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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. **3558**

02/19/2020 Authored by Lippert, Poppe, Hamilton, Klevorn, Vang and others
The bill was read for the first time and referred to the Agriculture and Food Finance and Policy Division
03/16/2020 Adoption of Report: Amended and re-referred to the Committee on Government Operations
05/04/2020 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
Pursuant to Joint Rule 2.03, re-referred to the Committee on Rules and Legislative Administration

1.1 A bill for an act

1.2 relating to agriculture; encouraging advanced grant payments to certain persons;

1.3 establishing an emerging farmers working group; doubling the maximum loan

1.4 amount under the pilot agricultural microloan program; modifying Noxious Weed

1.5 Advisory Committee membership; defining processing for purposes of hemp law;

1.6 modifying hemp rulemaking authority; making changes to seed law; amending

1.7 Minnesota Statutes 2018, sections 17.03, by adding a subdivision; 18.91,

1.8 subdivision 2; 18K.02, by adding a subdivision; 18K.06; 21.75, subdivision 1;

1.9 21.85, subdivision 15; 41B.056, subdivision 4; proposing coding for new law in

1.10 Minnesota Statutes, chapters 17; 21.

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

1.12 Section 1. Minnesota Statutes 2018, section 17.03, is amended by adding a subdivision

1.13 to read:

1.14 Subd. 14. **Advance grant payments encouraged.** Notwithstanding section 16A.41,

1.15 subdivision 1, the commissioner is encouraged to advance up to 50 percent of a grant award

1.16 to a person who demonstrates to the commissioner's satisfaction that the person:

1.17 (1) is new to farming or has farmed for less than ten consecutive years;

1.18 (2) is a member of a protected group as defined in section 43A.02, subdivision 33, or a

1.19 qualified noncitizen as defined in section 256B.06, subdivision 4, paragraph (b); or

1.20 (3) has served in the armed forces and first obtained veteran status during the last ten

1.21 years.

1.22 Sec. 2. [17.055] EMERGING FARMERS.

1.23 Subdivision 1. **Emerging farmers working group.** To advise the commissioner and

1.24 legislature regarding the development and implementation of programs and initiatives that

2.1 support emerging farmers in this state, the commissioner must periodically convene a
2.2 working group consisting, to the extent possible, of persons who are, and organizations that
2.3 represent, farmers or aspiring farmers who are women, veterans, persons with disabilities,
2.4 American Indian or Alaskan Natives, members of a community of color, young, or urban,
2.5 or any other emerging farmers as determined by the commissioner. No later than January
2.6 15 each year, the commissioner must update the chairs and ranking minority members of
2.7 the legislative committees and divisions with jurisdiction over agriculture regarding the
2.8 working group's activities and recommendations.

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

2.10 Sec. 3. Minnesota Statutes 2018, section 18.91, subdivision 2, is amended to read:

2.11 Subd. 2. **Membership.** The commissioner shall appoint members, which shall include
2.12 representatives from the following:

2.13 (1) the Department of Horticultural Science, ~~agronomy, and forestry~~ at the University
2.14 of Minnesota;

2.15 (2) the Department of Agronomy at the University of Minnesota;

2.16 (3) the Department of Forest Resources at the University of Minnesota;

2.17 ~~(2)~~ (4) the nursery and landscape industry in Minnesota;

2.18 ~~(3)~~ (5) the seed industry in Minnesota;

2.19 ~~(4)~~ (6) the Department of Agriculture;

2.20 ~~(5)~~ (7) the Department of Natural Resources;

2.21 ~~(6)~~ (8) a conservation organization;

2.22 ~~(7)~~ (9) an environmental organization;

2.23 ~~(8)~~ (10) at least two farm organizations;

2.24 ~~(9)~~ (11) the county agricultural inspectors;

2.25 ~~(10)~~ (12) city, ~~township, and county~~ governments;

2.26 (13) township governments;

2.27 (14) county governments;

2.28 ~~(11)~~ (15) the Department of Transportation;

2.29 ~~(12)~~ (16) the University of Minnesota Extension;

- 3.1 ~~(13)~~ (17) the timber and forestry industry in Minnesota;
- 3.2 ~~(14)~~ (18) the Board of Water and Soil Resources;
- 3.3 ~~(15)~~ (19) soil and water conservation districts;
- 3.4 ~~(16)~~ (20) the Minnesota Association of County Land Commissioners; and
- 3.5 ~~(17)~~ (21) other members as needed.

