fever,  
28.20 avian influenza, and other animal diseases.  
28.21 The Veterinary Diagnostic Laboratory must  
28.22 report expenditures under this paragraph to  
28.23 the legislative committees with jurisdiction  
28.24 over agriculture finance and higher education  
28.25 with initial reports completed by January 3,  
28.26 2023, and January 3, 2024, and a final report  
28.27 by September 1, 2025. The reports must  
28.28 include a list of equipment purchased,  
28.29 including the cost of each item. The base for  
28.30 this appropriation is \$250,000 in fiscal year  
28.31 2024 and \$0 in fiscal year 2025.

28.32 (w) \$141,000 the second year is for additional  
28.33 funding to administer the beginning farmer  
28.34 tax credit. The base for this appropriation is  
28.35 \$56,000 in fiscal year 2024 and later.

29.1 (x) \$750,000 the second year is for a grant to  
29.2 the Ag Innovation Campus to continue  
29.3 construction of a soybean processing and  
29.4 research facility. This is a onetime  
29.5 appropriation.

29.6 The commissioner shall submit a report on the  
29.7 utilization of the grants to the chairs and  
29.8 ranking minority members of the legislative  
29.9 committees and divisions with jurisdiction  
29.10 over agriculture policy and finance by  
29.11 February 1, 2024.

29.12 (y) \$50,000 is added to the base for fiscal year  
29.13 2024 and \$0 for fiscal year 2025 to provide  
29.14 technical assistance and leadership in the  
29.15 development of a comprehensive and  
29.16 well-documented state aquaculture plan. The  
29.17 commissioner must provide the state  
29.18 aquaculture plan to the legislative committees  
29.19 with jurisdiction over agriculture finance and  
29.20 policy by February 15, 2025.

29.21 (z) \$500,000 the second year is to award and  
29.22 administer down payment assistance grants  
29.23 under Minnesota Statutes, section 17.133. The  
29.24 base for this appropriation is \$750,000 in fiscal  
29.25 year 2024 and thereafter. Any unspent funds  
29.26 are available until the end of the following  
29.27 fiscal year.

29.28 (aa) \$350,000 the second year is to provide  
29.29 grants to secondary career and technical  
29.30 education programs for the purpose of offering  
29.31 instruction in meat cutting and butchery. By  
29.32 January 15, 2023, the commissioner must  
29.33 report to the chairs and ranking minority  
29.34 members of the committees with jurisdiction  
29.35 over agriculture finance and education finance

30.1 by listing the grants made under this paragraph  
30.2 by county and noting the number and amount  
30.3 of grant requests not fulfilled. The report may  
30.4 include additional information as determined  
30.5 by the commissioner, including but not limited  
30.6 to information regarding the outcomes  
30.7 produced by these grants. If additional grants  
30.8 are awarded under this paragraph that were  
30.9 not covered in the report due by January 15,  
30.10 2023, the commissioner must submit an  
30.11 additional report to the chairs and ranking  
30.12 minority members of the committees with  
30.13 jurisdiction over agriculture finance and  
30.14 education finance regarding all grants issued  
30.15 under this paragraph by November 1, 2023.  
30.16 This is a onetime appropriation. Grants may  
30.17 be used for costs, including but not limited to:  
30.18 (1) equipment required for a meat cutting  
30.19 program;  
30.20 (2) facility renovation to accommodate meat  
30.21 cutting; and  
30.22 (3) training faculty to teach the fundamentals  
30.23 of meat processing.  
30.24 A grant recipient may be awarded a grant of  
30.25 up to \$70,000 and may use up to ten percent  
30.26 of the grant for faculty training.  
30.27 Priority may be given to applicants who are  
30.28 coordinating with meat cutting and butchery  
30.29 programs at Minnesota State Colleges and  
30.30 Universities system and local industry  
30.31 partners.

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

31.1 **ARTICLE 2**

31.2 **AGRICULTURE STATUTORY CHANGES**

31.3 Section 1. Minnesota Statutes 2022, section 17.055, subdivision 1, is amended to read:

31.4 Subdivision 1. **Emerging farmer working group.** To advise the commissioner and  
 31.5 legislature regarding the development and implementation of programs and initiatives that  
 31.6 support emerging farmers in this state, the commissioner must periodically convene a  
 31.7 working group consisting, to the extent possible, of persons who are, and organizations that  
 31.8 represent, farmers or aspiring farmers who are women, veterans, persons with disabilities,  
 31.9 American Indian or Alaskan Natives, members of a community of color, young, and urban,  
 31.10 and any other emerging farmers as determined by the commissioner. ~~No later than January~~  
 31.11 ~~15 each year, the commissioner must update the chairs and ranking minority members of~~  
 31.12 ~~the legislative committees and divisions with jurisdiction over agriculture regarding the~~  
 31.13 ~~working group's activities and recommendations.~~

31.14 Sec. 2. Minnesota Statutes 2022, section 17.055, is amended by adding a subdivision to  
 31.15 read:

31.16 Subd. 2a. **Emerging Farmers Office.** The Emerging Farmers Office exists to support  
 31.17 emerging and aspiring farmers. For purposes of this paragraph, "emerging farmer" has the  
 31.18 meaning given in subdivision 1. At a minimum, the office must coordinate:

31.19 (1) the emerging farmer working group;

31.20 (2) the beginning farmer equipment and infrastructure grant program; and

31.21 (3) the annual distribution of money to organizations that provide culturally appropriate  
 31.22 services to immigrant and Black, Indigenous, and People of Color agricultural producers  
 31.23 and food system-related businesses.

31.24 Sec. 3. Minnesota Statutes 2022, section 17.055, is amended by adding a subdivision to  
 31.25 read:

31.26 Subd. 3. **Beginning farmer equipment and infrastructure grants.** The commissioner  
 31.27 may award and administer equipment and infrastructure grants to beginning farmers. The  
 31.28 commissioner shall give preference to applicants who are emerging farmers as defined in  
 31.29 subdivision 1. Grant money may be used for equipment and infrastructure development.

32.1 Sec. 4. Minnesota Statutes 2022, section 17.055, is amended by adding a subdivision to  
32.2 read:

32.3 Subd. 3a. **Process.** The commissioner shall develop competitive eligibility criteria and  
32.4 may allocate grants on a needs basis.

32.5 Sec. 5. Minnesota Statutes 2022, section 17.055, is amended by adding a subdivision to  
32.6 read:

32.7 Subd. 3b. **Grant awards.** Grant projects may continue for up to two years.

32.8 Sec. 6. Minnesota Statutes 2022, section 17.055, is amended by adding a subdivision to  
32.9 read:

32.10 Subd. 4. **Report.** No later than February 1 each year, the commissioner must submit a  
32.11 report to the chairs and ranking minority members of the legislative committees and divisions  
32.12 with jurisdiction over agriculture regarding the emerging farmer working group's activities,  
32.13 recommendations, and any grants awarded under this section.

32.14 Sec. 7. Minnesota Statutes 2022, section 17.116, subdivision 3, is amended to read:

32.15 Subd. 3. **Awarding of grants.** (a) Applications for grants must be made to the  
32.16 commissioner on forms prescribed by the commissioner.

32.17 (b) The applications must be reviewed, ranked, and recommended by a technical review  
32.18 panel appointed by the commissioner. The technical review panel shall consist of a soil  
32.19 scientist, an agronomist, a representative from a postsecondary educational institution, an  
32.20 agricultural marketing specialist, two resident farmers of the state using sustainable  
32.21 agriculture methods, two resident farmers of the state using organic agriculture methods,  
32.22 and a chair from the department.

32.23 (c) The technical review panel shall rank applications according to the following criteria:

32.24 (1) direct or indirect energy savings or production;

32.25 (2) environmental benefit;

32.26 (3) farm profitability;

32.27 (4) the number of farms able to apply the techniques or the technology proposed;

32.28 (5) the effectiveness of the project as a demonstration;

32.29 (6) the immediate transferability of the project to farms; and

33.1 (7) the ability of the project to accomplish its goals.

33.2 (d) The commissioner shall consider the recommendations of the technical review panel  
33.3 and may award grants for eligible projects. Priority must be given to applicants who are  
33.4 farmers or groups of farmers.

