

1.1 **Senator Westrom from the Committee on Agriculture and Rural Development**
 1.2 **Finance and Policy, to which was referred**

1.3 **S.F. No. 4019:** A bill for an act relating to agriculture; establishing cooperative grants
 1.4 for farmers; establishing the grain indemnity fund; making policy and technical changes to
 1.5 agricultural provisions; providing criminal penalties; appropriating money; amending
 1.6 Minnesota Statutes 2020, sections 17.041, subdivision 1; 17.117, subdivisions 9, 9a, 10,
 1.7 11, 11a; 17.118, subdivisions 1, 3, 4; 41B.047, subdivision 3; 223.17, subdivisions 7, 7a;
 1.8 223.175; 223.19; 232.22, subdivision 5; Minnesota Statutes 2021 Supplement, section
 1.9 41A.21, subdivisions 2, 6; Laws 2021, First Special Session chapter 3, article 1, section 2;
 1.10 proposing coding for new law in Minnesota Statutes, chapters 17; 103F; 223; repealing
 1.11 Minnesota Statutes 2020, sections 223.17, subdivisions 4, 8; 232.22, subdivisions 4, 6, 6a,
 1.12 7.

1.13 Reports the same back with the recommendation that the bill be amended as follows:

1.14 Delete everything after the enacting clause and insert:

1.15 **"ARTICLE 1**

1.16 **AGRICULTURE APPROPRIATIONS**

1.17 Section 1. Laws 2021, First Special Session chapter 3, article 1, section 2, is amended to
 1.18 read:

1.19 **Sec. 2. DEPARTMENT OF AGRICULTURE**

1.20			<u>59,303,000</u>	<u>59,410,000</u>
1.21	Subdivision 1. Total Appropriation	\$	<u>60,163,000</u>	<u>\$ 63,250,000</u>

1.22 Appropriations by Fund

	2022	2023
1.23	58,904,000	59,011,000
1.24	58,904,000	59,011,000
1.25	<u>59,764,000</u>	<u>62,851,000</u>
1.26	399,000	399,000

1.27 The amounts that may be spent for each
 1.28 purpose are specified in the following
 1.29 subdivisions.

1.30 **Subd. 2. Protection Services**

1.31 Appropriations by Fund

	2022	2023
1.32	19,384,000	19,610,000
1.33	19,384,000	19,610,000
1.34	<u>19,734,000</u>	<u>20,810,000</u>
1.35	399,000	399,000

1.36 (a) \$399,000 the first year and \$399,000 the
 1.37 second year are from the remediation fund for

2.1 administrative funding for the voluntary
2.2 cleanup program.

2.3 (b) \$175,000 the first year and \$175,000 the
2.4 second year are for compensation for
2.5 destroyed or crippled livestock under
2.6 Minnesota Statutes, section 3.737. The first
2.7 year appropriation may be spent to compensate
2.8 for livestock that were destroyed or crippled
2.9 during fiscal year 2021. If the amount in the
2.10 first year is insufficient, the amount in the
2.11 second year is available in the first year. The
2.12 commissioner may use up to \$5,000 each year
2.13 to reimburse expenses incurred by university
2.14 extension educators to provide fair market
2.15 values of destroyed or crippled livestock. If
2.16 the commissioner receives federal dollars to
2.17 pay claims for destroyed or crippled livestock,
2.18 an equivalent amount of this appropriation
2.19 may be used to reimburse nonlethal prevention
2.20 methods performed by federal wildlife services
2.21 staff.

2.22 (c) \$155,000 the first year and \$155,000 the
2.23 second year are for compensation for crop
2.24 damage under Minnesota Statutes, section
2.25 3.7371. If the amount in the first year is
2.26 insufficient, the amount in the second year is
2.27 available in the first year. The commissioner
2.28 may use up to \$10,000 of the appropriation
2.29 each year to reimburse expenses incurred by
2.30 the commissioner or the commissioner's
2.31 approved agent to investigate and resolve
2.32 claims, as well as for costs associated with
2.33 training for approved agents. The
2.34 commissioner may use up to \$20,000 of the
2.35 appropriation each year to make grants to

3.1 producers for measures to protect stored crops
3.2 from elk damage.

