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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 2200

03/07/2019 Authored by Poppe, Brand and Ecklund
The bill was read for the first time and referred to the Committee on Ways and Means
04/12/2019 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time

1.1 A bill for an act
1.2 relating to agriculture; housing; establishing a budget for the Department of
1.3 Agriculture, the Board of Animal Health, the Agricultural Utilization Research
1.4 Institute, and the Housing Finance Agency; continuing the Agricultural Fertilizer
1.5 Research and Education Council; continuing a fertilizer fee; modifying a
1.6 noncommercial pesticide applicator fee; modifying definitions of hemp and
1.7 marijuana; modifying requirements for Cervidae farmers, grain buyers, and grain
1.8 warehouse operators; modifying other agricultural statutes; providing lead safe
1.9 grant program; requiring reports; appropriating money; amending Minnesota
1.10 Statutes 2018, sections 17.118, subdivision 2; 18B.07, subdivision 2; 18B.34,
1.11 subdivision 5; 18C.425, subdivision 6; 18C.70, subdivision 5; 18C.71, subdivisions
1.12 1, 2, 4; 18C.80, subdivision 2; 18H.14; 18K.02, subdivision 3; 18K.03; 28A.16;
1.13 35.155, subdivisions 4, 6, 7, 9, 10, 11, by adding a subdivision; 223.16, subdivisions
1.14 1, 2a, 4, by adding subdivisions; 223.17, subdivisions 3, 4, 5, 6; 223.177,
1.15 subdivisions 2, 3; 223.19; 232.21, subdivision 7, by adding a subdivision; 232.22,
1.16 subdivisions 3, 4; 232.24; Laws 2015, First Special Session chapter 4, article 1,
1.17 section 2, subdivision 4, as amended; Laws 2017, chapter 88, article 1, section 2,
1.18 subdivisions 2, 4; proposing coding for new law in Minnesota Statutes, chapters
1.19 18D; 223; 462A.

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

1.21 ARTICLE 1
1.22 AGRICULTURE

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 act. The appropriations are from the general fund, or
1.26 another named fund, and are available for the fiscal years indicated for each purpose. The
1.27 figures "2020" and "2021" used in this act mean that the appropriations listed under them
1.28 are available for the fiscal year ending June 30, 2020, or June 30, 2021, respectively. "The

2.1 first year" is fiscal year 2020. "The second year" is fiscal year 2021. "The biennium" is  
 2.2 fiscal years 2020 and 2021.

2.3 **APPROPRIATIONS**  
 2.4 **Available for the Year**  
 2.5 **Ending June 30**  
 2.6 **2020** **2021**

2.7 **Sec. 2. DEPARTMENT OF AGRICULTURE**

2.8 **Subdivision 1. Total Appropriation** **\$** **56,154,000** **\$** **54,839,000**

2.9 **Appropriations by Fund**

	<u>2020</u>	<u>2021</u>
2.10 <u>General</u>	<u>55,755,000</u>	<u>54,440,000</u>
2.11 <u>Remediation</u>	<u>399,000</u>	<u>399,000</u>

2.12 Remediation

2.13 The amounts that may be spent for each  
 2.14 purpose are specified in the following  
 2.15 subdivisions.

2.16 **Subd. 2. Protection Services**

2.17 **Appropriations by Fund**

	<u>2020</u>	<u>2021</u>
2.18 <u>General</u>	<u>20,050,000</u>	<u>19,225,000</u>
2.19 <u>Remediation</u>	<u>399,000</u>	<u>399,000</u>

2.20 Remediation

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

2.25 (b) \$250,000 the first year and \$250,000 the  
 2.26 second year are for rapid detection,  
 2.27 identification, containment, control, and  
 2.28 management of high-priority plant pests and  
 2.29 pathogens including emerald ash borer.

2.30 (c) \$375,000 the first year and \$375,000 the  
 2.31 second year are for transfer to the noxious  
 2.32 weed and invasive plant species assistance  
 2.33 account in the agricultural fund to award  
 2.34 grants to local units of government under

3.1 Minnesota Statutes, section 18.90, with  
3.2 preference given to local units of government  
3.3 responding to Palmer amaranth or other weeds  
3.4 on the eradicate list.

3.5 (d) \$525,000 the first year and \$525,000 the  
3.6 second year are additional funding for the  
3.7 noxious weed and invasive plant program.

3.8 (e) \$300,000 the first year and \$300,000 the  
3.9 second year are for industrial hemp  
3.10 development.

3.11 (f) \$150,000 the first year and \$150,000 the  
3.12 second year are for additional meat and poultry  
3.13 inspection services.

3.14 (g) \$650,000 the first year and \$150,000 the  
3.15 second year are to replace capital equipment  
3.16 in the Department of Agriculture's analytical  
3.17 laboratory. The base for this appropriation is  
3.18 \$154,000 in fiscal year 2022 and \$154,000 in  
3.19 fiscal year 2023.

3.20 (h) \$300,000 the first year and \$300,000 the  
3.21 second year are for agricultural emergency  
3.22 preparedness and response.

3.23 (i) \$325,000 the first year is for transfer to the  
3.24 agricultural emergency account in the  
3.25 agricultural fund.

3.26 (j) \$175,000 the first year and \$175,000 the  
3.27 second year are for compensation for  
3.28 destroyed or crippled livestock under  
3.29 Minnesota Statutes, section 3.737. The first  
3.30 year appropriation may be spent to compensate  
3.31 for livestock that were destroyed or crippled  
3.32 during fiscal year 2019. If the amount in the  
3.33 first year is insufficient, the amount in the  
3.34 second year is available in the first year. The

4.1 commissioner may use up to \$5,000 each year  
 4.2 to reimburse expenses incurred by university  
 4.3 extension educators to provide fair market  
 4.4 values of destroyed or crippled livestock.

4.5 (k) \$155,000 the first year and \$155,000 the  
 4.6 second year are for compensation for crop  
 4.7 damage under Minnesota Statutes, section  
 4.8 3.7371. If the amount in the first year is  
 4.9 insufficient, the amount in the second year is  
 4.10 available in the first year. The commissioner  
 4.11 may use up to \$30,000 of the appropriation  
 4.12 each year to reimburse expenses incurred by  
 4.13 the commissioner or the commissioner's  
 4.14 approved agent to investigate and resolve  
 4.15 claims.

4.16 If the commissioner determines that claims  
 4.17 made under Minnesota Statutes, section 3.737  
 4.18 or 3.7371, are unusually high, amounts  
 4.19 appropriated for either program may be  
 4.20 transferred to the appropriation for the other  
 4.21 program.

4.22 **Subd. 3. Agricultural Marketing and**  
 4.23 **Development**

4,121,000

4,121,000

4.24 (a) \$200,000 the first year and \$200,000 the  
 4.25 second year are to expand domestic and  
 4.26 international marketing opportunities for  
 4.27 farmers and value-added processors, including  
 4.28 staffing to facilitate farm-to-school sales and  
 4.29 new markets for Minnesota-grown hemp.

4.30 (b) \$75,000 the first year and \$75,000 the  
 4.31 second year are for additional community  
 4.32 outreach on farms and rural mental health  
 4.33 services including the 24-hour hotline, service  
 4.34 availability, and mental health forums. Of this  
 4.35 appropriation, \$12,000 each year is to provide

5.1 professional development training for Farm  
5.2 Business Management instructors in the  
5.3 Minnesota State system. The base for this  
5.4 appropriation is \$63,000 in fiscal year 2022  
5.5 and \$63,000 in fiscal year 2023.

5.6 (c) \$186,000 the first year and \$186,000 the  
5.7 second year are for transfer to the Minnesota  
5.8 grown account and may be used as grants for  
5.9 Minnesota grown promotion under Minnesota  
5.10 Statutes, section 17.102. Grants may be made  
5.11 for one year. Notwithstanding Minnesota  
5.12 Statutes, section 16A.28, the appropriations  
5.13 encumbered under contract on or before June  
5.14 30, 2021, for Minnesota grown grants in this  
5.15 paragraph are available until June 30, 2023.

5.16 (d) \$634,000 the first year and \$634,000 the  
5.17 second year are for continuation of the dairy  
5.18 development and profitability enhancement  
5.19 and dairy business planning grant programs  
5.20 established under Laws 1997, chapter 216,  
5.21 section 7, subdivision 2, and Laws 2001, First  
5.22 Special Session chapter 2, section 9,  
5.23 subdivision 2. The commissioner may allocate  
5.24 the available sums among permissible  
5.25 activities, including efforts to improve the  
5.26 quality of milk produced in the state, in the  
5.27 proportions that the commissioner deems most  
5.28 beneficial to Minnesota's dairy farmers. The  
5.29 commissioner must submit a detailed  
5.30 accomplishment report and a work plan  
5.31 detailing future plans for, and anticipated  
5.32 accomplishments from, expenditures under  
5.33 this program to the chairs and ranking minority  
5.34 members of the legislative committees and  
5.35 divisions with jurisdiction over agriculture

6.1 policy and finance on or before the start of  
 6.2 each fiscal year. If significant changes are  
 6.3 made to the plans in the course of the year,  
 6.4 the commissioner must notify the chairs and  
 6.5 ranking minority members.

6.6 (e) The commissioner may use funds  
 6.7 appropriated in this subdivision for annual  
 6.8 cost-share payments to resident farmers or  
 6.9 entities that sell, process, or package  
 6.10 agricultural products in this state for the costs  
 6.11 of organic certification. The commissioner  
 6.12 may allocate these funds for assistance to  
 6.13 persons transitioning from conventional to  
 6.14 organic agriculture.

6.15 **Subd. 4. Agriculture, Bioenergy, and Bioproduct**  
 6.16 **Advancement**

23,900,000

23,575,000

6.17 (a) \$9,300,000 the first year and \$9,300,000  
 6.18 the second year are for transfer to the  
 6.19 agriculture research, education, extension, and  
 6.20 technology transfer account under Minnesota  
 6.21 Statutes, section 41A.14, subdivision 3. Of  
 6.22 these amounts: at least \$600,000 the first year  
 6.23 and \$600,000 the second year are for the  
 6.24 Minnesota Agricultural Experiment Station's  
 6.25 agriculture rapid response fund under  
 6.26 Minnesota Statutes, section 41A.14,  
 6.27 subdivision 1, clause (2); \$2,000,000 the first  
 6.28 year and \$2,000,000 the second year are for  
 6.29 grants to the Minnesota Agriculture Education  
 6.30 Leadership Council to enhance agricultural  
 6.31 education with priority given to Farm Business  
 6.32 Management challenge grants; \$350,000 the  
 6.33 first year and \$350,000 the second year are  
 6.34 for potato breeding; and \$450,000 the first  
 6.35 year and \$450,000 the second year are for the

7.1 cultivated wild rice breeding project at the  
7.2 North Central Research and Outreach Center  
7.3 to include a tenure track/research associate  
7.4 plant breeder. The commissioner shall transfer  
7.5 the remaining funds in this appropriation each  
7.6 year to the Board of Regents of the University  
7.7 of Minnesota for purposes of Minnesota  
7.8 Statutes, section 41A.14. Of the amount  
7.9 transferred to the Board of Regents, up to  
7.10 \$2,500,000 each year is for research on avian  
7.11 influenza, African swine fever, and chronic  
7.12 wasting disease.

7.13 To the extent practicable, money expended  
7.14 under Minnesota Statutes, section 41A.14,  
7.15 subdivision 1, clauses (1) and (2), must  
7.16 supplement and not supplant existing sources  
7.17 and levels of funding. The commissioner may  
7.18 use up to one percent of this appropriation for  
7.19 costs incurred to administer the program.

7.20 (b) \$14,275,000 the first year and \$14,275,000  
7.21 the second year are for the agricultural growth,  
7.22 research, and innovation program in  
7.23 Minnesota Statutes, section 41A.12. Except  
7.24 as provided below, the commissioner may  
7.25 allocate the appropriation each year among  
7.26 the following areas: facilitating the start-up,  
7.27 modernization, improvement, or expansion of  
7.28 livestock operations including beginning and  
7.29 transitioning livestock operations; providing  
7.30 funding not to exceed \$450,000 each year to  
7.31 develop and enhance farm-to-school markets  
7.32 for Minnesota farmers by providing more  
7.33 fruits, vegetables, meat, grain, and dairy for  
7.34 Minnesota children in school and child care  
7.35 settings including by reimbursing schools for

8.1 purchases from local farmers; assisting  
8.2 value-added agricultural businesses to begin  
8.3 or expand, access new markets, or diversify;  
8.4 providing funding not to exceed \$350,000  
8.5 each year for urban youth agricultural  
8.6 education or urban agriculture community  
8.7 development; providing funding not to exceed  
8.8 \$350,000 each year for the good food access  
8.9 program under Minnesota Statutes, section  
8.10 17.1017; facilitating the start-up,  
8.11 modernization, or expansion of other  
8.12 beginning and transitioning farms including  
8.13 by providing loans under Minnesota Statutes,  
8.14 section 41B.056; sustainable agriculture  
8.15 on-farm research and demonstration;  
8.16 development or expansion of food hubs and  
8.17 other alternative community-based food  
8.18 distribution systems; enhancing renewable  
8.19 energy infrastructure and use; crop research;  
8.20 Farm Business Management tuition assistance;  
8.21 and good agricultural practices/good handling  
8.22 practices certification assistance. The  
8.23 commissioner may use up to 6.5 percent of  
8.24 this appropriation for costs incurred to  
8.25 administer the program.