33.5 (e) Grants for eligible projects may not exceed \$25,000 unless the portion above \$25,000  
33.6 is matched on an equal basis by the applicant's cash ~~or in-kind land use contribution.~~  
33.7 contribution or the value of the applicant's in-kind land use, equipment use, or personal  
33.8 labor. Grant recipients who are not required to provide a match and grant recipients whose  
33.9 in-kind contributions exceed the amount needed to meet matching requirements may submit  
33.10 the value of the grant recipients' labor or equipment use as an expense eligible for payment  
33.11 from grant money. Grant funding of projects may not exceed \$50,000 under this section,  
33.12 but applicants may utilize other funding sources. A portion of each grant must be targeted  
33.13 for public information activities of the project.

33.14 (f) A project may continue for up to three years. Multiyear projects must be reevaluated  
33.15 by the technical review panel and the commissioner before second or third year funding is  
33.16 approved. A project is limited to one grant for its funding.

33.17 Sec. 8. Minnesota Statutes 2022, section 18B.01, is amended by adding a subdivision to  
33.18 read:

33.19 Subd. 2c. **Bee kill incident.** "Bee kill incident" means an acute pesticide poisoning of  
33.20 a bee colony or colonies located within one-half mile of each other at a single time point.

33.21 Sec. 9. Minnesota Statutes 2022, section 18B.01, subdivision 2b, is amended to read:

33.22 Subd. 2b. **Bee owner.** "Bee owner" means a person who owns ~~an apiary~~ a bee colony  
33.23 or colonies.

33.24 Sec. 10. Minnesota Statutes 2022, section 18B.051, is amended to read:

33.25 **18B.051 POLLINATOR RESEARCH ACCOUNT.**

33.26 Subdivision 1. **Account established.** A pollinator research account is established in the  
33.27 agricultural fund. Money in the account, including interest, is appropriated to the Board of  
33.28 Regents of the University of Minnesota for pollinator research and outreach, including, but  
33.29 not limited to, ~~science-based best practices and the identification and establishment of habitat~~  
33.30 beneficial to pollinators.;

33.31 (1) the identification and establishment of habitat beneficial to pollinators;

34.1 (2) the development and promotion of science-based best management practices;

34.2 (3) the development and promotion of practices that can reduce the effects of pesticides  
34.3 on pollinators;

34.4 (4) the effects of seed treatments on pollinators; and

34.5 (5) the development and promotion of integrated pest management, including pest  
34.6 economic thresholds.

34.7 The University of Minnesota must select projects in consultation with the Minnesota  
34.8 Department of Agriculture.

34.9 Subd. 2. **Expiration.** This section expires July 1, ~~2025~~ 2027.

34.10 Sec. 11. Minnesota Statutes 2022, section 18B.055, is amended to read:

34.11 **18B.055 COMPENSATION FOR BEES KILLED BY PESTICIDE;**  
34.12 **APPROPRIATION.**

34.13 Subdivision 1. **Compensation required.** (a) The commissioner must compensate a  
34.14 ~~person~~ bee owner for an acute pesticide poisoning resulting in the death of bees or loss of  
34.15 bee colonies owned by the ~~person, provided:~~ bee owner.

34.16 ~~(1) the person who applied the pesticide cannot be determined;~~

34.17 ~~(2) the person who applied the pesticide did so in a manner consistent with the pesticide~~  
34.18 ~~product's label or labeling; or~~

34.19 ~~(3) the person who applied the pesticide did so in a manner inconsistent with the pesticide~~  
34.20 ~~product's label or labeling.~~

34.21 (b) Except as provided in this section, the bee owner is entitled to the fair market value  
34.22 of the dead bees and bee colonies losses as determined by the commissioner upon  
34.23 recommendation by academic experts and bee keepers. ~~In any fiscal year,~~ A bee owner must  
34.24 not be compensated for a claim that is less than \$100 or compensated more than ~~\$20,000~~  
34.25 ~~for all eligible claims.~~ \$10,000 for a bee kill incident. A bee owner may only make one  
34.26 claim for a single bee kill incident.

34.27 (c) A bee owner must not be compensated more than \$20,000 in a fiscal year for bee  
34.28 kill incidents.

34.29 ~~(e)~~ (d) To be eligible for compensation under this section, the bee owner and the affected  
34.30 apiary must be registered prior to the bee kill incident with a commonly utilized pesticide  
34.31 registry program, as designated by the commissioner.

35.1 ~~Subd. 2. **Applicator responsible.** In the event a person applies a pesticide in a manner~~  
 35.2 ~~inconsistent with the pesticide product's label or labeling requirements as approved by the~~  
 35.3 ~~commissioner and is determined to have caused the acute pesticide poisoning of bees,~~  
 35.4 ~~resulting in death or loss of a bee colony kept for commercial purposes, then the person so~~  
 35.5 ~~identified must bear the responsibility of restitution for the value of the bees to the owner.~~  
 35.6 ~~In these cases the commissioner must not provide compensation as provided in this section.~~

35.7 Subd. 3. **Claim form.** Within three months of the commissioner making a determination  
 35.8 of whether the death of bees or loss of bee colonies was caused by acute pesticide poisoning,  
 35.9 the bee owner must file a claim on forms provided by the commissioner and available on  
 35.10 the Department of Agriculture's website.

35.11 Subd. 4. **Determination.** The commissioner must determine whether the death of the  
 35.12 bees or loss of bee colonies was caused by an acute pesticide poisoning, whether the pesticide  
 35.13 applicator can be determined, and whether the pesticide applicator applied the pesticide  
 35.14 product in a manner consistent with the pesticide product's label or labeling.

35.15 Subd. 5. **Payments; denial of compensation.** ~~(a) If the commissioner determines the~~  
 35.16 ~~bee death or loss of bee colony was caused by an acute pesticide poisoning and either the~~  
 35.17 ~~pesticide applicator cannot be determined or the pesticide applicator applied the pesticide~~  
 35.18 ~~product in a manner consistent with the pesticide product's label or labeling, the commissioner~~  
 35.19 ~~may award compensation from the pesticide regulatory account. If the pesticide applicator~~  
 35.20 ~~can be determined and the applicator applied the pesticide product in a manner inconsistent~~  
 35.21 ~~with the product's label or labeling, the commissioner may collect a penalty from the pesticide~~  
 35.22 ~~applicator sufficient to compensate the bee owner for the fair market value of the dead bees~~  
 35.23 ~~and bee colonies losses, and must award the money to the bee owner.~~

35.24 ~~(b)~~ (a) If the commissioner denies compensation claimed by a bee owner under this  
 35.25 section, the commissioner must issue a written decision based upon the available evidence.  
 35.26 The decision must include specification of the facts upon which the decision is based and  
 35.27 the conclusions on the material issues of the claim. The commissioner must mail a copy of  
 35.28 the decision to the bee owner.

35.29 ~~(e)~~ (b) A decision to deny compensation claimed under this section is not subject to the  
 35.30 contested case review procedures of chapter 14, but may be reviewed upon a trial de novo  
 35.31 in a court in the county where the loss occurred. The decision of the court may be appealed  
 35.32 as in other civil cases. Review in court may be obtained by filing a petition for review with  
 35.33 the administrator of the court within 60 days following receipt of a decision under this

36.1 section. Upon the filing of a petition, the administrator must mail a copy to the commissioner  
36.2 and set a time for hearing within 90 days of the filing.

36.3 Subd. 6. **Deduction from payment.** The commissioner must reduce payments made  
36.4 under this section by any compensation received by the bee owner for dead bees and bee  
36.5 colonies losses as proceeds from an insurance policy or from another source.

36.6 Subd. 6a. **Enhanced penalty factor.** If the commissioner determines that a bee death  
36.7 or loss of bee colony was caused by acute pesticide poisoning, is able to determine the  
36.8 pesticide applicator that was responsible, and determines that the applicator applied the  
36.9 pesticide in a manner inconsistent with the product's label or labeling, the commissioner  
36.10 may add the amount that the bee owner received from the bee owner's claim to any penalty  
36.11 amount assessed by the commissioner under any penalty actions against the pesticide  
36.12 applicator under section 18D.315 or 18D.325.

36.13 Subd. 7. **Appropriation.** The amount necessary to pay claims under this section, not to  
36.14 exceed \$150,000 per fiscal year, is appropriated from the pesticide regulatory account in  
36.15 section 18B.05.