3.3 If the commissioner determines that claims
3.4 made under Minnesota Statutes, section 3.737
3.5 or 3.7371, are unusually high, amounts
3.6 appropriated for either program may be
3.7 transferred to the appropriation for the other
3.8 program.

3.9 (d) \$1,000,000 the second year is to reimburse
3.10 feed, veterinary, and other expenses incurred,
3.11 and offset revenue lost by owners of farmed
3.12 white-tailed deer registered under Minnesota
3.13 Statutes, section 35.155, due to movement
3.14 bans imposed by the commissioner of natural
3.15 resources in emergency rules between
3.16 December 2019 and December 2021. The
3.17 commissioner may use payments of up to
3.18 \$5,000 on a first-come, first-served,
3.19 noncompetitive basis. In order to receive a
3.20 payment, a recipient must sign an attestation
3.21 of the value of the loss suffered. Grants must
3.22 be limited to the value of the loss or \$5,000,
3.23 whichever is less. However, if funds remain
3.24 after payments have been made to all eligible
3.25 applicants, the commissioner shall make
3.26 additional payments on a pro rata basis. This
3.27 is a onetime appropriation and is available
3.28 until June 30, 2024. Beginning February 1,
3.29 2023, and annually thereafter until February
3.30 1, 2025, the commissioner must report on the
3.31 reimbursements under this section by county
3.32 to the legislative committees with jurisdiction
3.33 over agriculture finance.

4.1 ~~(e)~~ \$225,000 the first year and \$225,000 the
4.2 second year are for additional funding for the
4.3 noxious weed and invasive plant program.

4.4 ~~(e)~~ ~~(f)~~ \$50,000 the first year is for additional
4.5 funding for the industrial hemp program for
4.6 IT development. This is a onetime
4.7 appropriation and is available until June 30,
4.8 2023.

4.9 ~~(f)~~ ~~(g)~~ \$110,000 the first year and \$110,000
4.10 the second year are for additional meat and
4.11 poultry inspection services. The commissioner
4.12 is encouraged to seek inspection waivers,
4.13 matching federal dollars, and offer more online
4.14 inspections for the purposes under this
4.15 paragraph.

4.16 ~~(g)~~ ~~(h)~~ \$825,000 the first year and \$825,000
4.17 the second year are to replace capital
4.18 equipment in the Department of Agriculture's
4.19 analytical laboratory.

4.20 ~~(h)~~ ~~(i)~~ \$274,000 the first year and \$550,000
4.21 the second year are to maintain the current
4.22 level of service delivery.

4.23 (j) \$200,000 the second year is for grants to
4.24 fund the Forever Green Agriculture Initiative
4.25 at the University of Minnesota and protect the
4.26 state's natural resources while increasing the
4.27 efficiency, profitability, and productivity of
4.28 Minnesota farmers by incorporating perennial
4.29 and winter annual crops into existing
4.30 agricultural practices. Up to 25 percent of the
4.31 appropriation may be used for equipment and
4.32 physical infrastructure to support breeding and
4.33 agronomic activities necessary to develop
4.34 perennial and winter annual crops. This is a

5.1 onetime appropriation and is available until
 5.2 June 30, 2028.

5.3 (k) \$350,000 in the first year is for a grant to
 5.4 the Board of Regents of the University of
 5.5 Minnesota to purchase equipment for the
 5.6 Veterinary Diagnostic Laboratory to test for
 5.7 chronic wasting disease, African swine fever,
 5.8 avian influenza, and other animal diseases.