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

8.29 (1) \$1,000,000 the first year and \$1,000,000  
8.30 the second year are for distribution in equal  
8.31 amounts to each of the state's county fairs to  
8.32 preserve and promote Minnesota agriculture;  
8.33 and

8.34 (2) \$1,500,000 the first year and \$1,500,000  
8.35 the second year are for incentive payments



9.1 under Minnesota Statutes, sections 41A.16,  
9.2 41A.17, and 41A.18. Notwithstanding  
9.3 Minnesota Statutes, section 16A.28, the first  
9.4 year appropriation is available until June 30,  
9.5 2021, and the second year appropriation is  
9.6 available until June 30, 2022. If this  
9.7 appropriation exceeds the total amount for  
9.8 which all producers are eligible in a fiscal  
9.9 year, the balance of the appropriation is  
9.10 available for the agricultural growth, research,  
9.11 and innovation program.

9.12 The commissioner may use up to \$2,000,000  
9.13 per year of the funds appropriated under this  
9.14 subdivision to award value-added agriculture  
9.15 grants of between \$200,000 and \$1,000,000  
9.16 per grant for new or expanding agricultural  
9.17 production, aquaponics, or processing facilities  
9.18 that provide significant economic impact to  
9.19 the region.

9.20 Notwithstanding Minnesota Statutes, section  
9.21 16A.28, any unencumbered balance does not  
9.22 cancel at the end of the first year and is  
9.23 available for the second year and  
9.24 appropriations encumbered under contract on  
9.25 or before June 30, 2021, for agricultural  
9.26 growth, research, and innovation grants are  
9.27 available until June 30, 2024.

9.28 (c) \$325,000 the first year is for grants to  
9.29 motor fuel wholesalers and retail motor fueling  
9.30 station operators to install the equipment  
9.31 necessary to store or dispense biofuels to the  
9.32 public to meet the biofuel requirement goals  
9.33 established under Minnesota Statutes, section  
9.34 239.7911. Motor fuel wholesalers are eligible  
9.35 for grant money under this paragraph for up

10.1 to two storage sites if each site is located in  
10.2 Minnesota and stores, or uses tank systems to  
10.3 blend, motor fuel comprised of at least 15  
10.4 percent agriculturally derived, denatured  
10.5 ethanol by volume. A retail motor fueling  
10.6 station operator is eligible for grant money  
10.7 under this paragraph for up to and including  
10.8 15 retail motor fuel dispensing sites if each  
10.9 site is located in Minnesota and the grant  
10.10 money under this paragraph is used to modify  
10.11 or install storage and dispensing components  
10.12 that dispense gasoline blended with at least  
10.13 15 percent of agriculturally derived, denatured  
10.14 ethanol by volume for use in spark ignition  
10.15 engines. A grant award under this paragraph  
10.16 must not exceed 90 percent of the cost of the  
10.17 installation project. The commissioner must  
10.18 coordinate with stakeholders to establish grant  
10.19 criteria and distribute grants in a manner to  
10.20 more fully attain the requirements in  
10.21 Minnesota Statutes, section 239.7911. Of this  
10.22 appropriation, up to \$50,000 is for grants to  
10.23 create greater awareness among motorists of  
10.24 the availability of motor fuel comprised of 15  
10.25 percent agriculturally derived, denatured  
10.26 ethanol by volume for use in spark ignition  
10.27 engines. Notwithstanding Minnesota Statutes,  
10.28 section 16A.28, the appropriation in this  
10.29 paragraph is available until June 30, 2023. The  
10.30 commissioner must report to the legislative  
10.31 committees and divisions with jurisdiction  
10.32 over agriculture policy and finance by  
10.33 February 1 of each year in which funds are  
10.34 available, detailing the number of grants  
10.35 awarded and the projected effect of the grant  
10.36 program on meeting the biofuel replacement

11.1 goals under Minnesota Statutes, section  
 11.2 239.7911.

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

7,684,000

7,519,000

11.5 (a) \$25,000 the first year and \$25,000 the  
 11.6 second year are for grants to the Southern  
 11.7 Minnesota Initiative Foundation to promote  
 11.8 local foods through an annual event that raises  
 11.9 public awareness of local foods and connects  
 11.10 local food producers and processors with  
 11.11 potential buyers.

11.12 (b) \$75,000 the first year is for a grant to  
 11.13 Greater Mankato Growth, Inc. for assistance  
 11.14 to agricultural-related businesses to promote  
 11.15 jobs, innovation, and synergy development.

11.16 (c) \$25,000 the first year and \$25,000 the  
 11.17 second year are for grants to a nonprofit  
 11.18 organization to provide a legal assistance  
 11.19 hotline for farmers. These are onetime  
 11.20 appropriations.

11.21 (d) \$474,000 the first year and \$474,000 the  
 11.22 second year are for payments to county and  
 11.23 district agricultural societies and associations  
 11.24 under Minnesota Statutes, section 38.02,  
 11.25 subdivision 1. Aid payments to county and  
 11.26 district agricultural societies and associations  
 11.27 shall be disbursed no later than July 15 of each  
 11.28 year. These payments are the amount of aid  
 11.29 from the state for an annual fair held in the  
 11.30 previous calendar year.

11.31 (e) \$1,000 the first year and \$1,000 the second  
 11.32 year are for grants to the Minnesota State  
 11.33 Poultry Association.

- 12.1 (f) \$18,000 the first year and \$18,000 the  
12.2 second year are for grants to the Minnesota  
12.3 Livestock Breeders Association.
- 12.4 (g) \$47,000 the first year and \$47,000 the  
12.5 second year are for the Northern Crops  
12.6 Institute. These appropriations may be spent  
12.7 to purchase equipment.
- 12.8 (h) \$267,000 the first year and \$267,000 the  
12.9 second year are for farm advocate services.
- 12.10 (i) \$17,000 the first year and \$17,000 the  
12.11 second year are for grants to the Minnesota  
12.12 Horticultural Society.
- 12.13 (j) \$250,000 the first year and \$250,000 the  
12.14 second year are for transfer to the Board of  
12.15 Trustees of the Minnesota State Colleges and  
12.16 Universities for statewide mental health  
12.17 counseling support to farm families and  
12.18 business operators through the Minnesota State  
12.19 Agricultural Centers of Excellence. South  
12.20 Central College and Central Lakes College  
12.21 shall serve as the fiscal agents.
- 12.22 (k) \$1,700,000 the first year and \$1,700,000  
12.23 the second year are for grants to Second  
12.24 Harvest Heartland on behalf of Minnesota's  
12.25 six Feeding America food banks for the  
12.26 following:
- 12.27 (1) to purchase milk for distribution to  
12.28 Minnesota's food shelves and other charitable  
12.29 organizations that are eligible to receive food  
12.30 from the food banks. Milk purchased under  
12.31 the grants must be acquired from Minnesota  
12.32 milk processors and based on low-cost bids.  
12.33 The milk must be allocated to each Feeding  
12.34 America food bank serving Minnesota

13.1 according to the formula used in the  
13.2 distribution of United States Department of  
13.3 Agriculture commodities under The  
13.4 Emergency Food Assistance Program. Second  
13.5 Harvest Heartland may enter into contracts or  
13.6 agreements with food banks for shared funding  
13.7 or reimbursement of the direct purchase of  
13.8 milk. Each food bank that receives funding  
13.9 under this clause may use up to two percent  
13.10 for administrative expenses; and  
13.11 (2) to compensate agricultural producers and  
13.12 processors for costs incurred to harvest and  
13.13 package for transfer surplus fruits, vegetables,  
13.14 and other agricultural commodities that would  
13.15 otherwise go unharvested, be discarded, or  
13.16 sold in a secondary market. Surplus  
13.17 commodities must be distributed statewide to  
13.18 food shelves and other charitable organizations  
13.19 that are eligible to receive food from the food  
13.20 banks. Surplus food acquired under this clause  
13.21 must be from Minnesota producers and  
13.22 processors. Second Harvest Heartland may  
13.23 use up to 15 percent of each grant awarded  
13.24 under this clause to match administrative and  
13.25 transportation expenses.  
13.26 Of the amount appropriated under this  
13.27 paragraph, at least \$600,000 each year must  
13.28 be allocated under clause (1). Notwithstanding  
13.29 Minnesota Statutes, section 16A.28, any  
13.30 unencumbered balance the first year does not  
13.31 cancel and is available in the second year.  
13.32 Second Harvest Heartland must submit  
13.33 quarterly reports to the commissioner in the  
13.34 form prescribed by the commissioner. The  
13.35 reports must include but are not limited to

14.1 information on the expenditure of funds, the  
 14.2 amount of milk or other commodities  
 14.3 purchased, and the organizations to which this  
 14.4 food was distributed. The base for this  
 14.5 appropriation is \$1,650,000 in fiscal year 2022  
 14.6 and \$1,650,000 in fiscal year 2023.

14.7 (l) \$200,000 the first year and \$150,000 the  
 14.8 second year are for grants to the Center for  
 14.9 Rural Policy and Development. \$50,000 the  
 14.10 first year is for the study required under  
 14.11 section 24 and notwithstanding Minnesota  
 14.12 Statutes, section 16A.28, is available until June  
 14.13 30, 2021.

14.14 (m) \$275,000 the first year and \$235,000 the  
 14.15 second year are for grants to the Minnesota  
 14.16 Agricultural Education and Leadership  
 14.17 Council for programs of the council under  
 14.18 Minnesota Statutes, chapter 41D. Of the first  
 14.19 year appropriation, \$40,000 is to facilitate  
 14.20 development of a farm transitions curriculum.  
 14.21 Notwithstanding Minnesota Statutes, section  
 14.22 16A.28, the first year appropriation is  
 14.23 available until June 30, 2021.

14.24 **Sec. 3. BOARD OF ANIMAL HEALTH**                    **\$            5,757,000 \$            6,077,000**

14.25 (a) \$30,000 the first year and \$350,000 the  
 14.26 second year are to improve oversight of  
 14.27 farmed Cervidae.

14.28 (b) \$250,000 the first year and \$250,000 the  
 14.29 second year are for agricultural emergency  
 14.30 preparedness and response.

14.31 (c) \$6,000 the first year and \$6,000 the second  
 14.32 year are from the Cervidae inspection account  
 14.33 in the special revenue fund to develop  
 14.34 electronic forms to better track farmed

15.1 Cervidae movement and record keeping. These  
 15.2 are onetime appropriations.

15.3 **Sec. 4. AGRICULTURAL UTILIZATION**  
 15.4 **RESEARCH INSTITUTE**

**\$ 3,897,000 \$ 3,900,000**

15.5 \$104,000 the first year and \$107,000 the  
 15.6 second year are to maintain the current level  
 15.7 of service delivery.

15.8 Sec. 5. Minnesota Statutes 2018, section 17.118, subdivision 2, is amended to read:

15.9 Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this  
 15.10 subdivision have the meanings given them.

15.11 (b) "Livestock" means beef cattle, dairy cattle, swine, poultry, goats, mules, farmed  
 15.12 Cervidae, Ratitae, bison, sheep, horses, and llamas.

15.13 (c) "Qualifying expenditures" means the amount spent for:

15.14 (1) the acquisition, construction, or improvement of buildings or facilities for the  
 15.15 production of livestock or livestock products;

15.16 (2) the development of pasture for use by livestock including, but not limited to, the  
 15.17 acquisition, development, or improvement of:

15.18 (i) lanes used by livestock that connect pastures to a central location;

15.19 (ii) watering systems for livestock on pasture including water lines, booster pumps, and  
 15.20 well installations;

15.21 (iii) livestock stream crossing stabilization; and

15.22 (iv) fences; or

15.23 (3) the acquisition of equipment for livestock housing, confinement, feeding, and waste  
 15.24 management including, but not limited to, the following:

15.25 (i) freestall barns;

15.26 (ii) watering facilities;

15.27 (iii) feed storage and handling equipment;

15.28 (iv) milking parlors;

15.29 (v) robotic equipment;

15.30 (vi) scales;

- 16.1 (vii) milk storage and cooling facilities;
- 16.2 (viii) bulk tanks;
- 16.3 (ix) computer hardware and software and associated equipment used to monitor the
- 16.4 productivity and feeding of livestock;
- 16.5 (x) manure pumping and storage facilities;
- 16.6 (xi) swine farrowing facilities;
- 16.7 (xii) swine and cattle finishing barns;
- 16.8 (xiii) calving facilities;
- 16.9 (xiv) digesters;
- 16.10 (xv) equipment used to produce energy;
- 16.11 (xvi) on-farm processing facilities equipment;
- 16.12 (xvii) fences, including but not limited to farmed Cervidae perimeter fences required
- 16.13 under section 35.155, subdivision 4; and
- 16.14 (xviii) livestock pens and corrals and sorting, restraining, and loading chutes.

16.15 Except for qualifying pasture development expenditures under clause (2), qualifying

16.16 expenditures only include amounts that are allowed to be capitalized and deducted under

16.17 either section 167 or 179 of the Internal Revenue Code in computing federal taxable income.

16.18 Qualifying expenditures do not include an amount paid to refinance existing debt.

16.19 Sec. 6. Minnesota Statutes 2018, section 18B.07, subdivision 2, is amended to read:

16.20 Subd. 2. **Prohibited pesticide use.** (a) A person may not use, store, handle, distribute,

16.21 or dispose of a pesticide, rinsate, pesticide container, or pesticide application equipment in

16.22 a manner:

16.23 (1) that is inconsistent with a label or labeling as defined by FIFRA;

16.24 (2) that endangers humans, damages agricultural products, food, livestock, fish, or

16.25 wildlife; or

16.26 (3) that will cause unreasonable adverse effects on the environment.

16.27 (b) A person may not direct a pesticide onto property beyond the boundaries of the target

16.28 site. A person may not apply a pesticide resulting in damage to adjacent property. A person

16.29 who applies a pesticide resulting in damage to adjacent property that is part of the state



17.1 outdoor recreation system is subject to enhanced monetary penalties as provided in section  
17.2 18D.40.