36.16 Sec. 12. Minnesota Statutes 2022, section 18C.425, subdivision 6, is amended to read:

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

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

36.23 (c) The person responsible for payment of the inspection fees for fertilizers, soil  
36.24 amendments, or plant amendments sold and used in this state must pay an inspection fee of  
36.25 ~~39~~ 64 cents per ton, and until June 30, 2024, an additional 40 cents per ton, of fertilizer, soil  
36.26 amendment, and plant amendment sold or distributed in this state, with a minimum of \$10  
36.27 on all tonnage reports. Notwithstanding section 18C.131, the commissioner must deposit  
36.28 all revenue from the additional 40 cents per ton fee in the agricultural fertilizer research and  
36.29 education account in section 18C.80. Products sold or distributed to manufacturers or  
36.30 exchanged between them are exempt from the inspection fee imposed by this subdivision  
36.31 if the products are used exclusively for manufacturing purposes.

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

37.4 Sec. 13. Minnesota Statutes 2022, section 18H.02, is amended by adding a subdivision to  
 37.5 read:

37.6 Subd. 15a. **Live plant dealer.** "Live plant dealer" means an entity who:

37.7 (1) raises, grows, or propagates nursery stock for sale, outdoors or indoors;

37.8 (2) acquires and further distributes nursery stock, including through landscaping or  
 37.9 distribution with a tree spade; or

37.10 (3) operates a business in Minnesota selling nursery stock with or without taking  
 37.11 ownership or handling the nursery stock.

37.12 Sec. 14. Minnesota Statutes 2022, section 18H.03, subdivision 6, is amended to read:

37.13 Subd. 6. **Dissemination of information.** The commissioner may disseminate information  
 37.14 among ~~growers~~ live plant dealers relative to treatment of nursery stock in both prevention  
 37.15 and elimination of attack by plant pests and diseases.

37.16 Sec. 15. Minnesota Statutes 2022, section 18H.05, is amended to read:

37.17 **18H.05 NURSERY CERTIFICATE REQUIREMENTS.**

37.18 (a) No person may offer for sale or distribute certified nursery stock as a ~~nursery stock~~  
 37.19 ~~grower or~~ live plant dealer without first obtaining the appropriate nursery stock certificate  
 37.20 from the commissioner. The commissioner may not issue a certificate to a person who does  
 37.21 not sell certified nursery stock. Certificates are issued solely for these purposes and may  
 37.22 not be used for other purposes.

37.23 (b) A certificate issued by the commissioner expires on December 31 of the year it is  
 37.24 issued.

37.25 (c) A person required to be certified by this section must apply for a certificate or for  
 37.26 renewal on a form furnished by the commissioner which must contain:

37.27 (1) the name and address of the applicant, the number of locations to be operated by the  
 37.28 applicant and their addresses, and the assumed business name of the applicant;

37.29 (2) if other than an individual, a statement whether a person is a partnership, corporation,  
 37.30 or other organization;

38.1 (3) the type of business to be operated and, if the applicant is an agent, the principals  
38.2 the applicant represents; and

38.3 (4) source or sources of purchased nursery stock.

38.4 (d) No person may:

38.5 (1) falsely claim to be a certified live plant dealer, ~~grower, broker, or agent~~;

38.6 (2) make willful false statements when applying for a certificate; or

38.7 (3) sell or distribute certified nursery stock to an uncertified ~~nursery stock~~ live plant  
38.8 dealer who is required to be certified ~~or nursery stock grower~~.

38.9 (e) Each application for a certificate must be accompanied by the appropriate certificate  
38.10 fee under section 18H.07.

38.11 (f) Certificates issued by the commissioner must be prominently displayed to the public  
38.12 in the place of business where certified nursery stock is sold or distributed.

38.13 (g) The commissioner may refuse to issue a certificate for cause.

38.14 (h) Each ~~grower or~~ live plant dealer is entitled to one sales location under the certificate  
38.15 ~~of the grower or dealer~~. Each additional sales location maintained by the person requires  
38.16 the payment of the full certificate fee for each additional sales outlet.

38.17 ~~(i) A grower who is also a dealer is certified only as a grower for that specific site.~~

38.18 ~~(i)~~ (i) A certificate is personal to the applicant and may not be transferred. A new  
38.19 certificate is necessary if the business entity is changed or if the membership of a partnership  
38.20 is changed, whether or not the business name is changed.

38.21 ~~(j)~~ (j) The certificate issued to a live plant dealer ~~or grower~~ applies to the particular  
38.22 premises named in the certificate. However, if prior approval is obtained from the  
38.23 commissioner, the place of business may be moved to the other premises or location without  
38.24 an additional certificate fee.

38.25 ~~(k)~~ (k) A collector of nursery stock from the wild is required to obtain a ~~dealer's~~ live  
38.26 plant dealer certificate from the commissioner and is subject to all the requirements that  
38.27 apply to the inspection of nursery stock. All collected nursery stock must be labeled as  
38.28 "collected from the wild."

39.1 Sec. 16. Minnesota Statutes 2022, section 18H.07, is amended by adding a subdivision to  
39.2 read:

39.3 Subd. 3a. **New live plant dealer certificate.** An entity that was not distributing certified  
39.4 nursery stock for the past two full calendar years is considered a new applicant for the basis  
39.5 of fee determination. A new live plant dealer must pay the following fees:

39.6 (1) \$50 fee for a live plant dealer certificate that allows for one retail sales location. A  
39.7 \$50 certificate is required for each additional retail sales location; and

39.8 (2) a live plant dealer growing nursery stock requires an inspection for certification of  
39.9 that nursery stock prior to sale of the nursery stock and must be assessed an additional  
39.10 charge of \$100 plus \$10 per acre up to 200 acres. Acreage to be certified should be rounded  
39.11 to the nearest one acre. For the basis of fee determination, "growing nursery stock" means  
39.12 the purchase of seeds, seedlings, or small plants and the cultivation of the plants in fields  
39.13 or containers in Minnesota for eventual sale, including cutting, splitting, and propagating  
39.14 plants.

39.15 Sec. 17. Minnesota Statutes 2022, section 18H.07, is amended by adding a subdivision to  
39.16 read:

39.17 Subd. 3b. **Live plant dealer renewal certificate.** (a) A renewal certificate is for a live  
39.18 plant dealer that has had a certificate in at least one of the past two full calendar years. A  
39.19 live plant dealer must pay an annual fee based on the following criteria:

39.20 (1) a \$50 fee for a live plant dealer certificate that allows for one retail sales location.  
39.21 A \$50 certificate is required for each additional retail sales location;

39.22 (2) a fee of gross annual purchases of certified nursery stock as noted in the table below  
39.23 with the intent to resell in the same year. These are plants that are watered and maintained  
39.24 only for the purposes of keeping the plants alive. Gross annual purchases are calculated for  
39.25 nursery stock purchases from January 1 through December 31 of the most recent certificate  
39.26 year according to the following table;

	<u>Purchases</u>	<u>Fee</u>
39.27		
39.28	<u>\$0</u> to <u>\$3,000</u>	<u>\$0</u>
39.29	<u>\$3,001</u> to <u>\$10,000</u>	<u>\$50</u>
39.30	<u>\$10,001</u> to <u>\$20,000</u>	<u>\$100</u>
39.31	<u>\$20,001</u> to <u>\$50,000</u>	<u>\$225</u>
39.32	<u>\$50,001</u> to <u>\$100,000</u>	<u>\$425</u>
39.33	<u>\$100,001</u> to <u>\$150,000</u>	<u>\$600</u>

40.1	<u>\$150,001</u>	<u>to \$200,000</u>	<u>\$750</u>
40.2	<u>\$200,001</u>	<u>to \$300,000</u>	<u>\$975</u>
40.3	<u>\$300,001</u>	<u>to \$400,000</u>	<u>\$1,200</u>
40.4	<u>\$400,001</u>	<u>to \$500,000</u>	<u>\$1,250</u>
40.5	<u>\$500,001</u>	<u>to \$600,000</u>	<u>\$1,350</u>
40.6	<u>\$600,001</u>	<u>to \$700,000</u>	<u>\$1,400</u>
40.7	<u>\$700,001</u>	<u>to \$800,000</u>	<u>\$1,500</u>
40.8	<u>\$800,001</u>	<u>to \$900,000</u>	<u>\$1,600</u>
40.9	<u>\$900,001</u>	<u>to \$1,000,000</u>	<u>\$1,700</u>
40.10	<u>\$1,000,001</u>	<u>to \$2,000,000</u>	<u>\$1,800</u>
40.11	<u>\$2,000,001</u>	<u>to \$3,000,000</u>	<u>\$1,900</u>
40.12	<u>\$3,000,001 or more</u>		<u>.0005 x annual purchases; and</u>

40.13 (3) a live plant dealer growing nursery stock requires an inspection for certification of  
40.14 that nursery stock prior to sale and must be assessed an additional charge of \$100 plus \$10  
40.15 per acre up to 200 acres. Acreage to be certified should be rounded to the nearest one acre.  
40.16 For the basis of fee determination, "growing nursery stock" is the purchase of seeds,  
40.17 seedlings, or small plants and the cultivation of plants in fields or containers in Minnesota  
40.18 for eventual sale, including cutting, splitting, and propagating plants.