5.9 This is a onetime appropriation.

5.10 **Subd. 3. Agricultural Marketing and**
 5.11 **Development**

	4,200,000	4,205,000	<u>4,215,000</u>
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5.12 (a) \$186,000 the first year and \$186,000 the
 5.13 second year are for transfer to the Minnesota
 5.14 grown account and may be used as grants for
 5.15 Minnesota grown promotion under Minnesota
 5.16 Statutes, section 17.102. Grants may be made
 5.17 for one year. Notwithstanding Minnesota
 5.18 Statutes, section 16A.28, the appropriations
 5.19 encumbered under contract on or before June
 5.20 30, 2023, for Minnesota grown grants in this
 5.21 paragraph are available until June 30, 2025.

5.22 (b) \$50,000 the first year is to expand
 5.23 international marketing opportunities for
 5.24 farmers and value-added processors, including
 5.25 in-market representation in Taiwan. This is a
 5.26 onetime appropriation and is available until
 5.27 June 30, 2023.

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

6.1 (d) \$50,000 the first year and \$50,000 the
6.2 second year are for additional funding for
6.3 mental health outreach and support to farmers
6.4 and others in the agricultural community,
6.5 including a 24-hour hotline, stigma reduction,
6.6 and educational offerings. These are onetime
6.7 appropriations.

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

6.17 (f) \$100,000 the first year and \$100,000 the
6.18 second year are for the farm safety grant and
6.19 outreach programs under Minnesota Statutes,
6.20 section 17.1195. Notwithstanding Minnesota
6.21 Statutes, section 16A.28, any unencumbered
6.22 balance does not cancel at the end of the first
6.23 year and is available in the second year. These
6.24 are onetime appropriations.

6.25 (g) \$54,000 the first year and \$109,000 the
6.26 second year are to maintain the current level
6.27 of service delivery.

6.28 (h) \$10,000 the second year is appropriated
6.29 from the general fund to the commissioner of
6.30 agriculture to study and report on the state of
6.31 regional and local food systems in Minnesota,
6.32 including recommendations for strengthening
6.33 these systems. No later than February 1, 2023,
6.34 the commissioner must submit the report to
6.35 the legislative committees with jurisdiction

7.1 over agriculture policy and finance. This is a
7.2 onetime appropriation.

7.3	Subd. 4. Agriculture, Bioenergy, and Bioproduct		<u>25,357,000</u>
7.4	Advancement	25,343,000	<u>26,057,000</u>

7.5 (a) \$9,300,000 the first year and \$9,300,000
7.6 the second year are for transfer to the
7.7 agriculture research, education, extension, and
7.8 technology transfer account under Minnesota
7.9 Statutes, section 41A.14, subdivision 3. Of
7.10 these amounts: at least \$600,000 the first year
7.11 and \$600,000 the second year are for the
7.12 Minnesota Agricultural Experiment Station's
7.13 agriculture rapid response fund under
7.14 Minnesota Statutes, section 41A.14,
7.15 subdivision 1, clause (2); \$2,000,000 the first
7.16 year and \$2,000,000 the second year are for
7.17 grants to the Minnesota Agriculture Education
7.18 Leadership Council to enhance agricultural
7.19 education with priority given to Farm Business
7.20 Management challenge grants; \$350,000 the
7.21 first year and \$350,000 the second year are
7.22 for potato breeding; and \$450,000 the first
7.23 year and \$450,000 the second year are for the
7.24 cultivated wild rice breeding project at the
7.25 North Central Research and Outreach Center
7.26 to include a tenure track/research associate
7.27 plant breeder. The commissioner shall transfer
7.28 the remaining funds in this appropriation each
7.29 year to the Board of Regents of the University
7.30 of Minnesota for purposes of Minnesota
7.31 Statutes, section 41A.14. Of the amount
7.32 transferred to the Board of Regents, up to
7.33 \$1,000,000 each year is for research on avian
7.34 influenza, salmonella, and other turkey-related
7.35 diseases. By January 15, 2023, entities
7.36 receiving grants for potato breeding and wild

8.1 rice breeding are requested to report to the
8.2 chairs and ranking minority members of the
8.3 legislative committees with jurisdiction over
8.4 agriculture and higher education regarding the
8.5 use of the grant money and to provide an
8.6 update on the status of research and related
8.7 accomplishments.