17.3 (c) A person may not directly apply a pesticide on a human by overspray or target site  
17.4 spray, except when:

17.5 (1) the pesticide is intended for use on a human;

17.6 (2) the pesticide application is for mosquito control operations;

17.7 (3) the pesticide application is for control of gypsy moth, forest tent caterpillar, or other  
17.8 pest species, as determined by the commissioner, and the pesticide used is a biological  
17.9 agent; or

17.10 (4) the pesticide application is for a public health risk, as determined by the commissioner  
17.11 of health, and the commissioner of health, in consultation with the commissioner of  
17.12 agriculture, determines that the application is warranted based on the commissioner's  
17.13 balancing of the public health risk with the risk that the pesticide application poses to the  
17.14 health of the general population, with special attention to the health of children.

17.15 (d) For pesticide applications under paragraph (c), clause (2), the following conditions  
17.16 apply:

17.17 (1) no practicable and effective alternative method of control exists;

17.18 (2) the pesticide is among the least toxic available for control of the target pest; and

17.19 (3) notification to residents in the area to be treated is provided at least 24 hours before  
17.20 application through direct notification, posting daily on the treating organization's website,  
17.21 if any, and by sending a broadcast e-mail to those persons who request notification of such,  
17.22 of those areas to be treated by adult mosquito control techniques during the next calendar  
17.23 day. For control operations related to human disease, notice under this paragraph may be  
17.24 given less than 24 hours in advance.

17.25 (e) For pesticide applications under paragraph (c), clauses (3) and (4), the following  
17.26 conditions apply:

17.27 (1) no practicable and effective alternative method of control exists;

17.28 (2) the pesticide is among the least toxic available for control of the target pest; and

17.29 (3) notification of residents in the area to be treated is provided by direct notification  
17.30 and through publication in a newspaper of general circulation within the affected area.

18.1 (f) For purposes of this subdivision, "direct notification" may include mailings, public  
18.2 meetings, posted placards, neighborhood newsletters, or other means of contact designed  
18.3 to reach as many residents as possible. Public meetings held to meet this requirement for  
18.4 adult mosquito control, under paragraph (d), must be held within each city or town where  
18.5 the pesticide treatments are to be made, at a time and location that is convenient for residents  
18.6 of the area where the treatments will occur.

18.7 (g) A person may not apply a pesticide in a manner so as to expose a worker in an  
18.8 immediately adjacent, open field.

18.9 (h) Notwithstanding that the application is done in a manner consistent with the label  
18.10 or labeling, it is a violation of this chapter to directly apply a pesticide to a site where an  
18.11 application has not been: (1) requested, ordered, contracted for, or permitted; or (2) performed  
18.12 pursuant to paragraph (c), clause (2), (3), or (4).

18.13 Sec. 7. Minnesota Statutes 2018, section 18B.34, subdivision 5, is amended to read:

18.14 Subd. 5. **Fees.** (a) Except as provided under paragraph (b), a person initially applying  
18.15 for or renewing a noncommercial applicator license must pay a nonrefundable application  
18.16 fee of \$50, ~~except an applicant who is a government or Conservation Corps Minnesota~~  
18.17 ~~employee who uses pesticides in the course of performing official duties must pay a~~  
18.18 ~~nonrefundable application fee of \$10.~~

18.19 (b) A government employee, a contractor providing rest area custodial services for the  
18.20 commissioner of transportation, or a Conservation Corps Minnesota employee is eligible  
18.21 for a reduced fee of \$10 if the employee or contractor uses pesticides in the course of  
18.22 performing official duties.

18.23 ~~(b)~~ (c) A license renewal application received after March 1 in the year for which the  
18.24 license is to be issued is subject to a penalty fee of 50 percent of the application fee. The  
18.25 penalty fee must be paid before the renewal license may be issued.

18.26 ~~(c)~~ (d) An application for a duplicate noncommercial applicator license must be  
18.27 accompanied by a nonrefundable application fee of \$10.

18.28 Sec. 8. Minnesota Statutes 2018, section 18C.425, subdivision 6, is amended to read:

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

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

19.4 (c) The person responsible for payment of the inspection fees for fertilizers, soil  
19.5 amendments, or plant amendments sold and used in this state must pay an inspection fee of  
19.6 39 cents per ton, and until June 30, ~~2019~~ 2024, an additional 40 cents per ton, of fertilizer,  
19.7 soil amendment, and plant amendment sold or distributed in this state, with a minimum of  
19.8 \$10 on all tonnage reports. Notwithstanding section 18C.131, the commissioner must deposit  
19.9 all revenue from the additional 40 cents per ton fee in the agricultural fertilizer research and  
19.10 education account in section 18C.80. Products sold or distributed to manufacturers or  
19.11 exchanged between them are exempt from the inspection fee imposed by this subdivision  
19.12 if the products are used exclusively for manufacturing purposes.

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

19.16 Sec. 9. Minnesota Statutes 2018, section 18C.70, subdivision 5, is amended to read:

19.17 Subd. 5. **Expiration.** This section expires June 30, ~~2020~~ 2025.

19.18 Sec. 10. Minnesota Statutes 2018, section 18C.71, subdivision 1, is amended to read:

19.19 Subdivision 1. **Eligible projects.** Eligible project activities include research, education,  
19.20 and technology transfer related to the production and application of fertilizer, soil  
19.21 amendments, and other plant amendments. Chosen projects must contain a component of  
19.22 outreach that achieves a timely dissemination of findings and their applicability to the  
19.23 production agricultural community or metropolitan fertilizer users.

19.24 Sec. 11. Minnesota Statutes 2018, section 18C.71, subdivision 2, is amended to read:

19.25 Subd. 2. **Awarding grants.** Applications for program grants must be submitted in the  
19.26 form prescribed by the Minnesota Agricultural Fertilizer Research and Education Council.  
19.27 Applications must be submitted on or before the deadline prescribed by the council. All  
19.28 applications are subject to a thorough in-state review by a peer committee established and  
19.29 approved by the council. Each project meeting the basic qualifications is subject to a yes  
19.30 or no vote by each council member. Projects chosen to receive funding must achieve an  
19.31 affirmative vote from at least eight of the 12 council members or two-thirds of voting  
19.32 members present. Projects awarded program funds must submit an annual progress report

20.1 in the form prescribed by the council. Up to ten percent of the grant dollars awarded each  
20.2 cycle may be for projects that concern fertilizer use in metropolitan areas.

20.3 Sec. 12. Minnesota Statutes 2018, section 18C.71, subdivision 4, is amended to read:

20.4 Subd. 4. **Expiration.** This section expires June 30, ~~2020~~ 2025.

20.5 Sec. 13. Minnesota Statutes 2018, section 18C.80, subdivision 2, is amended to read:

20.6 Subd. 2. **Expiration.** This section expires June 30, ~~2020~~ 2025.

20.7 Sec. 14. **[18D.40] ENHANCED PENALTIES; OUTDOOR RECREATION LANDS.**

20.8 Notwithstanding limitations placed on administrative or civil penalty amounts under  
20.9 sections 18D.315 and 18D.325, a person who applies a pesticide resulting in damage to  
20.10 adjacent property that is part of the state outdoor recreation system is subject to a monetary  
20.11 penalty equal to twice the amount that the commissioner would otherwise assess for a  
20.12 comparable violation.

20.13 Sec. 15. Minnesota Statutes 2018, section 18H.14, is amended to read:

20.14 **18H.14 LABELING AND ADVERTISING OF NURSERY STOCK.**

20.15 (a) Plants, plant materials, or nursery stock must not be labeled or advertised with false  
20.16 or misleading information including, but not limited to, scientific name, variety, place of  
20.17 origin, hardiness zone as defined by the United States Department of Agriculture, and growth  
20.18 habit.

20.19 (b) All nonhardy nursery stock as designated by the commissioner must be labeled  
20.20 correctly for hardiness or be labeled "nonhardy" in Minnesota.

20.21 (c) A person may not offer for distribution plants, plant materials, or nursery stock,  
20.22 represented by some specific or special form of notation, including, but not limited to, "free  
20.23 from" or "grown free of," unless the plants are produced under a specific program approved  
20.24 by the commissioner to address the specific plant properties addressed in the special notation  
20.25 claim.

20.26 (d) Nursery stock collected from the wild state must be inspected and certified prior to  
20.27 sale and at the time of sale must be labeled "Collected from the Wild." The label must remain  
20.28 on each plant or clump of plants while it is offered for sale and during the distribution  
20.29 process. The collected stock may be grown in nursery rows at least two years, after which  
20.30 the plants may be sold without the labeling required by this paragraph.

21.1 (e) A person ~~selling at retail or providing to an end user~~ may not label or advertise an  
 21.2 annual plant, bedding plant, or other plant, plant material, or nursery stock as beneficial to  
 21.3 pollinators if the annual plant, bedding plant, plant material, or nursery stock has:

21.4 ~~(i)~~ been treated with and has a detectable level of a systemic insecticide that:

21.5 ~~(i)~~ (1) has a pollinator protection box on the label; or

21.6 ~~(ii)~~ (2) has a pollinator, bee, or honey bee precautionary statement in the environmental  
 21.7 hazards section of the insecticide product label; ~~and~~ .

21.8 ~~(2) a concentration in its flowers greater than the no-observed adverse effect level of a~~  
 21.9 ~~systemic insecticide.~~

21.10 The commissioner shall enforce this paragraph as provided in chapter 18J.

21.11 (f) For the purposes of paragraph (e):<sub>2</sub>

21.12 ~~(i)~~ "systemic insecticide" means an insecticide that is both absorbed by the plant and  
 21.13 translocated through the plant's vascular system; ~~and~~ .

21.14 ~~(2) "no-observed adverse effect level" means the level established by the United States~~  
 21.15 ~~Environmental Protection Agency for acute oral toxicity for adult honeybees.~~

21.16 Sec. 16. Minnesota Statutes 2018, section 18K.02, subdivision 3, is amended to read:

21.17 Subd. 3. **Industrial hemp.** "Industrial hemp" means the plant *Cannabis sativa* L. and  
 21.18 any part of the plant, whether growing or not, including the plant's seeds, and all the plant's  
 21.19 derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether  
 21.20 growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3  
 21.21 percent on a dry weight basis. Industrial hemp is not marijuana as defined in section 152.01,  
 21.22 subdivision 9.

21.23 Sec. 17. Minnesota Statutes 2018, section 18K.03, is amended to read:

21.24 **18K.03 AGRICULTURAL CROP; POSSESSION AUTHORIZED.**

21.25 Industrial hemp is an agricultural crop in this state. A person may possess, transport,  
 21.26 process, sell, or buy industrial hemp that is grown pursuant to this chapter or lawfully grown  
 21.27 in another state.

22.1 Sec. 18. Minnesota Statutes 2018, section 28A.16, is amended to read:

22.2 **28A.16 PERSONS SELLING LIQUOR.**

22.3 (a) The provisions of the Minnesota consolidated food licensing law, sections 28A.01  
 22.4 to 28A.16 and acts amendatory thereto, shall not apply to persons licensed to sell 3.2 percent  
 22.5 malt liquor "on-sale" as provided in section 340A.403, or to persons licensed to sell  
 22.6 intoxicating liquors "on-sale" or "off-sale" as provided in sections 340A.404 to 340A.407,  
 22.7 provided that these persons sell only ice manufactured and packaged by another, or bottled  
 22.8 or canned soft drinks and prepacked candy at retail.

22.9 (b) When an exclusive liquor store is not exempt under paragraph (a), the commissioner  
 22.10 must exclude all gross sales of off-sale alcoholic beverages when determining the applicable  
 22.11 license fee under section 28A.08, subdivision 3. For purposes of this paragraph, "exclusive  
 22.12 liquor store" and "alcoholic beverage" have the meanings given in section 340A.101.

22.13 Sec. 19. Laws 2015, First Special Session chapter 4, article 1, section 2, subdivision 4, as  
 22.14 amended by Laws 2016, chapter 184, section 11, Laws 2016, chapter 189, article 2, section  
 22.15 26, and Laws 2017, chapter 88, article 1, section 5, is amended to read:

22.16	<b>Subd. 4. Agriculture, Bioenergy, and Bioproduct</b>		
22.17	<b>Advancement</b>	14,993,000	18,316,000

22.18 \$4,483,000 the first year and \$8,500,000 the  
 22.19 second year are for transfer to the agriculture  
 22.20 research, education, extension, and technology  
 22.21 transfer account under Minnesota Statutes,  
 22.22 section 41A.14, subdivision 3. The transfer in  
 22.23 this paragraph includes money for plant  
 22.24 breeders at the University of Minnesota for  
 22.25 wild rice, potatoes, and grapes. Of these  
 22.26 amounts, at least \$600,000 each year is for the  
 22.27 Minnesota Agricultural Experiment Station's  
 22.28 Agriculture Rapid Response Fund under  
 22.29 Minnesota Statutes, section 41A.14,  
 22.30 subdivision 1, clause (2). Of the amount  
 22.31 appropriated in this paragraph, \$1,000,000  
 22.32 each year is for transfer to the Board of  
 22.33 Regents of the University of Minnesota for  
 22.34 research to determine (1) what is causing avian

23.1 influenza, (2) why some fowl are more  
23.2 susceptible, and (3) prevention measures that  
23.3 can be taken. Of the amount appropriated in  
23.4 this paragraph, \$2,000,000 each year is for  
23.5 grants to the Minnesota Agriculture Education  
23.6 Leadership Council to enhance agricultural  
23.7 education with priority given to Farm Business  
23.8 Management challenge grants. The  
23.9 commissioner shall transfer the remaining  
23.10 grant funds in this appropriation each year to  
23.11 the Board of Regents of the University of  
23.12 Minnesota for purposes of Minnesota Statutes,  
23.13 section 41A.14.

