

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

S.F. No. 72

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DATE
01/14/2021

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Introduction and first reading
Referred to Agriculture and Rural Development Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to environment; authorizing repair or replacement of subsurface sewage
1.3 treatment systems to be financed through the agricultural best management practices
1.4 loan program regardless of where in the state the subsurface sewage treatment
1.5 system is located; amending Minnesota Statutes 2020, section 17.117, subdivision
1.6 4.

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

1.8 Section 1. Minnesota Statutes 2020, section 17.117, subdivision 4, is amended to read:

1.9 Subd. 4. **Definitions.** (a) For the purposes of this section, the terms defined in this
1.10 subdivision have the meanings given them.

1.11 (b) "Agricultural and environmental revolving accounts" means accounts in the
1.12 agricultural fund, controlled by the commissioner, which hold funds available to the program.

1.13 (c) "Agriculture supply business" means a person, partnership, joint venture, corporation,
1.14 limited liability company, association, firm, public service company, or cooperative that
1.15 provides materials, equipment, or services to farmers or agriculture-related enterprises.

1.16 (d) "Allocation" means the funds awarded to an applicant for implementation of best
1.17 management practices through a competitive or noncompetitive application process.

1.18 (e) "Applicant" means a local unit of government eligible to participate in this program
1.19 that requests an allocation of funds as provided in subdivision 6b.

1.20 (f) "Best management practices" has the meaning given in sections 103F.711, subdivision
1.21 3, and 103H.151, subdivision 2. Best management practices also means other practices,
1.22 techniques, and measures that have been demonstrated to the satisfaction of the
1.23 commissioner: (1) to prevent or reduce adverse environmental impacts by using the most

2.1 effective and practicable means of achieving environmental goals; or (2) to achieve drinking
2.2 water quality standards under chapter 103H or under Code of Federal Regulations, title 40,
2.3 parts 141 and 143, as amended.

2.4 (g) "Borrower" means a farmer, an agriculture supply business, or a rural landowner
2.5 applying for a low-interest loan.

2.6 (h) "Commissioner" means the commissioner of agriculture, including when the
2.7 commissioner is acting in the capacity of chair of the Rural Finance Authority, or the designee
2.8 of the commissioner.

2.9 (i) "Committed project" means an eligible project scheduled to be implemented at a
2.10 future date that has been approved by the local government unit.

2.11 (j) "Comprehensive water management plan" means a state-approved and locally adopted
2.12 plan authorized under section 103B.231, 103B.255, 103B.311, 103C.331, 103D.401, or
2.13 103D.405.

2.14 (k) "Cost incurred" means expenses for implementation of a project accrued because
2.15 the borrower has agreed to purchase equipment or is obligated to pay for services or materials
2.16 already provided as a result of implementing an approved eligible project.

2.17 (l) "Farmer" means a person, partnership, joint venture, corporation, limited liability
2.18 company, association, firm, public service company, or cooperative that regularly participates
2.19 in physical labor or operations management of farming and files a Schedule F as part of
2.20 filing United States Internal Revenue Service Form 1040 or indicates farming as the primary
2.21 business activity under Schedule C, K, or S, or any other applicable report to the United
2.22 States Internal Revenue Service.

2.23 (m) "Lender agreement" means an agreement entered into between the commissioner
2.24 and a local lender which contains terms and conditions of participation in the program.

2.25 (n) "Local government unit" means a county, soil and water conservation district, or an
2.26 organization formed for the joint exercise of powers under section 471.59 with the authority
2.27 to participate in the program.

2.28 (o) "Local lender" means a local government unit as defined in paragraph (n); a local
2.29 unit of government with taxing or special assessment authority, such as a watershed district,
2.30 a drainage authority, or a township; a state or federally chartered bank; a savings association;
2.31 a state or federal credit union; Agribank and its affiliated organizations; or a nonprofit
2.32 economic development organization or other financial lending institution approved by the
2.33 commissioner.

3.1 (p) "Local revolving loan account" means the account held by a local government unit
3.2 and a local lender into which principal repayments from borrowers are deposited and new
3.3 loans are issued in accordance with the requirements of the program and lender agreements.

3.4 (q) "Nonpoint source" has the meaning given in section 103F.711, subdivision 6.

3.5 (r) "Program" means the agriculture best management practices loan program in this
3.6 section.

3.7 (s) "Project" means one or more components or activities located within Minnesota that
3.8 are required by the local government unit to be implemented for satisfactory completion of
3.9 an eligible best management practice.

3.10 (t) "Rural landowner" means:

3.11 (1) the owner of record of Minnesota real estate located in an area determined by the
3.12 local government unit to be rural after consideration of local land use patterns, zoning
3.13 regulations, jurisdictional boundaries, local community definitions, historical uses, and
3.14 other pertinent local factors; and

3.15 (2) the owner of record of real estate located anywhere in Minnesota if the owner is
3.16 seeking a loan under the program to repair or replace a subsurface sewage treatment system
3.17 on the owner's real estate.

3.18 (u) "Water-quality cooperative" has the meaning given in section 115.58, paragraph (d),
3.19 except as expressly limited in this section.