8.8 To the extent practicable, money expended
8.9 under Minnesota Statutes, section 41A.14,
8.10 subdivision 1, clauses (1) and (2), must
8.11 supplement and not supplant existing sources
8.12 and levels of funding. The commissioner may
8.13 use up to one percent of this appropriation for
8.14 costs incurred to administer the program.

8.15 (b) ~~\$16,028,000~~ the first year and ~~\$16,028,000~~
8.16 \$16,728,000 the second year are for the
8.17 agricultural growth, research, and innovation
8.18 program under Minnesota Statutes, section
8.19 41A.12. Except as provided below, the
8.20 commissioner may allocate the appropriation
8.21 each year among the following areas:
8.22 facilitating the start-up, modernization,
8.23 improvement, or expansion of livestock
8.24 operations including beginning and
8.25 transitioning livestock operations with
8.26 preference given to robotic dairy-milking
8.27 equipment; providing funding not to exceed
8.28 \$800,000 each year to develop and enhance
8.29 farm-to-school markets for Minnesota farmers
8.30 by providing more fruits, vegetables, meat,
8.31 grain, and dairy for Minnesota children in
8.32 school and child care settings including, at the
8.33 commissioner's discretion, reimbursing
8.34 schools for purchases from local farmers;
8.35 assisting value-added agricultural businesses

9.1 to begin or expand, to access new markets, or
9.2 to diversify, including aquaponics systems;
9.3 providing funding not to exceed \$600,000
9.4 each year for urban youth agricultural
9.5 education or urban agriculture community
9.6 development of which \$10,000 each year is
9.7 for transfer to the emerging farmer account
9.8 under Minnesota Statutes, section 17.055,
9.9 subdivision 1a; providing funding not to
9.10 exceed \$450,000 each year for the good food
9.11 access program under Minnesota Statutes,
9.12 section 17.1017; facilitating the start-up,
9.13 modernization, or expansion of other
9.14 beginning and transitioning farms including
9.15 by providing loans under Minnesota Statutes,
9.16 section 41B.056; sustainable agriculture
9.17 on-farm research and demonstration;
9.18 development or expansion of food hubs and
9.19 other alternative community-based food
9.20 distribution systems; enhancing renewable
9.21 energy infrastructure and use; crop research;
9.22 Farm Business Management tuition assistance;
9.23 and good agricultural practices and good
9.24 handling practices certification assistance. The
9.25 commissioner may use up to 6.5 percent of
9.26 this appropriation for costs incurred to
9.27 administer the program.

9.28 Of the amount appropriated for the agricultural
9.29 growth, research, and innovation program
9.30 under Minnesota Statutes, section 41A.12:

9.31 (1) \$1,000,000 the first year and \$1,000,000
9.32 the second year are for distribution in equal
9.33 amounts to each of the state's county fairs to
9.34 preserve and promote Minnesota agriculture;

10.1 (2) \$4,500,000 the first year and \$4,500,000
10.2 the second year are for incentive payments
10.3 under Minnesota Statutes, sections 41A.16,
10.4 41A.17, 41A.18, and 41A.20. Notwithstanding
10.5 Minnesota Statutes, section 16A.28, the first
10.6 year appropriation is available until June 30,
10.7 2023, and the second year appropriation is
10.8 available until June 30, 2024. If this
10.9 appropriation exceeds the total amount for
10.10 which all producers are eligible in a fiscal
10.11 year, the balance of the appropriation is
10.12 available for other purposes under this
10.13 paragraph;