23.14 To the extent practicable, funds expended  
23.15 under Minnesota Statutes, section 41A.14,  
23.16 subdivision 1, clauses (1) and (2), must  
23.17 supplement and not supplant existing sources  
23.18 and levels of funding. The commissioner may  
23.19 use up to 4.5 percent of this appropriation for  
23.20 costs incurred to administer the program. Any  
23.21 unencumbered balance does not cancel at the  
23.22 end of the first year and is available for the  
23.23 second year.

23.24 \$10,235,000 the first year and \$9,541,000 the  
23.25 second year are for the agricultural growth,  
23.26 research, and innovation program in  
23.27 Minnesota Statutes, section 41A.12. No later  
23.28 than February 1, 2016, and February 1, 2017,  
23.29 the commissioner must report to the legislative  
23.30 committees with jurisdiction over agriculture  
23.31 policy and finance regarding the  
23.32 commissioner's accomplishments and  
23.33 anticipated accomplishments in the following  
23.34 areas: facilitating the start-up, modernization,  
23.35 or expansion of livestock operations including

24.1 beginning and transitioning livestock  
24.2 operations; developing new markets for  
24.3 Minnesota farmers by providing more fruits,  
24.4 vegetables, meat, grain, and dairy for  
24.5 Minnesota school children; assisting  
24.6 value-added agricultural businesses to begin  
24.7 or expand, access new markets, or diversify  
24.8 products; developing urban agriculture;  
24.9 facilitating the start-up, modernization, or  
24.10 expansion of other beginning and transitioning  
24.11 farms including loans under Minnesota  
24.12 Statutes, section 41B.056; sustainable  
24.13 agriculture on farm research and  
24.14 demonstration; development or expansion of  
24.15 food hubs and other alternative  
24.16 community-based food distribution systems;  
24.17 incentive payments under Minnesota Statutes,  
24.18 sections 41A.16, 41A.17, and 41A.18; and  
24.19 research on bioenergy, biobased content, or  
24.20 biobased formulated products and other  
24.21 renewable energy development. The  
24.22 commissioner may use up to 4.5 percent of  
24.23 this appropriation for costs incurred to  
24.24 administer the program. Any unencumbered  
24.25 balance does not cancel at the end of the first  
24.26 year and is available for the second year.  
24.27 Notwithstanding Minnesota Statutes, section  
24.28 16A.28, the appropriations encumbered under  
24.29 contract on or before June 30, 2017, for  
24.30 agricultural growth, research, and innovation  
24.31 grants are available until June 30, ~~2019~~ 2020.  
24.32 The commissioner may use funds appropriated  
24.33 for the agricultural growth, research, and  
24.34 innovation program as provided in this  
24.35 paragraph. The commissioner may award  
24.36 grants to owners of Minnesota facilities



25.1 producing bioenergy, biobased content, or a  
25.2 biobased formulated product; to organizations  
25.3 that provide for on-station, on-farm field scale  
25.4 research and outreach to develop and test the  
25.5 agronomic and economic requirements of  
25.6 diverse strands of prairie plants and other  
25.7 perennials for bioenergy systems; or to certain  
25.8 nongovernmental entities. For the purposes of  
25.9 this paragraph, "bioenergy" includes  
25.10 transportation fuels derived from cellulosic  
25.11 material, as well as the generation of energy  
25.12 for commercial heat, industrial process heat,  
25.13 or electrical power from cellulosic materials  
25.14 via gasification or other processes. Grants are  
25.15 limited to 50 percent of the cost of research,  
25.16 technical assistance, or equipment related to  
25.17 bioenergy, biobased content, or biobased  
25.18 formulated product production or \$500,000,  
25.19 whichever is less. Grants to nongovernmental  
25.20 entities for the development of business plans  
25.21 and structures related to community ownership  
25.22 of eligible bioenergy facilities together may  
25.23 not exceed \$150,000. The commissioner shall  
25.24 make a good-faith effort to select projects that  
25.25 have merit and, when taken together, represent  
25.26 a variety of bioenergy technologies, biomass  
25.27 feedstocks, and geographic regions of the  
25.28 state. Projects must have a qualified engineer  
25.29 provide certification on the technology and  
25.30 fuel source. Grantees must provide reports at  
25.31 the request of the commissioner.

25.32 Of the amount appropriated for the agricultural  
25.33 growth, research, and innovation program in  
25.34 this subdivision, \$1,000,000 the first year and  
25.35 \$1,000,000 the second year are for distribution  
25.36 in equal amounts to each of the state's county

26.1 fairs to preserve and promote Minnesota  
26.2 agriculture.

26.3 Of the amount appropriated for the agricultural  
26.4 growth, research, and innovation program in  
26.5 this subdivision, \$500,000 in fiscal year 2016  
26.6 and \$806,000 in fiscal year 2017 are for  
26.7 incentive payments under Minnesota Statutes,  
26.8 sections 41A.16, 41A.17, and 41A.18. If the  
26.9 appropriation exceeds the total amount for  
26.10 which all producers are eligible in a fiscal  
26.11 year, the balance of the appropriation is  
26.12 available to the commissioner for the  
26.13 agricultural growth, research, and innovation  
26.14 program. Notwithstanding Minnesota Statutes,  
26.15 section 16A.28, the first year appropriation is  
26.16 available until June 30, 2017, and the second  
26.17 year appropriation is available until June 30,  
26.18 2018. The commissioner may use up to 4.5  
26.19 percent of the appropriation for administration  
26.20 of the incentive payment programs.

26.21 Of the amount appropriated for the agricultural  
26.22 growth, research, and innovation program in  
26.23 this subdivision, \$250,000 the first year is for  
26.24 grants to communities to develop or expand  
26.25 food hubs and other alternative  
26.26 community-based food distribution systems.

26.27 Of this amount, \$50,000 is for the  
26.28 commissioner to consult with existing food  
26.29 hubs, alternative community-based food  
26.30 distribution systems, and University of  
26.31 Minnesota Extension to identify best practices  
26.32 for use by other Minnesota communities. No  
26.33 later than December 15, 2015, the  
26.34 commissioner must report to the legislative  
26.35 committees with jurisdiction over agriculture

27.1 and health regarding the status of emerging  
27.2 alternative community-based food distribution  
27.3 systems in the state along with  
27.4 recommendations to eliminate any barriers to  
27.5 success. Any unencumbered balance does not  
27.6 cancel at the end of the first year and is  
27.7 available for the second year. This is a onetime  
27.8 appropriation.

27.9 \$250,000 the first year and \$250,000 the  
27.10 second year are for grants that enable retail  
27.11 petroleum dispensers to dispense biofuels to  
27.12 the public in accordance with the biofuel  
27.13 replacement goals established under  
27.14 Minnesota Statutes, section 239.7911. A retail  
27.15 petroleum dispenser selling petroleum for use  
27.16 in spark ignition engines for vehicle model  
27.17 years after 2000 is eligible for grant money  
27.18 under this paragraph if the retail petroleum  
27.19 dispenser has no more than 15 retail petroleum  
27.20 dispensing sites and each site is located in  
27.21 Minnesota. The grant money received under  
27.22 this paragraph must be used for the installation  
27.23 of appropriate technology that uses fuel  
27.24 dispensing equipment appropriate for at least  
27.25 one fuel dispensing site to dispense gasoline  
27.26 that is blended with 15 percent of  
27.27 agriculturally derived, denatured ethanol, by  
27.28 volume, and appropriate technical assistance  
27.29 related to the installation. A grant award must  
27.30 not exceed 85 percent of the cost of the  
27.31 technical assistance and appropriate  
27.32 technology, including remetering of and  
27.33 retrofits for retail petroleum dispensers and  
27.34 replacement of petroleum dispenser projects.  
27.35 The commissioner may use up to \$35,000 of  
27.36 this appropriation for administrative expenses.

28.1 The commissioner shall cooperate with biofuel  
 28.2 stakeholders in the implementation of the grant  
 28.3 program. The commissioner must report to  
 28.4 the legislative committees with jurisdiction  
 28.5 over agriculture policy and finance by  
 28.6 February 1 each year, detailing the number of  
 28.7 grants awarded under this paragraph and the  
 28.8 projected effect of the grant program on  
 28.9 meeting the biofuel replacement goals under  
 28.10 Minnesota Statutes, section 239.7911. These  
 28.11 are onetime appropriations.

28.12 \$25,000 the first year and \$25,000 the second  
 28.13 year are for grants to the Southern Minnesota  
 28.14 Initiative Foundation to promote local foods  
 28.15 through an annual event that raises public  
 28.16 awareness of local foods and connects local  
 28.17 food producers and processors with potential  
 28.18 buyers.

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

28.20 Sec. 20. Laws 2017, chapter 88, article 1, section 2, subdivision 2, is amended to read:

28.21 Subd. 2. **Protection Services** 17,821,000 17,825,000

28.22	Appropriations by Fund	
28.23	2018	2019
28.24	General 17,428,000	17,428,000
28.25	Remediation 393,000	397,000

28.26 (a) \$25,000 the first year and \$25,000 the  
 28.27 second year are to develop and maintain  
 28.28 cottage food license exemption outreach and  
 28.29 training materials.

28.30 (b) \$75,000 the first year and \$75,000 the  
 28.31 second year are to coordinate the correctional  
 28.32 facility vocational training program and to  
 28.33 assist entities that have explored the feasibility

29.1 of establishing a USDA-certified or state  
29.2 "equal to" food processing facility within 30  
29.3 miles of the Northeast Regional Corrections  
29.4 Center.

29.5 (c) \$125,000 the first year and \$125,000 the  
29.6 second year are for additional funding for the  
29.7 noxious weed and invasive plant program.  
29.8 These are onetime appropriations.

29.9 (d) \$250,000 the first year and \$250,000 the  
29.10 second year are for transfer to the pollinator  
29.11 habitat and research account in the agricultural  
29.12 fund. These are onetime transfers.

29.13 (e) \$393,000 the first year and \$397,000 the  
29.14 second year are from the remediation fund for  
29.15 administrative funding for the voluntary  
29.16 cleanup program.

29.17 (f) \$200,000 the first year and \$200,000 the  
29.18 second year are for the industrial hemp pilot  
29.19 program under Minnesota Statutes, section  
29.20 18K.09. These are onetime appropriations.

29.21 (g) \$175,000 the first year and \$175,000 the  
29.22 second year are for compensation for  
29.23 destroyed or crippled livestock under  
29.24 Minnesota Statutes, section 3.737. This  
29.25 appropriation may be spent to compensate for  
29.26 livestock that were destroyed or crippled  
29.27 during fiscal year 2017. If the amount in the  
29.28 first year is insufficient, the amount in the  
29.29 second year is available in the first year. The  
29.30 commissioner may use up to \$5,000 of this  
29.31 appropriation the second year to reimburse  
29.32 expenses incurred by university extension  
29.33 educators to provide fair market values of  
29.34 destroyed or crippled livestock.

30.1 (h) \$155,000 the first year and \$155,000 the  
30.2 second year are for compensation for crop  
30.3 damage under Minnesota Statutes, section  
30.4 3.7371. If the amount in the first year is  
30.5 insufficient, the amount in the second year is  
30.6 available in the first year. The commissioner  
30.7 may use up to \$30,000 of the appropriation  
30.8 each year to reimburse expenses incurred by  
30.9 the commissioner or the commissioner's  
30.10 approved agent to investigate and resolve  
30.11 claims.

30.12 If the commissioner determines that claims  
30.13 made under Minnesota Statutes, section 3.737  
30.14 or 3.7371, are unusually high, amounts  
30.15 appropriated for either program may be  
30.16 transferred to the appropriation for the other  
30.17 program.

30.18 (i) \$250,000 the first year and \$250,000 the  
30.19 second year are to expand current capabilities  
30.20 for rapid detection, identification, containment,  
30.21 control, and management of high priority plant  
30.22 pests and pathogens. These are onetime  
30.23 appropriations.

30.24 (j) \$300,000 the first year and \$300,000 the  
30.25 second year are for transfer to the noxious  
30.26 weed and invasive plant species assistance  
30.27 account in the agricultural fund to award  
30.28 grants to local units of government under  
30.29 Minnesota Statutes, section 18.90, with  
30.30 preference given to local units of government  
30.31 responding to Palmer amaranth or other weeds  
30.32 on the eradicate list. These are onetime  
30.33 transfers.

30.34 (k) \$120,000 the first year and \$120,000 the  
30.35 second year are for wolf-livestock conflict

31.1 prevention grants under article 2, section 89.  
 31.2 The commissioner must submit a report to the  
 31.3 chairs and ranking minority members of the  
 31.4 legislative committees with jurisdiction over  
 31.5 agriculture policy and finance by January 15,  
 31.6 2020, on the outcomes of the wolf-livestock  
 31.7 conflict prevention grants and whether  
 31.8 livestock compensation claims were reduced  
 31.9 in the areas that grants were awarded. These  
 31.10 are onetime appropriations.

