

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

S.F. No. 4225

(SENATE AUTHORS: PUTNAM)

DATE
02/26/2024

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

1.1 A bill for an act
1.2 relating to agriculture; modifying provisions related to the Minnesota Rural Finance
1.3 Authority; amending Minnesota Statutes 2023 Supplement, section 41B.0391,
1.4 subdivision 4.

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

1.6 Section 1. Minnesota Statutes 2023 Supplement, section 41B.0391, subdivision 4, is
1.7 amended to read:

1.8 Subd. 4. **Authority duties.** (a) The authority shall:

1.9 (1) approve and certify or recertify beginning farmers as eligible for the program under
1.10 this section;

1.11 (2) approve and certify or recertify owners of agricultural assets as eligible for the tax
1.12 credit under subdivision 2 subject to the allocation limits in paragraph (c);

1.13 (3) provide necessary and reasonable assistance and support to beginning farmers for
1.14 qualification and participation in financial management programs approved by the authority;

1.15 (4) refer beginning farmers to agencies and organizations that may provide additional
1.16 pertinent information and assistance; and

1.17 (5) notwithstanding section 41B.211, the Rural Finance Authority must share information
1.18 with the commissioner of revenue to the extent necessary to administer provisions under
1.19 this subdivision and section 290.06, subdivisions 37 and 38. The Rural Finance Authority
1.20 must annually notify the commissioner of revenue of approval and certification or
1.21 recertification of beginning farmers and owners of agricultural assets under this section.

2.1 For credits under subdivision 2, the notification must include the amount of credit approved
2.2 by the authority and stated on the credit certificate.

2.3 (b) The certification of a beginning farmer or an owner of agricultural assets under this
2.4 section is valid for the year of the certification and the two following years, after which
2.5 time the beginning farmer or owner of agricultural assets must apply to the authority for
2.6 recertification.

2.7 (c) For credits for owners of agricultural assets allowed under subdivision 2, the authority
2.8 must not allocate more than ~~\$6,500,000 for taxable years beginning after December 31,~~
2.9 ~~2022, and before January 1, 2024,~~ and \$4,000,000 for each taxable years beginning after
2.10 ~~December 31, 2023~~ year. The authority must allocate credits on a first-come, first-served
2.11 basis beginning on January 1 of each year, except that recertifications for the second and
2.12 third years of credits under subdivision 2, paragraph (a), clauses (1) and (2), have first
2.13 priority. ~~Any amount authorized but not allocated for taxable years ending before January~~
2.14 ~~1, 2023, is canceled and is not allocated for future taxable years. For taxable years beginning~~
2.15 ~~after December 31, 2022,~~ Any amount authorized but not allocated in any taxable year does
2.16 not cancel and is added to the allocation for the next taxable year. For each taxable year,
2.17 50 percent of newly allocated credits must be allocated to emerging farmers. Any portion
2.18 of a taxable year's newly allocated credits that is reserved for emerging farmers that is not
2.19 allocated by ~~September 30~~ May 31 of the taxable year is available for allocation to other
2.20 credit allocations beginning on ~~October~~ June 1.

2.21 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
2.22 31, 2023.