3.6 Sec. 4. Minnesota Statutes 2018, section 18K.02, is amended by adding a subdivision to
3.7 read:

3.8 Subd. 5. **Processing.** "Processing" means rendering by refinement hemp plants or hemp
3.9 plant parts from their natural or original state after harvest. Processing includes but is not
3.10 limited to decortication, devitalization, chopping, crushing, extraction, and packaging.
3.11 Processing does not include typical farm operations such as sorting, grading, baling, and
3.12 harvesting.

3.13 Sec. 5. Minnesota Statutes 2018, section 18K.06, is amended to read:

3.14 **18K.06 RULEMAKING.**

3.15 (a) The commissioner shall adopt rules governing the production, testing, processing,
3.16 and licensing of industrial hemp. Notwithstanding section 14.125, the commissioner's
3.17 authority to adopt these rules expires June 30, 2022.

3.18 (b) Rules adopted under paragraph (a) must include, but not be limited to, provisions
3.19 governing:

3.20 (1) the supervision and inspection of industrial hemp during its growth and harvest;

3.21 (2) the testing of industrial hemp to determine delta-9 tetrahydrocannabinol levels;

3.22 (3) the use of background check results required under section 18K.04 to approve or
3.23 deny a license application; and

3.24 (4) any other provision or procedure necessary to carry out the purposes of this chapter.

3.25 (c) Rules issued under this section must be consistent with federal law regarding the
3.26 production, distribution, and sale of industrial hemp.

3.27 Sec. 6. Minnesota Statutes 2018, section 21.75, subdivision 1, is amended to read:

3.28 Subdivision 1. **Enforcement; rulemaking.** ~~The duty of enforcing sections 21.71 to~~
3.29 ~~21.78 and carrying out the provisions and requirements thereof is vested in the commissioner~~

4.1 ~~of agriculture. The commissioner, personally or through agents, shall~~ The commissioner
4.2 must enforce sections 21.71 to 21.78. The commissioner must:

4.3 (1) sample, inspect, make analysis of, and test weed-seed infested agricultural seeds and
4.4 grains, or screenings, transported, sold, or offered, or exposed for sale within this state for
4.5 any purpose, at such time and place, and to such extent as the commissioner may deem
4.6 necessary to determine whether such weed-seed infested agricultural seeds and grain, or
4.7 screenings, is in compliance with the provisions of sections 21.71 to 21.78, and to notify
4.8 promptly the person who transported, sold, offered, or exposed the weed-seed infested
4.9 agricultural seeds and grains, or screenings, for sale of any violation; and

4.10 (2) prescribe and, after public hearing following due public notice, adopt such rules as
4.11 may be necessary to secure the efficient enforcement of sections 21.71 to 21.78. ~~Such rules~~
4.12 ~~are to be adopted in accordance with the law; and~~

4.13 (3) ~~Prescribe and, after public hearing following due public notice, establish, add to, or~~
4.14 ~~subtract therefrom by rules a restricted noxious weed-seed list.~~

4.15 Sec. 7. Minnesota Statutes 2018, section 21.85, subdivision 15, is amended to read:

4.16 Subd. 15. **Prohibited and restricted seeds.** (a) The commissioner shall, in consultation
4.17 with the Seed Program Advisory Committee, must determine species that are considered
4.18 prohibited weed seeds and restricted noxious weed seeds and the allowable rate of occurrence
4.19 of restricted noxious weed seeds; subject to sections 21.80 to 21.92. The commissioner must
4.20 prepare, publish, and revise at least once every three years, a list of prohibited and restricted
4.21 noxious weed seeds. The commissioner must distribute the list to the public and may request
4.22 the help of the United States Department of Agriculture's published All-States Noxious
4.23 Weed Seed List or any other organization that the commissioner considers appropriate to
4.24 assist in the distribution. The commissioner may, in consultation with the Seed Program
4.25 Advisory Committee, accept and consider noxious weed seed designation petitions from
4.26 Minnesota citizens or Minnesota organizations or associations including the Noxious Weed
4.27 Advisory Committee.