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

31.12 Sec. 21. Laws 2017, chapter 88, article 1, section 2, subdivision 4, is amended to read:

31.13 **Subd. 4. Agriculture, Bioenergy, and Bioproduct**  
 31.14 **Advancement**

22,581,000

22,636,000

31.15 (a) \$9,300,000 the first year and \$9,300,000  
 31.16 the second year are for transfer to the  
 31.17 agriculture research, education, extension, and  
 31.18 technology transfer account under Minnesota  
 31.19 Statutes, section 41A.14, subdivision 3. Of  
 31.20 these amounts: at least \$600,000 the first year  
 31.21 and \$600,000 the second year are for the  
 31.22 Minnesota Agricultural Experiment Station's  
 31.23 agriculture rapid response fund under  
 31.24 Minnesota Statutes, section 41A.14,  
 31.25 subdivision 1, clause (2); \$2,000,000 the first  
 31.26 year and \$2,000,000 the second year are for  
 31.27 grants to the Minnesota Agriculture Education  
 31.28 Leadership Council to enhance agricultural  
 31.29 education with priority given to Farm Business  
 31.30 Management challenge grants; \$350,000 the  
 31.31 first year and \$350,000 the second year are  
 31.32 for potato breeding; and \$450,000 the first  
 31.33 year and \$450,000 the second year are for the  
 31.34 cultivated wild rice breeding project at the  
 31.35 North Central Research and Outreach Center

32.1 to include a tenure track/research associate  
32.2 plant breeder. The commissioner shall transfer  
32.3 the remaining funds in this appropriation each  
32.4 year to the Board of Regents of the University  
32.5 of Minnesota for purposes of Minnesota  
32.6 Statutes, section 41A.14. Of the amount  
32.7 transferred to the Board of Regents, up to  
32.8 \$1,000,000 each year is for research on avian  
32.9 influenza, including prevention measures that  
32.10 can be taken.

32.11 To the extent practicable, funds expended  
32.12 under Minnesota Statutes, section 41A.14,  
32.13 subdivision 1, clauses (1) and (2), must  
32.14 supplement and not supplant existing sources  
32.15 and levels of funding. The commissioner may  
32.16 use up to one percent of this appropriation for  
32.17 costs incurred to administer the program.

32.18 (b) \$13,256,000 the first year and \$13,311,000  
32.19 the second year are for the agricultural growth,  
32.20 research, and innovation program in  
32.21 Minnesota Statutes, section 41A.12. Except  
32.22 as provided below, the commissioner may  
32.23 allocate the appropriation each year among  
32.24 the following areas: facilitating the start-up,  
32.25 modernization, or expansion of livestock  
32.26 operations including beginning and  
32.27 transitioning livestock operations; developing  
32.28 new markets for Minnesota farmers by  
32.29 providing more fruits, vegetables, meat, grain,  
32.30 and dairy for Minnesota school children;  
32.31 assisting value-added agricultural businesses  
32.32 to begin or expand, access new markets, or  
32.33 diversify; providing funding not to exceed  
32.34 \$250,000 each year for urban youth  
32.35 agricultural education or urban agriculture



33.1 community development; providing funding  
33.2 not to exceed \$250,000 each year for the good  
33.3 food access program under Minnesota  
33.4 Statutes, section 17.1017; facilitating the  
33.5 start-up, modernization, or expansion of other  
33.6 beginning and transitioning farms including  
33.7 by providing loans under Minnesota Statutes,  
33.8 section 41B.056; sustainable agriculture  
33.9 on-farm research and demonstration;  
33.10 development or expansion of food hubs and  
33.11 other alternative community-based food  
33.12 distribution systems; enhancing renewable  
33.13 energy infrastructure and use; crop research;  
33.14 Farm Business Management tuition assistance;  
33.15 good agricultural practices/good handling  
33.16 practices certification assistance; establishing  
33.17 and supporting farmer-led water management  
33.18 councils; and implementing farmer-led water  
33.19 quality improvement practices. The  
33.20 commissioner may use up to 6.5 percent of  
33.21 this appropriation for costs incurred to  
33.22 administer the program.

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

33.26 (1) \$1,000,000 the first year and \$1,000,000  
33.27 the second year are for distribution in equal  
33.28 amounts to each of the state's county fairs to  
33.29 preserve and promote Minnesota agriculture;  
33.30 and

33.31 (2) \$1,500,000 the first year and \$1,500,000  
33.32 the second year are for incentive payments  
33.33 under Minnesota Statutes, sections 41A.16,  
33.34 41A.17, and 41A.18. Notwithstanding  
33.35 Minnesota Statutes, section 16A.28, the first

34.1 year appropriation is available until June 30,  
34.2 2019, and the second year appropriation is  
34.3 available until June 30, 2020. If this  
34.4 appropriation exceeds the total amount for  
34.5 which all producers are eligible in a fiscal  
34.6 year, the balance of the appropriation is  
34.7 available for the agricultural growth, research,  
34.8 and innovation program.

34.9 The commissioner may use funds appropriated  
34.10 under this subdivision to award up to two  
34.11 value-added agriculture grants per year of up  
34.12 to \$1,000,000 per grant for new or expanding  
34.13 agricultural production or processing facilities  
34.14 that provide significant economic impact to  
34.15 the region. The commissioner may use funds  
34.16 appropriated under this subdivision for  
34.17 additional value-added agriculture grants for  
34.18 awards between \$1,000 and \$200,000 per  
34.19 grant.

34.20 Appropriations in clauses (1) and (2) are  
34.21 onetime. Any unencumbered balance does not  
34.22 cancel at the end of the first year and is  
34.23 available for the second year. Notwithstanding  
34.24 Minnesota Statutes, section 16A.28,  
34.25 appropriations encumbered under contract on  
34.26 or before June 30, 2019, for agricultural  
34.27 growth, research, and innovation grants are  
34.28 available until June 30, ~~2021~~ 2022.

34.29 The base budget for the agricultural growth,  
34.30 research, and innovation program is  
34.31 \$14,275,000 for fiscal years 2020 and 2021  
34.32 and includes funding for incentive payments  
34.33 under Minnesota Statutes, sections 41A.16,  
34.34 41A.17, 41A.18, and 41A.20.

35.1 The commissioner must develop additional  
35.2 innovative production incentive programs to  
35.3 be funded by the agricultural growth, research,  
35.4 and innovation program.

35.5 The commissioner must consult with the  
35.6 commissioner of transportation, the  
35.7 commissioner of administration, and local  
35.8 units of government to identify parcels of  
35.9 publicly owned land that are suitable for urban  
35.10 agriculture.

35.11 (c) \$25,000 the first year and \$25,000 the  
35.12 second year are for grants to the Southern  
35.13 Minnesota Initiative Foundation to promote  
35.14 local foods through an annual event that raises  
35.15 public awareness of local foods and connects  
35.16 local food producers and processors with  
35.17 potential buyers.

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

35.19 Sec. 22. **INDUSTRIAL HEMP; REPORT.**

35.20 (a) The commissioner of agriculture must submit a plan to the secretary of the United  
35.21 States Department of Agriculture and request primary regulatory authority over the  
35.22 production of industrial hemp in this state, as provided under section 10113 of the Agriculture  
35.23 Improvement Act of 2018.

35.24 (b) The commissioner of agriculture, in consultation with the commissioners of public  
35.25 safety and health, must develop a framework for regulating the possession and use of  
35.26 tetrahydrocannabinol resulting from industrial hemp processing, including but not limited  
35.27 to the extraction of cannabidiol or other components. No later than February 15, 2020, the  
35.28 commissioner of agriculture must submit the proposed framework to the chairs and ranking  
35.29 minority members of the legislative committees and divisions with jurisdiction over  
35.30 agriculture, public safety, and health.

36.1 Sec. 23. **REPORT REQUIRED; BEGINNING FARMERS.**

36.2 No later than February 1, 2020, the commissioner of agriculture must report  
36.3 recommendations to the legislative committees and divisions with jurisdiction over agriculture  
36.4 finance regarding how best to cultivate and support beginning farmers, with priority given  
36.5 to beginning farmers who are women, veterans, persons with disabilities, American Indian  
36.6 or Alaskan Native, and members of communities of color. When preparing this report, the  
36.7 commissioner must consult the commissioners of labor and industry and employment and  
36.8 economic development and consider development of a next generation farmer internship  
36.9 program.

36.10 Sec. 24. **REPORT REQUIRED; COMMUNITY SOLAR.**

36.11 (a) The Center for Rural Policy and Development must study the economic benefits to  
36.12 farmers and the local farm economy of community solar gardens. The study must analyze  
36.13 to what extent:

36.14 (1) revenue generated by community solar garden leases has a measurable economic  
36.15 benefit for farmers and the local farm economy;

36.16 (2) activity related to community solar garden construction, operation, and maintenance,  
36.17 and the associated private investment to upgrade the utility's local distribution infrastructure,  
36.18 has a measurable economic benefit for the local farm economy;

36.19 (3) community solar gardens provide an economic benefit, helping farmers obtain  
36.20 financing for farm operations and decreasing the number of farm foreclosures;

36.21 (4) community solar gardens provide economic benefits for land conservation, habitat,  
36.22 and soil health; and

36.23 (5) community solar gardens impact the value of adjacent properties.

36.24 (b) No later than January 15, 2021, the Center for Rural Policy and Development must  
36.25 submit the study and any policy recommendations to the legislative committees and divisions  
36.26 with jurisdiction over agriculture and energy.

36.27 **ARTICLE 2**

36.28 **FARMED CERVIDAE**

36.29 Section 1. Minnesota Statutes 2018, section 35.155, subdivision 4, is amended to read:

36.30 Subd. 4. **Fencing.** Farmed Cervidae must be confined in a manner designed to prevent  
36.31 escape. All perimeter fences for farmed Cervidae must be comprised of two or more rows

37.1 of fencing, or one high tensile fence. All perimeter fences must be at least 96 inches in  
37.2 height and be constructed and maintained in a way that prevents the escape of farmed  
37.3 Cervidae or entry into the premises by free-roaming Cervidae. All entry areas for farmed  
37.4 Cervidae enclosure areas shall have two redundant gates, which must be maintained to  
37.5 prevent the escape of animals through an open gate. If a fence deficiency allows imminent  
37.6 entry or exit by farmed or free-roaming Cervidae, the owner must repair the deficiency  
37.7 within a reasonable period of time as determined by the board. If a fence deficiency is  
37.8 detected during an annual inspection under subdivision 7, the facility must be reinspected  
37.9 not less than two times in the subsequent six months. If the facility experiences more than  
37.10 two escape incidents in any 12-month period, the board may revoke the facility's registration  
37.11 and order the owner to remove or destroy the animals as directed by the board.

37.12 Sec. 2. Minnesota Statutes 2018, section 35.155, subdivision 6, is amended to read:

37.13 Subd. 6. **Identification.** (a) Farmed Cervidae must be identified by means approved by  
37.14 the Board of Animal Health. The identification must include a distinct number that has not  
37.15 been used during the previous three years and must be visible to the naked eye during  
37.16 daylight under normal conditions at a distance of 50 yards. Newborn animals must be  
37.17 identified before December 31 of the year in which the animal is born within 24 hours of  
37.18 birth or before movement from the premises, whichever occurs first. As coordinated by the  
37.19 board, the commissioner of natural resources may destroy any animal that is not identified  
37.20 as required under this subdivision.

37.21 (b) The Board of Animal Health shall register farmed Cervidae. The owner must submit  
37.22 the registration request on forms provided by the board. The forms must include sales  
37.23 receipts or other documentation of the origin of the Cervidae. The board shall provide copies  
37.24 of the registration information to the commissioner of natural resources upon request. The  
37.25 owner must keep written records of the acquisition and disposition of registered farmed  
37.26 Cervidae.

37.27 Sec. 3. Minnesota Statutes 2018, section 35.155, subdivision 7, is amended to read:

37.28 Subd. 7. **Inspection.** (a) The commissioner of agriculture and the Board of Animal  
37.29 Health may inspect farmed Cervidae, ~~farmed Cervidae facilities,~~ and farmed Cervidae  
37.30 records. ~~For each herd, the owner or owners must, on or before January 1, pay an annual~~  
37.31 inspection fee equal to \$10 for each cervid in the herd as reflected in the most recent  
37.32 inventory submitted to the Board of Animal Health, up to a maximum fee of \$100. The  
37.33 board shall coordinate inspections authorized under this paragraph.

38.1 (b) The Board of Animal Health shall annually inspect each farmed Cervidae facility.  
38.2 Upon request by the Board of Animal Health, the commissioner of agriculture shall assist  
38.3 the board with annual inspections required under this paragraph. The annual inspection shall  
38.4 include a physical inspection of all perimeter fencing around the facility and a viewing to  
38.5 ensure all animals are tagged. The owner of a farmed Cervidae facility must present to the  
38.6 regulatory agency conducting the annual inspection an accurate inventory of the owner's  
38.7 farmed Cervidae for review. During an annual inspection, the owner must present individual  
38.8 animals in a herd for a physical inventory, if required by the board.

38.9 (c) The commissioner of natural resources may inspect farmed Cervidae, farmed Cervidae  
38.10 facilities, and farmed Cervidae records with reasonable suspicion that laws protecting native  
38.11 wild animals have been violated and must notify the owner in writing at the time of the  
38.12 inspection of the reason for the inspection and must inform the owner in writing after the  
38.13 inspection of whether (1) the cause of the inspection was unfounded; or (2) there will be an  
38.14 ongoing investigation or continuing evaluation.

38.15 (d) If the owner of a farmed Cervidae facility does not repair fence deficiencies within  
38.16 the reasonable period of time determined by the board or is not otherwise in compliance  
38.17 with this section after an inspection and review of the owner's farmed Cervidae facility, the  
38.18 board may revoke the owner's registration and order the owner to remove or destroy the  
38.19 animals as directed by the board.

38.20 Sec. 4. Minnesota Statutes 2018, section 35.155, is amended by adding a subdivision to  
38.21 read:

38.22 Subd. 7a. **Fees.** For each herd, the owner must, on or before January 1, pay to the board  
38.23 an annual inspection fee of \$500 unless:

38.24 (1) the owner sells the ability to shoot animals in the herd, in which case the annual  
38.25 inspection fee is \$1,000; or

38.26 (2) the herd consists of more than one species, in which case the annual inspection fee  
38.27 is \$650.