40.19 (b) In addition to the fees in paragraph (a), a penalty of 25 percent of the fee due may  
40.20 be charged or a portion thereof, if the fee is delinquent or any application for renewal is not  
40.21 postmarked or electronically date stamped by December 31 of the current year.

40.22 (c) A live plant dealer operating without a valid certificate must not offer nursery stock  
40.23 for sale or sell nursery stock until a certificate is issued to the live plant dealer by the  
40.24 commissioner and the live plant dealer has paid any applicable fees and penalties in full.

40.25 Sec. 18. Minnesota Statutes 2022, section 18H.08, subdivision 2, is amended to read:

40.26 Subd. 2. **Virus disease-free certification.** The commissioner may provide special  
40.27 services such as virus disease-free certification and other similar programs. Participation  
40.28 by ~~nursery stock growers~~ live plant dealers is voluntary. Plants offered for sale as certified  
40.29 virus-free must be grown according to certain procedures in a manner defined by the  
40.30 commissioner for the purpose of eliminating viruses and other injurious disease or insect  
40.31 pests. The commissioner shall collect reasonable fees from participating ~~nursery stock~~  
40.32 ~~growers~~ live plant dealers for services and materials that are necessary to conduct this type  
40.33 of work.

41.1 Sec. 19. Minnesota Statutes 2022, section 18H.09, is amended to read:

41.2 **18H.09 NURSERY STOCK CERTIFICATION REQUIREMENTS.**

41.3 (a) All nursery stock growing at sites identified by ~~nursery stock dealers or nursery stock~~  
41.4 ~~growers~~ live plant dealers and submitted for inspection must be inspected by the  
41.5 commissioner within the previous 12 months prior to sale and found apparently free from  
41.6 quarantine and regulated nonquarantine pests as well as significantly dangerous or potentially  
41.7 damaging plant pests. The commissioner may waive a site inspection under the following  
41.8 conditions:

41.9 (1) the nursery stock is not going to be sold within 12 months;

41.10 (2) the nursery stock will not be moved out of Minnesota; and

41.11 (3) the nursery site or stock is not subject to certification requirements associated with  
41.12 a state or federally regulated or quarantined plant pest.

41.13 All nursery stock originating from out of state and offered for sale in Minnesota must  
41.14 have been inspected by the appropriate state or federal agency during the previous 12 months  
41.15 and found free from quarantine and regulated nonquarantine pests as well as significantly  
41.16 dangerous or potentially damaging plant pests. A nursery stock certificate is valid from  
41.17 January 1 to December 31.

41.18 (b) Nursery stock must be accessible to the commissioner for inspection during regular  
41.19 business hours. Weeds or other growth that hinder a proper inspection are grounds to suspend  
41.20 or withhold a certificate or require a reinspection.

41.21 (c) Inspection reports issued to ~~growers~~ live plant dealers must contain a list of the plant  
41.22 pests found at the time of inspection. Withdrawal-from-distribution orders are considered  
41.23 part of the inspection reports. A withdrawal-from-distribution order must contain a list of  
41.24 plants withdrawn from distribution and the location of the plants.

41.25 (d) The commissioner may post signs to delineate sections withdrawn from distribution.  
41.26 These signs must remain in place until the commissioner removes them or grants written  
41.27 permission to the grower to remove the signs.

41.28 (e) Inspection reports issued to live plant dealers must outline the violations involved  
41.29 and corrective actions to be taken including withdrawal-from-distribution orders which  
41.30 would specify nursery stock that could not be distributed from a certain area.

42.1 (f) Optional inspections of plants may be conducted by the commissioner upon request  
42.2 by any persons desiring an inspection. A fee as provided in section 18H.07 must be charged  
42.3 for such an inspection.

42.4 Sec. 20. Minnesota Statutes 2022, section 18H.13, subdivision 3, is amended to read:

42.5 Subd. 3. **Reciprocal agreements.** The commissioner may cooperate with and enter into  
42.6 reciprocal agreements with other states regarding licensing and movement of nursery stock.  
42.7 Reciprocal agreements with other states do not prevent the commissioner from prohibiting  
42.8 the distribution in Minnesota of any nursery stock that fails to meet minimum criteria for  
42.9 nursery stock of Minnesota certified ~~growers, dealers, or both~~ live plant dealers. An official  
42.10 directory of certified nurseries and related nursery industry businesses from other states is  
42.11 acceptable in lieu of individual nursery certificates.

42.12 Sec. 21. Minnesota Statutes 2022, section 18H.15, is amended to read:

42.13 **18H.15 VIOLATIONS.**

42.14 (a) A person who offers to distribute nursery stock that is uncertified, uninspected, or  
42.15 falsely labeled or advertised possesses an illegal regulated commodity that is considered  
42.16 infested or infected with harmful plant pests and subject to regulatory action and control.  
42.17 If the commissioner determines that the provisions of this section have been violated, the  
42.18 commissioner may order the destruction of all of the plants unless the person:

42.19 (1) provides proper phytosanitary preclearance, phytosanitary certification, or nursery  
42.20 stock certification;

42.21 (2) agrees to have the plants, plant materials, or nursery stock returned to the consignor;  
42.22 and

42.23 (3) provides proper documentation, certification, or compliance to support advertising  
42.24 claims.

42.25 (b) The plant owner is liable for all costs associated with a withdrawal-from-distribution  
42.26 order or the quarantine, treatment, or destruction of plants. The commissioner is not liable  
42.27 for actual or incidental costs incurred by a person due to the commissioner's actions. The  
42.28 commissioner must be reimbursed by the owner of the plants for the actual expenses incurred  
42.29 in carrying out a withdrawal-from-distribution order or the quarantine, treatment, or  
42.30 destruction of any plants.

42.31 (c) It is unlawful for a person to:

- 43.1 (1) misrepresent, falsify, or knowingly distribute, sell, advertise, or display damaged,  
 43.2 mislabeled, misrepresented, infested, or infected nursery stock;
- 43.3 (2) fail to obtain a nursery certificate as required by the commissioner;
- 43.4 (3) fail to renew a nursery certificate, but continue business operations;
- 43.5 (4) fail to display a nursery certificate;
- 43.6 (5) misrepresent or falsify a nursery certificate;
- 43.7 (6) refuse to submit to a nursery inspection;
- 43.8 (7) fail to provide the cooperation necessary to conduct a successful nursery inspection;
- 43.9 (8) offer for sale uncertified plants, plant materials, or nursery stock;
- 43.10 (9) possess an illegal regulated commodity;
- 43.11 (10) violate or disobey a commissioner's order;
- 43.12 (11) violate a quarantine issued by the commissioner;
- 43.13 (12) fail to obtain phytosanitary certification for plant material or nursery stock brought  
 43.14 into Minnesota;
- 43.15 (13) deface, mutilate, or destroy a nursery stock certificate, phytosanitary certificate, or  
 43.16 phytosanitary preclearance certificate, or other commissioner mark, permit, or certificate;
- 43.17 (14) fail to notify the commissioner of an uncertified shipment of plants, plant materials,  
 43.18 or nursery stock;
- 43.19 (15) transport uncertified plants, plant materials, or nursery stock in Minnesota; or
- 43.20 (16) sell nursery stock to an uncertified ~~nursery stock~~ live plant dealer who is required  
 43.21 to be certified.