4.28 (b) Restricted weed seeds, if present in weed-seed infested agricultural seeds and grains,
4.29 or screenings, must not be present singly or collectively in excess of the rate of 90 per pound.

4.30 (c) Prohibited noxious weed seeds must not be present in weed-seed infested agricultural
4.31 seeds and grains, or screenings.

5.1 Sec. 8. **[21.851] ADVISORY COMMITTEE; MEMBERSHIP.**

5.2 Subdivision 1. **Duties.** The commissioner must consult with the Seed Program Advisory
5.3 Committee to advise the commissioner concerning responsibilities under the seed regulatory
5.4 program. The committee must evaluate species for invasiveness, difficulty of control, cost
5.5 of control, benefits, and amount of injury caused by each species. For each species evaluated,
5.6 the committee must recommend to the commissioner whether a species should be listed as
5.7 a prohibited noxious weed seed or restricted noxious weed seed or not be listed. Species
5.8 designated as prohibited or restricted noxious weed seeds must be reevaluated every three
5.9 years for a recommendation on whether or not the designated species need to remain on the
5.10 noxious weed seed lists. The committee must also advise the commissioner on the
5.11 implementation of the Minnesota Seed Law. Members of the committee are not entitled to
5.12 reimbursement of expenses nor payment of per diem. Members serve two-year terms with
5.13 subsequent reappointment by the commissioner.

5.14 Subd. 2. **Membership.** The commissioner must appoint members to include
5.15 representatives from:

5.16 (1) the College of Food, Agricultural and Natural Resource Sciences or Extension at the
5.17 University of Minnesota;

5.18 (2) Minnesota Crop Improvement;

5.19 (3) the seed industry in Minnesota, a minimum of six members with representation from
5.20 multinational, national, regional, and Minnesota seed companies;

5.21 (4) the grain industry in Minnesota;

5.22 (5) farmers in Minnesota;

5.23 (6) other state and federal agencies with an interest in seed; and

5.24 (7) other members as needed.

5.25 Subd. 3. **Organization.** The committee must select a chair from its membership. Meetings
5.26 of the committee may be called by or at the direction of the commissioner or the chair.

5.27 Sec. 9. Minnesota Statutes 2018, section 41B.056, subdivision 4, is amended to read:

5.28 Subd. 4. **Loans.** (a) The authority may disburse loans through an intermediary to farmers
5.29 who are eligible under subdivision 3. The total accumulative loan principal must not exceed
5.30 ~~\$10,000~~ \$20,000 per loan.

5.31 (b) Refinancing an existing debt is not an eligible purpose.

- 6.1 (c) The loan may be disbursed over a period not to exceed six years.
- 6.2 (d) A borrower may receive loans, depending on the availability of funds, up to 70
6.3 percent of the estimated value of the crop or livestock.
- 6.4 (e) Security for the loan must be a personal note executed by the borrower and any other
6.5 security required by the intermediary or the authority.
- 6.6 (f) The authority may prescribe forms and establish an application process for applicants
6.7 to apply for a loan.
- 6.8 (g) The interest payable on loans for the pilot agricultural microloan program must be
6.9 at a rate determined by the authority.
- 6.10 (h) Loans under this program will be made using money in the revolving loan account
6.11 established under section 41B.06.
- 6.12 (i) Repayments of financial assistance under this section, including principal and interest,
6.13 must be deposited into the revolving loan account established under section 41B.06.