10.14 (3) \$3,000,000 the first year and \$3,000,000
10.15 the second year are for grants that enable retail
10.16 petroleum dispensers, fuel storage tanks, and
10.17 other equipment to dispense biofuels to the
10.18 public in accordance with the biofuel
10.19 replacement goals established under
10.20 Minnesota Statutes, section 239.7911. A retail
10.21 petroleum dispenser selling petroleum for use
10.22 in spark ignition engines for vehicle model
10.23 years after 2000 is eligible for grant money
10.24 under this clause if the retail petroleum
10.25 dispenser has no more than 10 retail petroleum
10.26 dispensing sites and each site is located in
10.27 Minnesota. The grant money must be used to
10.28 replace or upgrade equipment that does not
10.29 have the ability to be certified for E25. A grant
10.30 award must not exceed 65 percent of the cost
10.31 of the appropriate technology. A grant award
10.32 must not exceed \$200,000 per station. The
10.33 commissioner must cooperate with biofuel
10.34 stakeholders in the implementation of the grant
10.35 program. The commissioner, in cooperation
10.36 with any economic or community development

11.1 financial institution and any other entity with
11.2 which it contracts, must submit a report on the
11.3 biofuels infrastructure financial assistance
11.4 program by January 15 of each year to the
11.5 chairs and ranking minority members of the
11.6 legislative committees and divisions with
11.7 jurisdiction over agriculture policy and
11.8 finance. The annual report must include but
11.9 not be limited to a summary of the following
11.10 metrics: (i) the number and types of projects
11.11 financed; (ii) the amount of dollars leveraged
11.12 or matched per project; (iii) the geographic
11.13 distribution of financed projects; (iv) any
11.14 market expansion associated with upgraded
11.15 infrastructure; (v) the demographics of the
11.16 areas served; (vi) the costs of the program;
11.17 and (vii) the number of grants to
11.18 minority-owned or female-owned businesses;

11.19 (4) ~~\$750,000~~ the first year and ~~\$750,000~~
11.20 \$1,450,000 the second year are for grants to
11.21 facilitate the start-up, modernization, or
11.22 expansion of meat, poultry, egg, and milk
11.23 processing facilities. A grant award under this
11.24 clause must not exceed \$200,000. Any
11.25 unencumbered balance at the end of the second
11.26 year does not cancel until June 30, 2024, and
11.27 may be used for other purposes under this
11.28 paragraph. The appropriations under this
11.29 clause are onetime; and

11.30 (5) \$1,400,000 the first year and \$1,400,000
11.31 the second year are for livestock investment
11.32 grants under Minnesota Statutes, section
11.33 17.118. Any unencumbered balance at the end
11.34 of the second year does not cancel until June
11.35 30, 2024, and may be used for other purposes

12.1 under this paragraph. The appropriations under
 12.2 this clause are onetime.

12.3 Notwithstanding Minnesota Statutes, section
 12.4 16A.28, any unencumbered balance does not
 12.5 cancel at the end of the first year and is
 12.6 available for the second year, and
 12.7 appropriations encumbered under contract on
 12.8 or before June 30, 2023, for agricultural
 12.9 growth, research, and innovation grants are
 12.10 available until June 30, 2026.

12.11 The base amount for the agricultural growth,
 12.12 research, and innovation program is
 12.13 \$16,053,000 in fiscal year 2024 and
 12.14 \$16,053,000 in fiscal year 2025, and includes
 12.15 funding for incentive payments under
 12.16 Minnesota Statutes, sections 41A.16, 41A.17,
 12.17 41A.18, and 41A.20.

12.18 (c) \$15,000 the first year and \$29,000 the
 12.19 second year are to maintain the current level
 12.20 of service delivery.