43.22 Sec. 22. Minnesota Statutes 2022, section 25.39, subdivision 1, is amended to read:

43.23 Subdivision 1. **Amount of fee.** (a) An inspection fee at the rate of 16 cents per ton must  
 43.24 be paid to the commissioner on commercial feeds distributed in this state by the person who  
 43.25 first distributes the commercial feed, except that:

43.26 (1) no fee need be paid on any feed ingredient in a customer formula feed that has been  
 43.27 directly furnished by the customer; or

43.28 (2) no fee need be paid on a first distribution if made to a qualified buyer who, with  
 43.29 approval from the commissioner, is responsible for the fee. Such license-specific

44.1 tonnage-fee-exemption permits shall be issued on a calendar year basis to commercial feed  
 44.2 licensees who distribute feed or feed ingredients outside the state, and who submit a \$100  
 44.3 nonrefundable application fee and comply with rules adopted by the commissioner relative  
 44.4 to record keeping, tonnage of commercial feed distributed in Minnesota, total of all  
 44.5 commercial feed tonnage distributed, and all other information which the commissioner  
 44.6 may require so as to ensure that proper inspection fee payment has been made.

44.7 (b) In the case of pet food or specialty pet food distributed in the state only in packages  
 44.8 of ten pounds or less, a distributor must register each product ~~and submit a current label for~~  
 44.9 ~~each product~~ annually on forms provided by the commissioner, accompanied by an annual  
 44.10 application fee of \$100 for each product in lieu of the inspection fee, and within five business  
 44.11 days, submit a current label for each product upon the request of the commissioner. This  
 44.12 annual fee must be received by the commissioner on or before June 30 or postmarked on  
 44.13 or before June 30. The inspection fee required by paragraph (a) applies to pet food or  
 44.14 specialty pet food distributed in packages exceeding ten pounds.

44.15 (c) The minimum inspection fee is \$75 per annual reporting period.

44.16 Sec. 23. Minnesota Statutes 2022, section 28A.08, is amended by adding a subdivision to  
 44.17 read:

44.18 Subd. 4. Food handler license account; appropriation. A food handler license account  
 44.19 is established in the agricultural fund. Fees paid under subdivision 3 must be deposited in  
 44.20 this account. Money in the account, including interest, is appropriated to the commissioner  
 44.21 for expenses relating to licensing and inspecting food handlers under chapters 28 to 34A or  
 44.22 rules adopted under one of those chapters.

44.23 Sec. 24. Minnesota Statutes 2022, section 28A.082, subdivision 1, is amended to read:

44.24 Subdivision 1. **Fees; application.** (a) The fees for review of food handler facility floor  
 44.25 plans under the Minnesota Food Code are based upon the square footage of the structure  
 44.26 being newly constructed, remodeled, or converted. The fees for the review shall be:

square footage	review fee
0 - <del>4,999</del> <u>999</u> .....	\$ 200.00
<u>1,000 - 4,999</u> .....	\$ <u>400.00</u>
	<del>275.00</del>
5,000 - 24,999.....	\$ <u>800.00</u>
	<del>425.00</del>
25,000 plus.....	\$ <u>1,000.00</u>

45.1 (b) The applicant must submit the required fee, review application, plans, equipment  
45.2 specifications, materials lists, and other required information on forms supplied by the  
45.3 department at least 30 days prior to commencement of construction, remodeling, or  
45.4 conversion. The commissioner may waive this fee after determining that the facility's  
45.5 principal mode of business is not the sale of food and that the facility sells only prepackaged  
45.6 foods.

45.7 (c) The fee for a remodel of a licensed food establishment by the license holder is based  
45.8 on the total square footage in paragraph (a) of the remodeled food preparation, service,  
45.9 display, and storage areas only. This paragraph does not apply to a retail food handler who  
45.10 is applying for a new license that includes the conversion of an existing building or structure  
45.11 that was previously licensed as a food establishment.

45.12 Sec. 25. Minnesota Statutes 2022, section 28A.09, is amended by adding a subdivision to  
45.13 read:

45.14 Subd. 3. **Vending machine inspection account; appropriation.** A vending machine  
45.15 inspection account is established in the agricultural fund. Fees paid under subdivision 1  
45.16 must be deposited in this account. Money in the account, including interest, is appropriated  
45.17 to the commissioner for expenses relating to identifying and inspecting food vending  
45.18 machines under chapters 28 to 34A or rules adopted under one of those chapters.

45.19 Sec. 26. Minnesota Statutes 2022, section 41A.12, subdivision 4, is amended to read:

45.20 Subd. 4. **Sunset.** This section expires on June 30, ~~2025~~ 2035.

45.21 Sec. 27. Minnesota Statutes 2022, section 41A.21, subdivision 6, is amended to read:

45.22 Subd. 6. **Appropriation.** (a) In fiscal year 2025, a sum sufficient to make the payments  
45.23 required by this section, not to exceed \$1,500,000, is appropriated from the general fund to  
45.24 the commissioner. This is a onetime appropriation. The commissioner may use up to 6.5  
45.25 percent of this appropriation for costs incurred to administer the program.

45.26 (b) From fiscal year 2026 through fiscal year 2034, a sum sufficient to make the payments  
45.27 required by this section, not to exceed \$3,000,000 in a fiscal year, is annually appropriated  
45.28 from the general fund to the commissioner. The commissioner may use up to 6.5 percent  
45.29 of this appropriation for costs incurred to administer the program.

46.1 Sec. 28. Minnesota Statutes 2022, section 223.16, is amended by adding a subdivision to  
46.2 read:

46.3 Subd. 3c. **Failure.** "Failure" means a determination by the commissioner that a grain  
46.4 buyer or grain warehouse has failed to pay for delivered grain, breached a contract, breached  
46.5 more than one contract, or failed to redeliver stored grain to a producer.

46.6 Sec. 29. Minnesota Statutes 2022, section 223.17, subdivision 7, is amended to read:

46.7 Subd. 7. **Action on a ~~bond~~ breach of contract.** A producer claiming to be damaged by  
46.8 a breach of a contract for the purchase of grain by a ~~licensed~~ grain buyer may file a written  
46.9 claim with the commissioner. The claim must state the facts constituting the claim. ~~The~~  
46.10 ~~claim must be filed with the commissioner within 180 days of the breach of the contract.~~ If  
46.11 a claim is valid, the commissioner may immediately suspend the license, in which case the  
46.12 licensee shall surrender the license to the commissioner. Within 15 days the licensee may  
46.13 request an administrative hearing subject to chapter 14 to determine whether the license  
46.14 should be revoked. If no request is made within 15 days, the commissioner shall revoke the  
46.15 license.

46.16 Sec. 30. Minnesota Statutes 2022, section 223.17, subdivision 7a, is amended to read:

46.17 Subd. 7a. **Bond requirements; ~~claims.~~** For entities licensed under this chapter and  
46.18 chapter 232, the bond requirements and ~~claims~~ actions against the bond are governed under  
46.19 section ~~232.22, subdivision 6a~~ 223.24, subdivision 13.

46.20 Sec. 31. Minnesota Statutes 2022, section 223.175, is amended to read:

46.21 **223.175 WRITTEN VOLUNTARY EXTENSION OF CREDIT CONTRACTS;**  
46.22 **FORM.**

46.23 A written confirmation required under section 223.177, subdivision 2, and a written  
46.24 voluntary extension of credit contract must include those items prescribed by the  
46.25 commissioner by rule. A contract shall include a statement of the legal and financial  
46.26 responsibilities of grain buyers and sellers established in this chapter. A contract shall also  
46.27 include the following statement in not less than ten point, all capital type, framed in a box  
46.28 with space provided for the seller's signature: "THIS CONTRACT CONSTITUTES A  
46.29 VOLUNTARY EXTENSION OF CREDIT. ~~THIS CONTRACT IS NOT COVERED BY~~  
46.30 ~~ANY GRAIN BUYER'S BOND~~ MAY NOT BE COVERED COMPLETELY BY THE  
46.31 GRAIN INDEMNITY ACCOUNT." If a written contract is provided at the time the grain  
46.32 is delivered to the grain buyer, the seller shall sign the contract in the space provided beneath

47.1 the statement. A transaction that does not meet the provisions of a voluntary extension of  
47.2 credit, including the issuance and signing of a voluntary extension of credit contract, is a  
47.3 cash sale.

47.4 Sec. 32. Minnesota Statutes 2022, section 223.19, is amended to read:

47.5 **223.19 RULES.**

47.6 The commissioner may make rules pursuant to chapter 14 to carry out the provisions of  
47.7 sections 223.15 to ~~223.23~~ 223.24.