38.28 Sec. 5. Minnesota Statutes 2018, section 35.155, subdivision 9, is amended to read:

38.29 Subd. 9. **Contested case hearing.** (a) A person raising farmed Cervidae that is aggrieved  
38.30 with any decision regarding the farmed Cervidae may request a contested case hearing under  
38.31 chapter 14.

39.1 (b) A person requesting a contested case hearing regarding a registration revocation  
39.2 under this section must make the request within 30 days of the revocation notice.

39.3 Sec. 6. Minnesota Statutes 2018, section 35.155, subdivision 10, is amended to read:

39.4 Subd. 10. **Mandatory registration.** (a) A person may not possess live Cervidae in  
39.5 Minnesota unless the person is registered with the Board of Animal Health and meets all  
39.6 the requirements for farmed Cervidae under this section. Cervidae possessed in violation  
39.7 of this subdivision may be seized and destroyed by the commissioner of natural resources.

39.8 (b) A person whose registration is revoked by the board is ineligible for future registration  
39.9 under this section.

39.10 (c) Effective July 1, 2019, to July 1, 2022, the board must not approve a new registration  
39.11 under this subdivision for possession of white-tailed deer. This paragraph does not prohibit  
39.12 a person holding a valid registration under this subdivision from selling or transferring their  
39.13 herd to a family member if the person has no history of violations under this section and  
39.14 the herd is free from chronic wasting disease.

39.15 Sec. 7. Minnesota Statutes 2018, section 35.155, subdivision 11, is amended to read:

39.16 Subd. 11. **Mandatory surveillance for chronic wasting disease; herd depopulation.** (a)  
39.17 An inventory for each farmed Cervidae herd must be verified by an accredited veterinarian  
39.18 and filed with the Board of Animal Health every 12 months.

39.19 (b) Movement of farmed Cervidae from any premises to another location must be reported  
39.20 to the Board of Animal Health within ~~14 days~~ 48 hours of the movement on forms approved  
39.21 by the Board of Animal Health. If an animal in a farmed Cervidae herd tests positive for  
39.22 chronic wasting disease, the board must alert each person registered under subdivision 7 as  
39.23 soon as practicable and farmed Cervidae must not be moved from any premises in this state  
39.24 for a minimum of 72 hours. The board must examine the movement of farmed Cervidae  
39.25 and other chronic wasting disease vectors related to farmed Cervidae both in and out of the  
39.26 premises where the infected herd was located and take reasonable action necessary to slow  
39.27 or prevent the spread of chronic wasting disease from the infected herd to other farmed or  
39.28 free-roaming Cervidae.

39.29 (c) All animals from farmed Cervidae herds that are over ~~16~~ 12 months of age that die  
39.30 or are slaughtered must be tested for chronic wasting disease.

39.31 (d) If an animal in a farmed Cervidae herd tests positive for chronic wasting disease,  
39.32 the entire herd must be euthanized and disposed of in a manner, and within a reasonable

40.1 period of time, determined by the board in consultation with the commissioner of natural  
 40.2 resources.

40.3 (e) The owner of a herd that euthanizes and disposes of the herd as required by paragraph  
 40.4 (d) must:

40.5 (1) maintain the fencing required under subdivision 4;

40.6 (2) prevent any free-roaming or farmed Cervidae from accessing the former cervid pens  
 40.7 and other areas that were accessible by the farmed Cervidae; and

40.8 (3) post the premises as directed by the board.

40.9 The requirements under this paragraph must be met for at least 60 months from the date  
 40.10 depopulation is completed.

40.11 (f) Before signing an agreement to sell or transfer the property, the owner of a premises  
 40.12 where chronic wasting disease is detected must disclose in writing to the buyer or transferee  
 40.13 the date of depopulation and the requirements incumbent upon the premises and the buyer  
 40.14 or transferee under paragraph (e).

40.15 Sec. 8. **REPORT REQUIRED.**

40.16 No later than February 1, 2020, the Board of Animal Health must report to the legislative  
 40.17 committees and divisions with jurisdiction over agriculture policy and finance regarding  
 40.18 the board's progress in implementing recommendations in the Office of the Legislative  
 40.19 Auditor's April 2018 program evaluation report "Board of Animal Health's Oversight of  
 40.20 Deer and Elk Farms."

### 40.21 **ARTICLE 3**

### 40.22 **GRAIN BUYERS**

40.23 Section 1. Minnesota Statutes 2018, section 223.16, subdivision 1, is amended to read:

40.24 Subdivision 1. **Applicability.** For the purpose of sections 223.15 to ~~223.22~~ 223.23, the  
 40.25 terms defined in this section have the meanings given them.

40.26 Sec. 2. Minnesota Statutes 2018, section 223.16, subdivision 2a, is amended to read:

40.27 Subd. 2a. **Cash sale.** "Cash sale" means:

40.28 ~~(a) a sale that is not reduced to writing as a voluntary extension of credit contract and~~  
 40.29 ~~for which payment is tendered to the seller not later than the close of business on the next~~



41.1 ~~business day after the sale,~~ either in cash or by check, or by mailing or wiring funds to the  
41.2 seller's account ~~in the amount of at least 80 percent of the value of the grain at delivery; or,~~

41.3 ~~(b) a sale of a shipment of grain which is part of a multiple shipment sale, for which a~~  
41.4 ~~scale ticket clearly marked "CASH" has been received by the seller before completion of~~  
41.5 ~~the entire sale, and for which payment is tendered in cash or by check not later than ten~~  
41.6 ~~days after the sale of that shipment, except that when the entire sale is completed, payment~~  
41.7 ~~is tendered in cash or by check not later than the close of business on the next business day,~~  
41.8 ~~or within 48 hours, whichever is later.~~

41.9 Sec. 3. Minnesota Statutes 2018, section 223.16, is amended by adding a subdivision to  
41.10 read:

41.11 Subd. 2b. **Cash.** "Cash" means currency or an equivalent manner of payment, including  
41.12 but not limited to a certified check, a cashier's check, or a postal, bank, or express money  
41.13 order in which the amount of payment is verified and secured prior to issuance.

41.14 Sec. 4. Minnesota Statutes 2018, section 223.16, is amended by adding a subdivision to  
41.15 read:

41.16 Subd. 2c. **Cash buyer.** "Cash buyer" means a person that purchases grain only with cash  
41.17 and in amounts of less than \$100,000 total annually.

41.18 Sec. 5. Minnesota Statutes 2018, section 223.16, subdivision 4, is amended to read:

41.19 Subd. 4. **Grain.** "Grain" means any cereal grain, coarse grain, or oilseed in unprocessed  
41.20 form for which a standard has been established by the United States Secretary of Agriculture  
41.21 ~~or the Minnesota Board of Grain Standards,~~ dry edible beans, or other agricultural crops  
41.22 designated by the commissioner by rule.

41.23 Sec. 6. Minnesota Statutes 2018, section 223.17, subdivision 3, is amended to read:

41.24 Subd. 3. **Grain buyers and storage account; fees.** (a) A grain buyer must pay to the  
41.25 commissioner shall set the fees for inspections under sections 223.15 to 223.22 at levels  
41.26 necessary to pay the expenses of administering and enforcing sections 223.15 to 223.22. an  
41.27 annual license fee as follows:

41.28 The fee for any license issued or renewed after June 30, 2005, shall be set according to  
41.29 the following schedule:

42.1 ~~(a)~~ (1) \$140 plus \$110 for each additional location for grain buyers whose gross annual  
 42.2 purchases are less than \$100,000;

42.3 ~~(b)~~ (2) \$275 plus \$110 for each additional location for grain buyers whose gross annual  
 42.4 purchases are at least \$100,000, but not more than \$750,000;

42.5 ~~(c)~~ (3) \$415 plus \$220 for each additional location for grain buyers whose gross annual  
 42.6 purchases are more than \$750,000 but not more than \$1,500,000;

42.7 ~~(d)~~ (4) \$550 plus \$220 for each additional location for grain buyers whose gross annual  
 42.8 purchases are more than \$1,500,000 but not more than \$3,000,000; and

42.9 ~~(e)~~ (5) \$700 plus \$220 for each additional location for grain buyers whose gross annual  
 42.10 purchases are more than \$3,000,000.

42.11 (b) In addition to the license fee required under paragraph (a), a grain buyer must pay  
 42.12 to the commissioner an annual examination fee for each licensed location, as follows:

<u>Bushel Capacity</u>	<u>Examination</u>
	<u>Fee</u>
<u>Examinations without a grain measure</u>	\$ <u>100</u>
<u>Less than 150,001</u>	\$ <u>300</u>
<u>150,001 to 250,000</u>	\$ <u>425</u>
<u>250,001 to 500,000</u>	\$ <u>545</u>
<u>500,001 to 750,000</u>	\$ <u>700</u>
<u>750,001 to 1,000,000</u>	\$ <u>865</u>
<u>1,000,001 to 1,200,000</u>	\$ <u>1,040</u>
<u>1,200,001 to 1,500,000</u>	\$ <u>1,205</u>
<u>1,500,001 to 2,000,000</u>	\$ <u>1,380</u>
<u>More than 2,000,000</u>	\$ <u>1,555</u>

42.25 The fee for any supplemental examination required by the commissioner under section  
 42.26 223.23 is \$55 per hour per examiner.

42.27 (c) A penalty amount not to exceed ten percent of the fees due may be imposed by the  
 42.28 commissioner for each month for which the fees are delinquent.

42.29 (d) There is created the grain buyers and storage account in the agricultural fund. Money  
 42.30 collected pursuant to sections 223.15 to ~~223.19~~ 223.23 shall be paid into the state treasury  
 42.31 and credited to the grain buyers and storage account and Money in the account, including  
 42.32 interest, is appropriated to the commissioner for the administration and enforcement of  
 42.33 sections 223.15 to ~~223.22~~ 223.23.

43.1 Sec. 7. Minnesota Statutes 2018, section 223.17, subdivision 4, is amended to read:

43.2 Subd. 4. **Bond.** (a) Except as provided in paragraphs (c) to (e), before a grain buyer's  
43.3 license is issued, the applicant for the license must file with the commissioner a bond in a  
43.4 penal sum prescribed by the commissioner but not less than the following amounts:

43.5 (1) \$10,000 for grain buyers whose gross annual purchases are \$100,000 or less;

43.6 (2) \$20,000 for grain buyers whose gross annual purchases are more than \$100,000 but  
43.7 not more than \$750,000;

43.8 (3) \$30,000 for grain buyers whose gross annual purchases are more than \$750,000 but  
43.9 not more than \$1,500,000;

43.10 (4) \$40,000 for grain buyers whose gross annual purchases are more than \$1,500,000  
43.11 but not more than \$3,000,000;

43.12 (5) \$50,000 for grain buyers whose gross annual purchases are more than \$3,000,000  
43.13 but not more than \$6,000,000;

43.14 (6) \$70,000 for grain buyers whose gross annual purchases are more than \$6,000,000  
43.15 but not more than \$12,000,000;

43.16 (7) \$125,000 for grain buyers whose gross annual purchases are more than \$12,000,000  
43.17 but not more than \$24,000,000; and

43.18 (8) \$150,000 for grain buyers whose gross annual purchases exceed \$24,000,000.

43.19 (b) ~~A grain buyer who has filed a bond with the commissioner prior to July 1, 2004, is~~  
43.20 ~~not required to increase the amount of the bond to comply with this section until July 1,~~  
43.21 ~~2005. The commissioner may postpone an increase in the amount of the bond until July 1,~~  
43.22 ~~2006, if a licensee demonstrates that the increase will impose undue financial hardship on~~  
43.23 ~~the licensee, and that producers will not be harmed as a result of the postponement. The~~  
43.24 ~~commissioner may impose other restrictions on a licensee whose bond increase has been~~  
43.25 ~~postponed.~~ The amount of the bond shall be based on the most recent gross annual grain  
43.26 purchase report of the grain buyer.

43.27 (c) A first-time applicant for a grain buyer's license shall file a \$50,000 bond with the  
43.28 commissioner. This bond shall remain in effect for the first year of the license. Thereafter,  
43.29 the licensee shall comply with the applicable bonding requirements contained in paragraph  
43.30 (a), clauses (1) to (8).

43.31 (d) In lieu of the bond required by this subdivision the applicant may deposit with the  
43.32 commissioner of management and budget ~~cash, a certified check, a cashier's check, a postal,~~

44.1 ~~bank, or express money order, assignable bonds or notes of the United States, or an~~  
44.2 ~~assignment of a bank savings account or investment certificate or an irrevocable bank letter~~  
44.3 of credit as defined in section 336.5-102, in the same amount as would be required for a  
44.4 bond.

44.5 (e) A cash buyer is exempt from the requirements under this subdivision.

44.6 (f) Bonds must be continuous until canceled. To cancel a bond, a surety must provide  
44.7 90 days' written notice of the bond's termination date to the licensee and the commissioner.

44.8 Sec. 8. Minnesota Statutes 2018, section 223.17, subdivision 5, is amended to read:

44.9 Subd. 5. **Cash sales; manner of payment.** For a cash sale of a shipment of grain ~~which~~  
44.10 ~~is part of a multiple shipment sale,~~ the grain buyer shall tender payment to the seller in cash  
44.11 or by check ~~not later than ten days after the sale of that shipment, except that when the entire~~  
44.12 ~~sale is completed, payment shall be tendered not later than the close of business on the next~~  
44.13 ~~day, or within 48 hours, whichever is later. For other cash sales the grain buyer, before the~~  
44.14 ~~close of business on the next business day after the sale, shall tender payment to the seller~~  
44.15 ~~in cash or by check, or shall wire or mail funds to the seller's account in the amount of at~~  
44.16 ~~least 80 percent of the value of the grain at the time of delivery, or wire or mail funds to the~~  
44.17 seller's account. The grain buyer shall complete final settlement after the sale of the shipment  
44.18 as rapidly as possible through ordinary diligence.