12.21	Subd. 5. Administration and Financial	9,977,000	9,839,000
12.22	Assistance	<u>10,487,000</u>	<u>11,769,000</u>

12.23 (a) \$474,000 the first year and \$474,000 the
 12.24 second year are for payments to county and
 12.25 district agricultural societies and associations
 12.26 under Minnesota Statutes, section 38.02,
 12.27 subdivision 1. Aid payments to county and
 12.28 district agricultural societies and associations
 12.29 shall be disbursed no later than July 15 of each
 12.30 year. These payments are the amount of aid
 12.31 from the state for an annual fair held in the
 12.32 previous calendar year.

12.33 (b) \$387,000 the first year and \$337,000 the
 12.34 second year are for farm advocate services.

13.1 Of these amounts, \$100,000 the first year and
 13.2 \$50,000 the second year are for a pilot
 13.3 program creating farmland access teams to
 13.4 provide technical assistance to potential
 13.5 beginning farmers. The farmland access teams
 13.6 must assist existing farmers and beginning
 13.7 farmers on transitioning farm ownership and
 13.8 operation. Services provided by teams may
 13.9 include but are not limited to providing
 13.10 mediation assistance, designing contracts,
 13.11 financial planning, tax preparation, estate
 13.12 planning, and housing assistance. Of this
 13.13 amount for farm transitions, up to \$50,000 the
 13.14 first year may be used to upgrade the
 13.15 Minnesota FarmLink web application that
 13.16 connects farmers looking for land with farmers
 13.17 looking to transition their land.

13.18 (c) \$47,000 the first year and \$47,000 the
 13.19 second year are for grants to the Northern
 13.20 Crops Institute that may be used to purchase
 13.21 equipment. These are onetime appropriations.

13.22 (d) \$238,000 the first year and \$238,000 the
 13.23 second year are for ~~transfer to the Board of~~
 13.24 ~~Trustees of the Minnesota State Colleges and~~
 13.25 ~~Universities~~ a pass-through grant to Region
 13.26 Five Development Commission, in
 13.27 collaboration with Minnesota Farm Business
 13.28 Management: (1) for statewide mental health
 13.29 counseling support to farm families and
 13.30 business operators through the Minnesota State
 13.31 Agricultural Centers of Excellence. South
 13.32 Central College and Central Lakes College
 13.33 shall serve as the fiscal agents Minnesota farm
 13.34 and ranch operators, families, and employees;
 13.35 and (2) for support to individuals who work

14.1 with Minnesota farmers and ranchers in a
14.2 professional capacity.

14.3 (e) \$1,700,000 the first year and \$1,700,000
14.4 the second year are for grants to Second
14.5 Harvest Heartland on behalf of Minnesota's
14.6 six Feeding America food banks for the
14.7 following:

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

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

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

15.17 Of the amount appropriated under this
15.18 paragraph, at least \$600,000 each year must
15.19 be allocated under clause (1). Notwithstanding
15.20 Minnesota Statutes, section 16A.28, any
15.21 unencumbered balance the first year does not
15.22 cancel and is available in the second year.

15.23 Second Harvest Heartland must submit
15.24 quarterly reports to the commissioner and the
15.25 chairs and ranking minority members of the
15.26 legislative committees with jurisdiction over
15.27 agriculture finance in the form prescribed by
15.28 the commissioner. The reports must include
15.29 but are not limited to information on the
15.30 expenditure of funds, the amount of milk or
15.31 other commodities purchased, and the
15.32 organizations to which this food was
15.33 distributed.

15.34 (f) \$250,000 the first year and \$250,000 the
15.35 second year are for grants to the Minnesota

16.1 Agricultural Education and Leadership
16.2 Council for programs of the council under
16.3 Minnesota Statutes, chapter 41D.