47.8 Sec. 33. **[223.24] GRAIN INDEMNITY ACCOUNT.**

47.9 Subdivision 1. Establishment. The grain indemnity account is established under the  
47.10 direction and control of the commissioner of agriculture. The grain indemnity account shall  
47.11 consist of grain indemnity premiums, money from any other source, and interest.

47.12 Subd. 2. Account; appropriation. (a) A grain indemnity account is established in the  
47.13 agricultural fund. Money in the grain indemnity account, including interest, is appropriated  
47.14 to the commissioner to pay valid claims and to administer this section.

47.15 (b) The commissioner shall direct payments from the grain indemnity account only for  
47.16 the following purposes:

47.17 (1) the payment of valid claims;

47.18 (2) the payment of grain indemnity premium refunds;

47.19 (3) the payment of administrative expenses under paragraph (c);

47.20 (4) the payment of legal fees and legal expenses under subdivision 7; or

47.21 (5) the payment of a trustee appointed under subdivision 6.

47.22 (c) The commissioner shall allocate money from the grain indemnity account to a separate  
47.23 administrative expenses account to pay or reimburse the agency for grain indemnity account  
47.24 expenses. Administrative expenses under this paragraph include the actual cost of processing  
47.25 payments and refunds, enforcement, record keeping, ordinary management and investment  
47.26 fees connected with the operation of the grain indemnity account, and legal expenses.

47.27 Subd. 3. Eligibility. A producer is eligible to receive a grain indemnity payment from  
47.28 the commissioner if the producer sold grain to a grain buyer as defined in this chapter or  
47.29 stored grain with a public grain warehouse operator under chapter 232 and the producer is

48.1 damaged by the grain buyer's or public grain warehouse operator's failure to pay for or  
48.2 redeliver grain.

48.3 Subd. 4. **Application.** (a) A producer asserting eligibility under subdivision 3 must file  
48.4 a completed claim with the commissioner. The producer must state the facts constituting  
48.5 the claim and all other information required by the commissioner.

48.6 (b) Upon receiving a claim, the commissioner must promptly determine the validity of  
48.7 the claim and notify the claimant of the commissioner's determination.

48.8 (c) An aggrieved party may appeal the commissioner's determination by requesting,  
48.9 within 15 days, that the commissioner initiate a contested case proceeding under chapter  
48.10 14.

48.11 Subd. 5. **Payment limitation.** (a) For each failure, the commissioner must pay the eligible  
48.12 producer:

48.13 (1) the amount equal to the value of the grain sold on cash sale, grain assigned to  
48.14 warehouse receipt, or grain assigned to open storage less than 180 days from the deposit;

48.15 (2) the total amount owed to the seller for a deferred or delayed payment contract for  
48.16 which a price has been established when the contract originated within 120 days of the  
48.17 breach of contract;

48.18 (3) the lesser of \$750,000 or 75 percent of the amount owed to the seller for a voluntary  
48.19 extension of credit contract when the contract originated within 180 days of the breach of  
48.20 contract;

48.21 (4) the lesser of \$500,000 or 50 percent for an open storage assignment or a voluntary  
48.22 extension of credit contract when the open storage assignment or contract originated between  
48.23 181 days and 18 months from the failure; or

48.24 (5) the lesser of \$250,000 or 25 percent for an open storage assignment or a voluntary  
48.25 extension of credit contract when the open storage assignment or contract originated between  
48.26 19 months and 36 months from the failure.

48.27 (b) Claims filed more than 36 months from the failure are not eligible for payment.

48.28 (c) For the purposes of this subdivision, multiple breaches of contract with a single entity  
48.29 constitute one failure.

48.30 (d) If a grain buyer holds both a Minnesota grain buyer license, as defined in chapter  
48.31 223, and a license with the United States Department of Agriculture (USDA) under the  
48.32 United States Warehouse Act, a seller may only file a claim with the grain indemnity account

49.1 if the seller sold grain as a cash sale or under a voluntary extension of credit contract. The  
49.2 commissioner must deny any claims for stored grain from a seller that holds both a Minnesota  
49.3 grain buyer license and a license with the USDA under the United States Warehouse Act.

49.4 (e) If valid claims exceed the amount of money available in the grain indemnity account,  
49.5 the commissioner must pay claims to producers in the order that the claims were received.  
49.6 When additional money becomes available, the commissioner must resume issuing grain  
49.7 indemnity payments to each eligible producer until each producer receives the maximum  
49.8 amount payable under paragraph (a).

49.9 Subd. 6. **Court order.** (a) The commissioner may apply to a district court for an order  
49.10 appointing a trustee or receiver to manage and supervise the operations of a grain buyer or  
49.11 public grain warehouse operator in default. The commissioner may participate in any  
49.12 resulting court proceeding as an interested party.

49.13 (b) The commissioner may recover the cost of the appointed trustee using money  
49.14 appropriated under subdivision 2.

49.15 Subd. 7. **Debt obligation; subrogated claim.** (a) Money paid by the commissioner to  
49.16 satisfy a valid claim constitutes a debt obligation of the grain buyer or public grain warehouse  
49.17 operator in default. The commissioner may take action against the grain buyer or public  
49.18 grain warehouse operator to recover the amount of any claim payment plus reasonable costs,  
49.19 attorney fees, and interest computed at the rate provided in section 270C.40. The  
49.20 commissioner must deposit any amount recovered under this subdivision in the grain  
49.21 indemnity account.

49.22 (b) As a condition of payment from the commissioner, a producer must subrogate the  
49.23 producer's interest in a voluntary extension of credit contract to the commissioner in an  
49.24 amount equal to any claim payment or payments that the producer received under this  
49.25 section.

49.26 (c) The commissioner may recover any debt to the grain indemnity account from a  
49.27 member of the board or management who acted negligently or fraudulently.

49.28 Subd. 8. **Grain indemnity premiums.** (a) Except as provided in subdivision 10,  
49.29 producers of grain must be charged a grain indemnity premium as determined and published  
49.30 by the commissioner, not to exceed 0.2 percent of the price on all marketed grain that is  
49.31 sold to a grain buyer as defined in chapter 223.

49.32 (b) The grain indemnity premiums required under this section are in addition to any  
49.33 other fees or assessments required by law.

50.1 Subd. 9. Collection and submission of grain indemnity premiums. (a) Each producer  
50.2 must pay to the commissioner a grain indemnity premium of not more than 0.2 percent of  
50.3 the net proceeds from all grain sold by the producer to a grain buyer purchasing grain in  
50.4 Minnesota. When grain is sold to a grain buyer, the grain buyer must deduct the grain  
50.5 indemnity premium from the proceeds of the sale and pay the grain indemnity premium to  
50.6 the commissioner on behalf of the producer.

50.7 (b) When purchasing grain from a producer, a grain buyer must deduct the grain  
50.8 indemnity premium described in paragraph (a) from the proceeds of the sale and notify the  
50.9 producer of the amount of the deduction in writing. The grain buyer must forward the grain  
50.10 indemnity premium to the commissioner for a deposit into the grain indemnity account on  
50.11 behalf of the producer as described in this subdivision.

50.12 (c) A grain buyer must clearly indicate the grain indemnity premiums collected under  
50.13 paragraph (b) in the grain buyer's books and records. A grain buyer must retain books and  
50.14 records containing the grain indemnity premiums for at least three years. A grain buyer  
50.15 must make the grain buyer's books and records available for inspection by the commissioner  
50.16 during regular business hours. The department must take steps reasonably necessary to  
50.17 verify the accuracy of the grain indemnity premiums as recorded in the grain buyer's books  
50.18 and records. Any record or portion thereof seized or copied by the commissioner under this  
50.19 paragraph is private or nonpublic data as provided in section 13.02, except that the  
50.20 commissioner may disclose this data to aid in the law enforcement process.

50.21 (d) A grain buyer must submit grain indemnity premiums collected under paragraph (a)  
50.22 to the commissioner for the purpose of financing or contributing to the financing of the  
50.23 grain indemnity account by:

50.24 (1) January 31 for grain indemnity premiums collected during the months of July, August,  
50.25 September, October, November, and December; and

50.26 (2) July 31 for grain indemnity premiums collected during the months of January,  
50.27 February, March, April, May, and June.