44.19 Sec. 9. Minnesota Statutes 2018, section 223.17, subdivision 6, is amended to read:

44.20 Subd. 6. **Financial statements.** (a) Except as required in paragraph (c), the commissioner  
44.21 ~~may~~ must require an annual financial statement from a licensee which has been prepared  
44.22 in accordance with generally accepted accounting principles and which meets the following  
44.23 requirements:

44.24 (1) The financial statement shall include, but not be limited to the following:

44.25 (i) a balance sheet;

44.26 (ii) a statement of income (profit and loss);

44.27 (iii) a statement of retained earnings;

44.28 (iv) a statement of changes in financial position; and

44.29 (v) a statement of the dollar amount of grain purchased in the previous fiscal year of the  
44.30 grain buyer.

45.1 ~~(2) The financial statement shall be accompanied by a compilation report of the financial~~  
45.2 ~~statement that is prepared by a grain commission firm or a management firm approved by~~  
45.3 ~~the commissioner or by an independent public accountant, in accordance with standards~~  
45.4 ~~established by the American Institute of Certified Public Accountants. Grain buyers~~  
45.5 ~~purchasing less than 150,000 bushels of grain per calendar year may submit a financial~~  
45.6 ~~statement prepared by a public accountant who is not an employee or a relative within the~~  
45.7 ~~third degree of kindred according to civil law.~~

45.8 ~~(3)~~ (2) The financial statement shall be accompanied by a certification by the chief  
45.9 executive officer or the chief executive officer's designee of the licensee, under penalty of  
45.10 perjury, that the financial statement accurately reflects the financial condition of the licensee  
45.11 for the period specified in the statement.

45.12 (3) A grain buyer purchasing less than \$2,000,000 of grain annually must have the  
45.13 financial statement reviewed by a certified public accountant in accordance with standards  
45.14 established by the American Institute of Certified Public Accountants, and must show that  
45.15 the financial statements are free from material misstatements.

45.16 (4) A grain buyer purchasing \$2,000,000 or more of grain annually must have the  
45.17 financial statement audited by a certified public accountant in accordance with standards  
45.18 established by the American Institute of Certified Public Accountants, and must submit an  
45.19 opinion statement from the certified public accountant.

45.20 (b) Only one financial statement must be filed for a chain of warehouses owned or  
45.21 operated as a single business entity, unless otherwise required by the commissioner. ~~Any~~  
45.22 ~~grain buyer having a net worth in excess of \$500,000,000 need not file the financial statement~~  
45.23 ~~required by this subdivision but must provide the commissioner with a certified net worth~~  
45.24 ~~statement.~~ All financial statements filed with the commissioner are private or nonpublic  
45.25 data as provided in section 13.02.

45.26 (c) A cash buyer is exempt from the requirements of this subdivision.

45.27 Sec. 10. Minnesota Statutes 2018, section 223.177, subdivision 2, is amended to read:

45.28 Subd. 2. **Oral contracts.** Any grain buyer entering into a voluntary extension of credit  
45.29 contract orally or by phone shall give or mail to the seller a written confirmation conforming  
45.30 to the requirements of section 223.175 ~~before the close of the next business day~~ within 30  
45.31 days. Written confirmation of oral contracts must meet the requirements under section  
45.32 223.177, subdivision 3.

46.1 Sec. 11. Minnesota Statutes 2018, section 223.177, subdivision 3, is amended to read:

46.2 Subd. 3. **Contracts reduced to writing.** A voluntary extension of credit contract must  
46.3 be reduced to writing by the grain buyer ~~and~~, mailed or given to the seller ~~before the close~~  
46.4 ~~of the next business day after the contract is entered into or, in the case of an oral or phone~~  
46.5 ~~contract, after the written confirmation is received by the seller. Provided, however, that if~~  
46.6 ~~a scale ticket has been received by the seller prior to the completion of the grain shipment,~~  
46.7 ~~the contract must be reduced to writing within ten days after the sale, but not later than the~~  
46.8 ~~close of the next business day after the completion of the entire sale, and signed by both~~  
46.9 buyer and seller within 30 days of the date of delivery. The form of the contract shall comply  
46.10 with the requirements of section 223.175. A grain buyer may use an electronic version of  
46.11 a voluntary extension of credit contract that contains the same information as a written  
46.12 document and that conforms to the requirements of this chapter to which a seller has applied  
46.13 an electronic signature in place of a written document. There must not at any time be an  
46.14 electronic and paper voluntary extension of credit contract representing the same lot of  
46.15 grain.

46.16 Sec. 12. Minnesota Statutes 2018, section 223.19, is amended to read:

46.17 **223.19 RULES.**

46.18 The commissioner may make rules pursuant to chapter 14 to carry out the provisions of  
46.19 sections 223.15 to ~~223.22~~ 223.23.

46.20 Sec. 13. **[223.23] ANNUAL EXAMINATION REQUIRED; SUPPLEMENTAL**  
46.21 **EXAMINATIONS.**

46.22 A licensed grain buyer is subject to an annual examination conducted by the commissioner  
46.23 or the Agricultural Marketing Service of the United States Department of Agriculture.  
46.24 Examinations must include a measurement of all grain owned and maintained by the grain  
46.25 buyer. The commissioner may require supplemental examinations of a grain buyer as the  
46.26 commissioner deems necessary.

46.27 **ARTICLE 4**

46.28 **GRAIN WAREHOUSES**

46.29 Section 1. Minnesota Statutes 2018, section 232.21, subdivision 7, is amended to read:

46.30 Subd. 7. **Grain.** "Grain" means any cereal grain, coarse grain, or oilseed in unprocessed  
46.31 form for which a standard has been established by the United States Secretary of Agriculture

47.1 ~~or the Minnesota Board of Grain Standards~~, dry edible beans, or agricultural crops designated  
 47.2 by the commissioner by rule.

47.3 Sec. 2. Minnesota Statutes 2018, section 232.21, is amended by adding a subdivision to  
 47.4 read:

47.5 Subd. 7a. **Grain bank.** "Grain bank" means a feed processing plant that receives and  
 47.6 stores grain it processes and returns to the grain's owner in amounts, at intervals, and with  
 47.7 added ingredients that are mutually agreeable to the grain's owner and the person operating  
 47.8 the plant. "Grain bank" does not include a seed cleaning plant. Grain assigned to a grain  
 47.9 bank is considered stored grain.

47.10 Sec. 3. Minnesota Statutes 2018, section 232.22, subdivision 3, is amended to read:

47.11 **Subd. 3. Fees; grain buyers and storage account.** (a) There is created in the agricultural  
 47.12 fund an account known as the grain buyers and storage account. ~~The commissioner shall~~  
 47.13 ~~set the fees for examinations, certifications, and licenses under sections 232.20 to 232.24~~  
 47.14 ~~at levels necessary to pay the costs of administering and enforcing sections 232.20 to 232.24.~~  
 47.15 All money collected pursuant to sections 232.20 to 232.24 shall be paid by the commissioner  
 47.16 into the state treasury and credited to the grain buyers and storage account ~~and~~. Money in  
 47.17 the account, including interest, is appropriated to the commissioner for the administration  
 47.18 and enforcement of sections 232.20 to 232.24.

47.19 (b) All money collected pursuant to chapter 231 shall be paid by the commissioner into  
 47.20 the grain buyers and storage account ~~and~~. Money in the account is appropriated to the  
 47.21 commissioner for the administration and enforcement of chapter 231.

47.22 (c) The fees for a license to store grain are as follows:

47.23 ~~(a)~~ (1) For a license to store grain, \$110 for each home rule charter or statutory city or  
 47.24 town in which a public grain warehouse is operated.

47.25 ~~(b)~~ (2) In addition to the license fee required under clause (1), a person with a license  
 47.26 to store grain in a public grain warehouse is subject to an examination fee for each licensed  
 47.27 location, ~~based on the following schedule for one examination~~ as follows:

Bushel Capacity	Examination Fee
Less than 150,001	\$ 300
150,001 to 250,000	\$ 425
250,001 to 500,000	\$ 545
500,001 to 750,000	\$ 700

48.1	750,001 to 1,000,000	\$ 865
48.2	1,000,001 to 1,200,000	\$ 1,040
48.3	1,200,001 to 1,500,000	\$ 1,205
48.4	1,500,001 to 2,000,000	\$ 1,380
48.5	More than 2,000,000	\$ 1,555

48.6 ~~(e) (3) The fee for the second examination~~ supplemental examinations required by the  
 48.7 commissioner under section 232.24 is \$55 per hour per examiner ~~for warehouse operators~~  
 48.8 ~~who choose to have it performed by the commissioner.~~

48.9 (d) A penalty amount not to exceed ten percent of the fees due may be imposed by the  
 48.10 commissioner for each month for which the fees are delinquent.

48.11 Sec. 4. Minnesota Statutes 2018, section 232.22, subdivision 4, is amended to read:

48.12 Subd. 4. **Bonding.** (a) Before a license is issued, except as provided under paragraph  
 48.13 (c), the applicant for a public grain warehouse operator's license shall file with the  
 48.14 commissioner a bond in a penal sum prescribed by the commissioner based on the annual  
 48.15 average storage liability as stated on the statement of grain in storage report or on the gross  
 48.16 annual grain purchase report, whichever is greater, and applying the following amounts:

48.17 (1) \$10,000 for storages with annual average storage liability of more than \$0 but not  
 48.18 more than \$25,000;

48.19 (2) \$20,000 for storages with annual average storage liability of more than \$25,001 but  
 48.20 not more than \$50,000;

48.21 (3) \$30,000 for storages with annual average storage liability of more than \$50,001 but  
 48.22 not more than \$75,000;

48.23 (4) \$50,000 for storages with annual average storage liability of more than \$75,001 but  
 48.24 not more than \$100,000;

48.25 (5) \$75,000 for storages with annual average storage liability of more than \$100,001  
 48.26 but not more than \$200,000;

48.27 (6) \$125,000 for storages with annual average storage liability of more than \$200,001  
 48.28 but not more than \$300,000;

48.29 (7) \$175,000 for storages with annual average storage liability of more than \$300,001  
 48.30 but not more than \$400,000;

48.31 (8) \$225,000 for storages with annual average storage liability of more than \$400,001  
 48.32 but not more than \$500,000;



49.1 (9) \$275,000 for storages with annual average storage liability of more than \$500,001  
 49.2 but not more than \$600,000;

49.3 (10) \$325,000 for storages with annual average storage liability of more than \$600,001  
 49.4 but not more than \$700,000;

49.5 (11) \$375,000 for storages with annual average storage liability of more than \$700,001  
 49.6 but not more than \$800,000;

49.7 (12) \$425,000 for storages with annual average storage liability of more than \$800,001  
 49.8 but not more than \$900,000;

49.9 (13) \$475,000 for storages with annual average storage liability of more than \$900,001  
 49.10 but not more than \$1,000,000; and

49.11 (14) \$500,000 for storages with annual average storage liability of more than \$1,000,000.

49.12 (b) Bonds must be continuous until canceled. To cancel a bond, a surety must provide  
 49.13 90 days' written notice of the bond's termination date to the licensee and the commissioner.

49.14 (c) In lieu of the bond required by this subdivision, the applicant may deposit with the  
 49.15 commissioner of management and budget an irrevocable bank letter of credit as defined in  
 49.16 section 336.5-102, in the same amount as would be required for a bond.

49.17 Sec. 5. Minnesota Statutes 2018, section 232.24, is amended to read:

49.18 **232.24 SCHEDULE OF INSPECTION, FINANCIAL REPORTS.**

49.19 Subdivision 1. **Schedule of examination.** A licensee under sections 232.20 to 232.24  
 49.20 is subject to ~~two examinations~~ an examination annually conducted by the commissioner or  
 49.21 the Agricultural Marketing Service of the United States Department of Agriculture. The  
 49.22 commissioner may, ~~by rule, authorize one examination to be conducted by a qualified~~  
 49.23 ~~nongovernmental unit~~ require supplemental examinations of a licensee as the commissioner  
 49.24 deems necessary.

49.25 Subd. 2. **Financial reports.** A licensee under sections 232.20 to 232.24 ~~upon request~~  
 49.26 must provide to the commissioner a copy of the financial reports ~~of an audit conducted by~~  
 49.27 ~~a qualified nongovernmental unit containing information the commissioner requires~~ report  
 49.28 that satisfies the requirements under section 223.17, subdivision 6, paragraph (a), clause  
 49.29 (1).

ARTICLE 5

HOUSING FINANCE AGENCY APPROPRIATIONS

Section 1. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2020" and "2021" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2020, or June 30, 2021, respectively. "The first year" is fiscal year 2020. "The second year" is fiscal year 2021. "The biennium" is fiscal years 2020 and 2021.

APPROPRIATIONS

Available for the Year

Ending June 30

2020

2021

Sec. 2. HOUSING FINANCE AGENCY

Subdivision 1. Total Appropriation

\$ 69,298,000 \$ 62,298,000

(a) The amounts that may be spent for each purpose are specified in the following subdivisions.

(b) Unless otherwise specified, this appropriation is for transfer to the housing development fund for the programs specified in this section. Except as otherwise indicated, this transfer is part of the agency's permanent budget base.