50.28 Subd. 10. Amount in grain indemnity account; basis for suspension and  
50.29 reinstatement of grain indemnity premium collection. (a) The grain indemnity premiums  
50.30 required under subdivision 8 must be collected until the grain indemnity account contains  
50.31 more than \$15,000,000, as of June 30 of any given year.

50.32 (b) Except as provided in paragraph (c), after the grain indemnity account reaches  
50.33 \$15,000,000, the commissioner may not require the collection of additional grain indemnity  
50.34 premiums until the amount in the account drops below \$9,000,000. In a year when the

51.1 commissioner determines that the account is at or below \$9,000,000, the commissioner may  
51.2 reinstate the collection described in this section.

51.3 (c) The commissioner shall announce the intention to collect the grain indemnity  
51.4 premiums described in this section by May 1 with collection to begin July 1 until the grain  
51.5 indemnity account contains at least \$15,000,000. The commissioner must notify the public  
51.6 of the commissioner's intent to reinstate collection of additional grain indemnity premiums  
51.7 through publication in the State Register and by notifying each licensee of the licensee's  
51.8 obligation to collect premiums.

51.9 Subd. 11. **Grain indemnity refund; opt out.** (a) Subject to subdivision 9, a producer  
51.10 that has paid a grain indemnity premium, either directly or collected by a licensee, may  
51.11 receive a refund of that premium from the grain indemnity account by submitting a written  
51.12 demand for a refund to the commissioner, delivered personally or by first-class mail within  
51.13 12 months after the producer paid the grain indemnity premium.

51.14 (b) A producer must submit a demand for a refund of a grain indemnity premium under  
51.15 paragraph (a) on a demand for refund form developed by the commissioner. The  
51.16 commissioner must make the form available to a licensee, producer, or member of the public  
51.17 upon request.

51.18 (c) If a producer is entitled to a refund of a grain indemnity premium under this section,  
51.19 the commissioner must pay the refund within 90 days of receiving the demand for a refund.  
51.20 If the grain indemnity account balance is insufficient to pay refunds under this subdivision  
51.21 and valid claims exist, once money is deposited into the grain indemnity account, the  
51.22 commissioner must issue pending refunds for grain indemnity premium payments before  
51.23 issuing payments to claimants.

51.24 (d) If the commissioner announces grain indemnity premiums as required under  
51.25 subdivision 10 by June 30, the commissioner must send a notice to each producer who  
51.26 requested a refund of a grain indemnity premium during the previous three fiscal years. The  
51.27 notice must inform the producer of the deadline for and method of submitting a demand for  
51.28 a refund to the commissioner under paragraphs (a) and (b) and the method for reentering  
51.29 the grain indemnity program under paragraph (e).

51.30 (e) A producer that receives a refund of a grain indemnity premium under paragraph (a)  
51.31 is not entitled to participate in the grain indemnity program or to receive any payment under  
51.32 this section unless the producer reenters the grain indemnity program by meeting all of the  
51.33 following conditions:

52.1 (1) the producer must submit a request for reentry into the grain indemnity program to  
52.2 the commissioner. The producer must submit the request on the form required by the  
52.3 commissioner and must deliver the request to the commissioner;

52.4 (2) the producer's request is approved by the commissioner; and

52.5 (3) the producer must pay into the grain indemnity account all grain indemnity premiums  
52.6 that were refunded to the producer and interest on the refunds as determined by the  
52.7 commissioner.

52.8 (f) A producer that reenters the grain indemnity program under paragraph (e) is eligible  
52.9 to be reimbursed for claims under the grain indemnity program for any breach of contract  
52.10 that occurs at least 90 days after reentry.

52.11 (g) A producer is not eligible for a refund of a grain indemnity premium under this  
52.12 section if the producer has received payment from the grain indemnity account for a valid  
52.13 claim within the preceding 36 months.

52.14 **Subd. 12. Penalties; enforcement action; costs and expenses.** (a) In addition to any  
52.15 other penalty or remedy provided by law, a person who knowingly or intentionally commits  
52.16 any of the following is subject to civil penalties under section 18J.10:

52.17 (1) refusing or failing to collect any grain indemnity premiums as required under this  
52.18 section;

52.19 (2) refusing or failing to pay to the commissioner any grain indemnity premiums collected  
52.20 under this section;

52.21 (3) making a false statement, representation, or certification or knowingly failing to  
52.22 make a required statement, representation, or certification in a record, report, or other  
52.23 document required under this section or filed with the commissioner; or

52.24 (4) resisting, preventing, impeding, or interfering with the commissioner in the  
52.25 performance of the commissioner's duties under this section.

52.26 (b) In addition to the civil penalty described in paragraph (a), the commissioner in an  
52.27 enforcement action for a violation described in paragraph (a), clause (1) or (2), must order  
52.28 the grain buyer to pay into the grain indemnity account any grain indemnity premiums  
52.29 collected by the grain buyer that the grain buyer owes to the grain indemnity account and  
52.30 may order the grain buyer to pay interest on the amount that the grain buyer owes to the  
52.31 grain indemnity account.

53.1 Subd. 13. Grain bonds; new license holders. (a) Except as provided in paragraph (b),  
53.2 before the commissioner issues a grain buyer or public grain warehouse operator license,  
53.3 a person who has not been licensed to buy grain or operate a public grain warehouse in the  
53.4 previous licensing period must file with the commissioner a grain bond in a penal sum of  
53.5 \$100,000. A grain bond must remain in effect for the first three years of the license.

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

53.9 (c) The commissioner may require a supplemental bond in an amount prescribed by the  
53.10 commissioner based on the financial statements required in section 223.17, subdivision 6.

53.11 (d) A grain bond must be on a form provided by the commissioner.

53.12 (e) A grain bond required under paragraphs (a) and (c) must provide for the payment of  
53.13 any loss caused by the grain buyer's failure to pay upon the owner's demand, including loss  
53.14 caused by the grain buyer's failure to pay within the time required. A grain bond must be  
53.15 conditioned upon the grain buyer being duly licensed. A grain bond required under paragraphs  
53.16 (a) and (c) that is obtained by a public grain warehouse operator must be conditioned that  
53.17 the public grain warehouse operator issuing a grain warehouse receipt is liable to the depositor  
53.18 for the delivery of the kind, grade, and net quantity of grain called for by the receipt. The  
53.19 grain bond must be conditioned upon the operator being duly licensed. For those entities  
53.20 licensed under this chapter, the entire grain bond must be available to any claims against  
53.21 the grain bond filed under this chapter.

53.22 (f) A grain bond must not be cumulative from one licensing period to the next. The  
53.23 maximum liability of the grain bond must be the grain bond's face value for the licensing  
53.24 period.

53.25 (g) A grain bond must be continuous until canceled. To cancel a grain bond, a surety  
53.26 must provide 90 days' written notice of the grain bond's termination date to the licensee and  
53.27 the commissioner.

53.28 (h) Upon the commissioner's determination that a claim is valid, the surety for any claims  
53.29 against the grain bond must make payments to the grain indemnity account.

53.30 **EFFECTIVE DATE.** This section is effective July 1, 2023.

54.1 Sec. 34. Minnesota Statutes 2022, section 232.22, subdivision 5, is amended to read:

54.2 Subd. 5. **Statement of grain in storage; reports.** ~~(a) All public grain warehouse operators~~  
54.3 ~~must by February 15 of each year file with the commissioner on a form approved by the~~  
54.4 ~~commissioner a report showing the annual average liability of all grain outstanding on grain~~  
54.5 ~~warehouse receipts, open storage, and grain stored for feed processing that occurred during~~  
54.6 ~~the preceding calendar year. This report shall be used for the purpose of establishing the~~  
54.7 ~~penal sum of the bond.~~

54.8 ~~(b) Warehouse operators that are at a maximum bond and want to continue at maximum~~  
54.9 ~~bond do not need to file this report.~~

54.10 ~~(c) It is a violation of this chapter for any public grain warehouse operator to fail to file~~  
54.11 ~~the report required in paragraph (a).~~

54.12 ~~(d)~~ (a) Every public grain warehouse operator shall keep in a place of safety complete  
54.13 and accurate records and accounts relating to any grain warehouse operated. The records  
54.14 shall reflect each commodity received and shipped daily, the balance remaining in the grain  
54.15 warehouse at the close of each business day, a listing of all unissued grain warehouse receipts  
54.16 in the operator's possession, a record of all grain warehouse receipts issued which remain  
54.17 outstanding and a record of all grain warehouse receipts which have been returned for  
54.18 cancellation. Copies of grain warehouse receipts or other documents evidencing ownership  
54.19 of grain by a depositor, or other liability of the grain warehouse operator, shall be retained  
54.20 as long as the liability exists but must be kept for a minimum of three years.