Subd. 2. Challenge Program

14,925,000 14,925,000

(a) This appropriation is for the economic development and housing challenge program under Minnesota Statutes, section 462A.33.

(b) The base for this program in fiscal year 2022 and beyond is \$14,425,000.

Subd. 3. Local Housing Trust Fund Grants

7,000,000 -0-

- 51.1 (a) This appropriation is for grants to housing  
51.2 trust funds established under Minnesota  
51.3 Statutes, section 462C.16, to incentivize local  
51.4 funding. This is a onetime appropriation.
- 51.5 (b) A grantee is eligible to receive a grant  
51.6 amount equal to 100 percent of the public  
51.7 revenue committed to the local housing trust  
51.8 fund from any source other than the state or  
51.9 federal government, up to \$150,000, and in  
51.10 addition, an amount equal to 50 percent of the  
51.11 public revenue committed to the local housing  
51.12 trust fund from any source other than the state  
51.13 or federal government that is more than  
51.14 \$150,000 but not more than \$300,000.
- 51.15 (c) \$100,000 of this appropriation is for  
51.16 technical assistance grants to local and  
51.17 regional housing trust funds. A housing trust  
51.18 fund may apply for a technical assistance grant  
51.19 at the time and in the manner and form  
51.20 required by the agency. The agency shall make  
51.21 grants on a first-come, first-served basis. A  
51.22 technical assistance grant must not exceed  
51.23 \$5,000.
- 51.24 (d) A grantee must use grant funds within  
51.25 eight years of receipt for purposes (1)  
51.26 authorized under Minnesota Statutes, section  
51.27 462C.16, subdivision 3, and (2) benefiting  
51.28 households with incomes at or below 115  
51.29 percent of the state median income. A grantee  
51.30 must return any grant funds not used for these  
51.31 purposes within eight years of receipt to the  
51.32 commissioner of the Housing Finance Agency  
51.33 for deposit into the housing development fund.
- 51.34 (e) Before the agency makes any grants with  
51.35 money from this appropriation, the

52.1	<u>commissioner shall consult with interested</u>		
52.2	<u>stakeholders when developing the guidelines</u>		
52.3	<u>and procedures for the grant program.</u>		
52.4	<b><u>Subd. 4. Workforce Housing Development</u></b>	<u>2,000,000</u>	<u>2,000,000</u>
52.5	<u>This appropriation is for the workforce</u>		
52.6	<u>housing development program under</u>		
52.7	<u>Minnesota Statutes, section 462A.39. If</u>		
52.8	<u>requested by the applicant and approved by</u>		
52.9	<u>the agency, funded properties may include a</u>		
52.10	<u>portion of income and rent restricted units.</u>		
52.11	<b><u>Subd. 5. Housing Trust Fund</u></b>	<u>11,646,000</u>	<u>11,646,000</u>
52.12	<u>This appropriation is for deposit in the housing</u>		
52.13	<u>trust fund account created under Minnesota</u>		
52.14	<u>Statutes, section 462A.201, and may be used</u>		
52.15	<u>for the purposes provided in that section.</u>		
52.16	<b><u>Subd. 6. Homework Starts with Home</u></b>	<u>3,000,000</u>	<u>3,000,000</u>
52.17	<u>This appropriation is for the homework starts</u>		
52.18	<u>with home program under Minnesota Statutes,</u>		
52.19	<u>sections 462A.201, subdivision 2, paragraph</u>		
52.20	<u>(a), clause (4), and 462A.204, subdivision 8,</u>		
52.21	<u>to provide assistance to homeless or highly</u>		
52.22	<u>mobile families with children eligible for</u>		
52.23	<u>enrollment in a prekindergarten through grade</u>		
52.24	<u>12 academic program.</u>		
52.25	<b><u>Subd. 7. Rental Assistance for Mentally Ill</u></b>	<u>5,088,000</u>	<u>5,088,000</u>
52.26	<u>This appropriation is for the rental housing</u>		
52.27	<u>assistance program for persons with a mental</u>		
52.28	<u>illness or families with an adult member with</u>		
52.29	<u>a mental illness under Minnesota Statutes,</u>		
52.30	<u>section 462A.2097. Among comparable</u>		
52.31	<u>proposals, the agency shall prioritize those</u>		
52.32	<u>proposals that target, in part, eligible persons</u>		
52.33	<u>who desire to move to more integrated,</u>		
52.34	<u>community-based settings.</u>		

53.1	<b><u>Subd. 8. Family Homeless Prevention</u></b>	<b><u>9,519,000</u></b>	<b><u>9,519,000</u></b>
53.2	<u>This appropriation is for the family homeless</u>		
53.3	<u>prevention and assistance programs under</u>		
53.4	<u>Minnesota Statutes, section 462A.204.</u>		
53.5	<b><u>Subd. 9. Workforce Homeownership Program</u></b>	<b><u>1,000,000</u></b>	<b><u>1,000,000</u></b>
53.6	<u>(a) This appropriation is for the workforce</u>		
53.7	<u>homeownership program under Minnesota</u>		
53.8	<u>Statutes, section 462A.38.</u>		
53.9	<u>(b) The base for this program in fiscal year</u>		
53.10	<u>2022 and beyond is \$500,000.</u>		
53.11	<b><u>Subd. 10. Affordable Rental Investment Fund</u></b>	<b><u>4,218,000</u></b>	<b><u>4,218,000</u></b>
53.12	<u>(a) This appropriation is for the affordable</u>		
53.13	<u>rental investment fund program under</u>		
53.14	<u>Minnesota Statutes, section 462A.21,</u>		
53.15	<u>subdivision 8b, to finance the acquisition,</u>		
53.16	<u>rehabilitation, and debt restructuring of</u>		
53.17	<u>federally assisted rental property and for</u>		
53.18	<u>making equity take-out loans under Minnesota</u>		
53.19	<u>Statutes, section 462A.05, subdivision 39.</u>		
53.20	<u>(b) The owner of federally assisted rental</u>		
53.21	<u>property must agree to participate in the</u>		
53.22	<u>applicable federally assisted housing program</u>		
53.23	<u>and to extend any existing low-income</u>		
53.24	<u>affordability restrictions on the housing for</u>		
53.25	<u>the maximum term permitted. The owner must</u>		
53.26	<u>also enter into an agreement that gives local</u>		
53.27	<u>units of government, housing and</u>		
53.28	<u>redevelopment authorities, and nonprofit</u>		
53.29	<u>housing organizations the right of first refusal</u>		
53.30	<u>if the rental property is offered for sale.</u>		
53.31	<u>Priority must be given among comparable</u>		
53.32	<u>federally assisted rental properties to</u>		
53.33	<u>properties with the longest remaining term</u>		
53.34	<u>under an agreement for federal assistance.</u>		

54.1 Priority must also be given among comparable  
 54.2 rental housing developments to developments  
 54.3 that are or will be owned by local government  
 54.4 units, a housing and redevelopment authority,  
 54.5 or a nonprofit housing organization.

54.6 (c) The appropriation also may be used to  
 54.7 finance the acquisition, rehabilitation, and debt  
 54.8 restructuring of existing supportive housing  
 54.9 properties and naturally occurring affordable  
 54.10 housing as determined by the commissioner.

54.11 For purposes of this paragraph, "supportive  
 54.12 housing" means affordable rental housing with  
 54.13 links to services necessary for individuals,  
 54.14 youth, and families with children to maintain  
 54.15 housing stability.

54.16	<b><u>Subd. 11. Housing Rehabilitation</u></b>	<u>6,515,000</u>	<u>6,515,000</u>
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54.17 (a) This appropriation is for the housing  
 54.18 rehabilitation program under Minnesota  
 54.19 Statutes, section 462A.05, subdivision 14. Of  
 54.20 this amount, \$2,772,000 each year is for the  
 54.21 rehabilitation of owner-occupied housing and  
 54.22 \$3,743,000 each year is for the rehabilitation  
 54.23 of eligible rental housing. In administering a  
 54.24 rehabilitation program for rental housing, the  
 54.25 agency may apply the processes and priorities  
 54.26 adopted for administration of the economic  
 54.27 development and housing challenge program  
 54.28 under Minnesota Statutes, section 462A.33,  
 54.29 and may provide grants or forgivable loans if  
 54.30 approved by the agency.

54.31 (b) Notwithstanding any law to the contrary,  
 54.32 grants or loans under this subdivision may be  
 54.33 made without rent or income restrictions of  
 54.34 owners or tenants. To the extent practicable,

55.1 grants or loans must be made available  
 55.2 statewide.

55.3 **Subd. 12. Home Ownership Assistance Fund** 885,000 885,000

55.4 This appropriation is for the home ownership  
 55.5 assistance program under Minnesota Statutes,  
 55.6 section 462A.21, subdivision 8. The agency  
 55.7 shall continue to strengthen its efforts to  
 55.8 address the disparity gap in the  
 55.9 homeownership rate between white  
 55.10 households and indigenous American Indians  
 55.11 and communities of color. To better  
 55.12 understand and address the disparity gap, the  
 55.13 agency is required to collect, on a voluntary  
 55.14 basis, demographic information regarding  
 55.15 race, color, national origin, and sex of  
 55.16 applicants for agency programs intended to  
 55.17 benefit homeowners and homebuyers.

55.18 **Subd. 13. Lead Safe Homes Grant Program** 1,000,000 1,000,000

55.19 (a) This appropriation is for grants under the  
 55.20 lead safe homes grant program under  
 55.21 Minnesota Statutes, section 462A.2095.  
 55.22 (b) At least one grant must be to a nonprofit  
 55.23 organization or political subdivision serving  
 55.24 an area in the seven-county metropolitan area,  
 55.25 as defined in Minnesota Statutes, section  
 55.26 473.121, and at least one grant must be to a  
 55.27 nonprofit organization or political subdivision  
 55.28 serving an area outside the seven-county  
 55.29 metropolitan area.  
 55.30 (c) The base for this program in fiscal year  
 55.31 2022 and beyond is \$500,000.

55.32 **Subd. 14. Homeownership Education,**  
 55.33 **Counseling, and Training** 857,000 857,000

56.1 This appropriation is for the homeownership  
 56.2 education, counseling, and training program  
 56.3 under Minnesota Statutes, section 462A.209.

56.4 **Subd. 15. Capacity-Building Grants** 745,000 745,000

56.5 This appropriation is for nonprofit  
 56.6 capacity-building grants under Minnesota  
 56.7 Statutes, section 462A.21, subdivision 3b. Of  
 56.8 this amount, \$125,000 each year is for support  
 56.9 of the Homeless Management Information  
 56.10 System (HMIS). Of this amount, \$300,000  
 56.11 each year is for a statewide tenant hotline that  
 56.12 provides free and confidential legal advice for  
 56.13 all Minnesota renters.

56.14 **Subd. 16. Build Wealth MN** 500,000 500,000

56.15 This appropriation is for a grant to Build  
 56.16 Wealth Minnesota to provide a family  
 56.17 stabilization plan program including program  
 56.18 outreach, financial literacy education, and  
 56.19 budget and debt counseling.

56.20 **Subd. 17. Homeownership Capacity** 400,000 400,000

56.21 This appropriation is for competitive grants  
 56.22 to nonprofit housing organizations, housing  
 56.23 and redevelopment authorities, or other  
 56.24 political subdivisions to provide intensive  
 56.25 financial education and coaching services to  
 56.26 individuals or families who have the goal of  
 56.27 homeownership. Financial education and  
 56.28 coaching services include but are not limited  
 56.29 to asset building, development of spending  
 56.30 plans, credit report education, repair and  
 56.31 rebuilding, consumer protection training, and  
 56.32 debt reduction. Priority must be given to  
 56.33 organizations that have experience serving  
 56.34 underserved populations.



57.1 Sec. 3. **EFFECTIVE DATE.**

57.2 This article is effective July 1, 2019.

57.3 **ARTICLE 6**

57.4 **HOUSING PROGRAMS**

57.5 Section 1. **[462A.2095] LEAD SAFE HOMES GRANT PROGRAM.**

57.6 Subdivision 1. **Establishment.** The Housing Finance Agency shall establish a lead safe  
57.7 homes grant program to increase lead testing in residential rental housing and make  
57.8 residential rental housing units lead safe. The agency shall give priority to grantees that  
57.9 target landlords and tenants in areas with a high concentration of lead poisoning in children  
57.10 based on information provided by the commissioner of health.

57.11 Subd. 2. **Eligibility.** (a) An eligible grantee must be a nonprofit organization or political  
57.12 subdivision capable of administering funding and services to a defined geographic area.

57.13 (b) Up to ten percent of a grant award may be used to administer the grant and provide  
57.14 education and outreach about lead health hazards.

57.15 Subd. 3. **Inspection; lead hazard reduction.** (a) A grantee must provide lead risk  
57.16 assessments completed by a lead inspector or a lead risk assessor licensed by the  
57.17 commissioner of health pursuant to section 144.9505 for properties built before 1978 to  
57.18 determine the presence of lead hazards and to provide interim controls to reduce lead health  
57.19 hazards. The grantee must conduct testing and provide lead hazard reduction to:

57.20 (1) landlords of residential buildings with 11 units or less where the tenants have incomes  
57.21 that do not exceed 60 percent of area median income;

57.22 (2) landlords of residential buildings with 12 units or more where at least 50 percent of  
57.23 the tenants have incomes that are below 60 percent of the median income; and

57.24 (3) tenants with an income that does not exceed 60 percent of area median income.

57.25 (b) A landlord or tenant must first access other available state and federal funding related  
57.26 to lead testing and lead hazard reduction for which they are eligible.

57.27 Subd. 4. **Short title.** This section shall be known as the "Dustin Luke Shields Act."

57.28 **EFFECTIVE DATE.** This section is effective July 1, 2019.