54.21 ~~(e)~~ (b) Every public grain warehouse operator must maintain in the grain warehouse at  
54.22 all times grain of proper grade and sufficient quantity to meet delivery obligations on all  
54.23 outstanding grain warehouse receipts.

54.24 Sec. 35. **[17.033] LICENSE AND PERMIT SURCHARGES.**

54.25 The commissioner of agriculture may collect license and permit surcharges on all  
54.26 licensing and permitting transactions conducted by the Department of Agriculture for which  
54.27 a fee is charged. The surcharge applies to all initial and renewal license and permit  
54.28 applications and is calculated based on the license or permit base fee. Late penalties or other  
54.29 assessments are not included in the calculation of the surcharge. The fee is set at five percent  
54.30 beginning August 1, 2023, with a minimum fee of \$5 for each transaction. The surcharge  
54.31 rate must be reviewed and set annually by the commissioner and may be assessed at a rate  
54.32 of between three and eight percent of the licensing or permitting fee, with a minimum fee  
54.33 of \$5 for each transaction. The fees collected for this surcharge must be deposited in a

55.1 dedicated account in the agriculture fund. Money in the account, including interest, is  
 55.2 appropriated to the commissioner for the information technology improvement activities  
 55.3 needed to create electronic systems for conducting licensing and permitting transactions  
 55.4 and to modernize the department's inspection and customer management systems.

55.5 Sec. 36. **REPEALER.**

55.6 Minnesota Statutes 2022, sections 17.055, subdivision 2; 18H.02, subdivisions 21, 22,  
 55.7 and 23; 18H.07, subdivisions 2 and 3; and 35.156, subdivision 2, are repealed.

55.8 **ARTICLE 3**

55.9 **BROADBAND**

55.10 Section 1. **BROADBAND DEVELOPMENT APPROPRIATIONS.**

55.11 The sums shown in the columns marked "Appropriations" are appropriated to the agencies  
 55.12 and for the purposes specified in this article. The appropriations are from the general fund,  
 55.13 or another named fund, and are available for the fiscal years indicated for each purpose.  
 55.14 The figures "2024" and "2025" used in this article mean that the appropriations listed under  
 55.15 them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively.  
 55.16 "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium"  
 55.17 is fiscal years 2024 and 2025.

55.18	<b><u>APPROPRIATIONS</u></b>	
55.19	<b><u>Available for the Year</u></b>	
55.20	<b><u>Ending June 30</u></b>	
55.21	<b><u>2024</u></b>	<b><u>2025</u></b>
55.22	<b><u>Sec. 2. DEPARTMENT OF EMPLOYMENT</u></b>	
55.23	<b><u>AND ECONOMIC DEVELOPMENT</u></b>	
	<b><u>\$</u></b>	<b><u>\$</u></b>
	<b><u>163,350,000</u></b>	<b><u>138,350,000</u></b>

55.24 (a) \$350,000 each year is for the Office of  
 55.25 Broadband Development.

55.26 (b) \$163,000,000 the first year and  
 55.27 \$138,000,000 the second year are transferred  
 55.28 from the general fund to the border-to-border  
 55.29 broadband fund account established in  
 55.30 Minnesota Statutes, section 116J.396. These  
 55.31 appropriations and transfers are onetime.

56.1 Sec. 3. Minnesota Statutes 2022, section 116J.395, subdivision 7, is amended to read:

56.2 Subd. 7. **Limitation.** (a) No grant awarded under this section may fund more than 50  
56.3 percent of the total cost of a project if the project does not also receive federal funding. If  
56.4 the project receives federal funding, a grant awarded under this section may fund up to 75  
56.5 percent of the total cost.

56.6 (b) Grants awarded to a single project under this section must not exceed \$5,000,000 if  
56.7 the project does not also receive federal funding. If the project receives federal funding, a  
56.8 grant awarded under this section must not exceed \$10,000,000.

**17.055 EMERGING FARMERS.**

Subd. 2. **Expiration.** This section expires August 1, 2025.

**18H.02 DEFINITIONS.**

Subd. 21. **Nursery stock broker.** "Nursery stock broker" means a nursery stock dealer engaged in the business of selling or reselling certified nursery stock as a business transaction without taking ownership or handling the nursery stock.

Subd. 22. **Nursery stock dealer.** "Nursery stock dealer" means a person involved in the acquisition and further distribution of certified nursery stock; the utilization of certified nursery stock for landscaping or purchase of certified nursery stock for other persons; or the distribution of certified nursery stock with a mechanical digger, commonly known as a tree spade, or by any other means. A person who purchases more than half of the certified nursery stock offered for sale at a sales location during the current certificate year is considered a nursery stock dealer rather than a nursery stock grower for the purposes of determining a proper fee schedule. Nursery stock brokers, landscapers, and tree spade operators are considered nursery stock dealers for purposes of determining proper certification.

Subd. 23. **Nursery stock grower.** "Nursery stock grower" includes, but is not limited to, a person who raises, grows, or propagates nursery stock, outdoors or indoors. A person who grows more than half of the certified nursery stock offered for sale at a sales location during the current certificate year is considered a nursery stock grower for the purpose of determining a proper fee schedule.

**18H.07 FEE SCHEDULE.**

Subd. 2. **Nursery stock grower certificate.** (a) A nursery stock grower must pay an annual fee based on the area of all acreage on which nursery stock is grown as follows:

- (1) less than one-half acre, \$150;
- (2) from one-half acre to two acres, \$200;
- (3) over two acres up to five acres, \$300;
- (4) over five acres up to ten acres, \$350;
- (5) over ten acres up to 20 acres, \$500;
- (6) over 20 acres up to 40 acres, \$650;
- (7) over 40 acres up to 50 acres, \$800;
- (8) over 50 acres up to 200 acres, \$1,100;
- (9) over 200 acres up to 500 acres, \$1,500; and
- (10) over 500 acres, \$1,500 plus \$2 for each additional acre.

(b) In addition to the fees in paragraph (a), a penalty of ten percent of the fee due must be charged for each month, or portion thereof, that the fee is delinquent up to a maximum of 30 percent for any application for renewal not postmarked or electronically date stamped by December 31 of the current year.

(c) A nursery stock grower found operating without a valid nursery stock grower certificate cannot offer for sale or sell nursery stock until: (1) payment is received by the commissioner for (i) the certificate fee due, and (ii) a penalty equal to the certificate fee owed; and (2) a new certificate is issued to the nursery stock grower by the commissioner.

Subd. 3. **Nursery stock dealer certificate.** (a) A nursery stock dealer must pay an annual fee based on the dealer's gross sales of certified nursery stock per location during the most recent certificate year. A certificate applicant operating for the first time must pay the minimum fee. The fees per sales location are:

- (1) gross sales up to \$5,000, \$150;
- (2) gross sales over \$5,000 up to \$20,000, \$175;
- (3) gross sales over \$20,000 up to \$50,000, \$300;
- (4) gross sales over \$50,000 up to \$75,000, \$425;

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- (5) gross sales over \$75,000 up to \$100,000, \$550;
- (6) gross sales over \$100,000 up to \$200,000, \$675; and
- (7) gross sales over \$200,000, \$800.

(b) In addition to the fees in paragraph (a), a penalty of ten percent of the fee due must be charged for each month, or portion thereof, that the fee is delinquent up to a maximum of 30 percent for any application for renewal not postmarked or electronically date stamped by December 31 of the current year.

(c) A nursery stock dealer found operating without a valid nursery stock dealer certificate cannot offer for sale or sell nursery stock until: (1) payment is received by the commissioner for (i) the certificate fee due, and (ii) a penalty equal to the certificate fee owed; and (2) a new certificate is issued to the nursery stock dealer by the commissioner.

**35.156 CHRONIC WASTING DISEASE.**

Subd. 2. **Federal fund account.** Money granted to the state by the federal government for purposes of chronic wasting disease must be credited to a separate account in the federal fund and is annually appropriated to the commissioner of agriculture for the purposes for which the federal grant was made according to section 17.03.