16.4 (g) \$1,437,000 the first year and \$1,437,000
16.5 the second year are for transfer to the
16.6 agricultural and environmental revolving loan
16.7 account established under Minnesota Statutes,
16.8 section 17.117, subdivision 5a, for low-interest
16.9 loans under Minnesota Statutes, section
16.10 17.117. The base for appropriations under this
16.11 paragraph in fiscal year 2024 and thereafter
16.12 is \$1,425,000. The commissioner must
16.13 examine how the department could use up to
16.14 one-third of the amount transferred to the
16.15 agricultural and environmental revolving loan
16.16 account under this paragraph to award grants
16.17 to rural landowners to replace septic systems
16.18 that inadequately protect groundwater. No
16.19 later than February 1, 2022, the commissioner
16.20 must report to the legislative committees with
16.21 jurisdiction over agriculture finance and
16.22 environment finance on the results of the
16.23 examination required under this paragraph.
16.24 The commissioner's report may include other
16.25 funding sources for septic system replacement
16.26 that are available to rural landowners.

16.27 (h) \$50,000 the second year is for the
16.28 agriculture best management practices grant
16.29 program under Minnesota Statutes, section
16.30 17.1162. This is a onetime appropriation.

16.31 (i) \$150,000 the first year and \$150,000 the
16.32 second year are for grants to the Center for
16.33 Rural Policy and Development. These are
16.34 onetime appropriations.

17.1 ~~(i)~~ (j) \$150,000 the first year is to provide
17.2 grants to Central Lakes College for the
17.3 purposes of designing, building, and offering
17.4 credentials in the area of meat cutting and
17.5 butchery that align with industry needs as
17.6 advised by local industry advisory councils.
17.7 Notwithstanding Minnesota Statutes, section
17.8 16A.28, any unencumbered balance does not
17.9 cancel at the end of the first year and is
17.10 available for the second year. The
17.11 commissioner may only award a grant under
17.12 this paragraph if the grant is matched by a like
17.13 amount from another funding source. The
17.14 commissioner must seek matching dollars
17.15 from Minnesota State Colleges and
17.16 Universities or other entities. The
17.17 appropriation is onetime and is available until
17.18 June 30, 2024. Any money remaining on June
17.19 30, 2024, must be transferred to the
17.20 agricultural growth, research, and innovation
17.21 program under Minnesota Statutes, section
17.22 41A.12, and is available until June 30, 2025.
17.23 Grants may be used for costs including but
17.24 not limited to:
17.25 (1) facility renovation to accommodate meat
17.26 cutting;
17.27 (2) curriculum design and approval from the
17.28 Higher Learning Commission;
17.29 (3) program operational start-up costs;
17.30 (4) equipment required for a meat cutting
17.31 program; and
17.32 (5) meat handling start-up costs in regard to
17.33 meat access and market channel building.

- 18.1 No later than January 15, 2023, Central Lakes
18.2 College must submit a report outlining the use
18.3 of grant money to the chairs and ranking
18.4 minority members of the legislative
18.5 committees and divisions with jurisdiction
18.6 over agriculture and higher education.
- 18.7 ~~(j)~~ (k) \$2,000 the first year is for grants to the
18.8 Minnesota State Poultry Association. This is
18.9 a onetime appropriation. Notwithstanding
18.10 Minnesota Statutes, section 16A.28, any
18.11 unencumbered balance does not cancel at the
18.12 end of the first year and is available for the
18.13 second year.
- 18.14 ~~(k)~~ (l) \$17,000 the first year and \$17,000 the
18.15 second year are for grants to the Minnesota
18.16 State Horticultural Society. These are onetime
18.17 appropriations.
- 18.18 ~~(l)~~ (m) \$18,000 the first year and \$18,000 the
18.19 second year are for grants to the Minnesota
18.20 Livestock Breeders Association. These are
18.21 onetime appropriations.
- 18.22 ~~(m)~~ (n) The commissioner shall continue to
18.23 increase connections with ethnic minority and
18.24 immigrant farmers to farming opportunities
18.25 and farming programs throughout the state.
- 18.26 ~~(n)~~ (o) \$25,000 the first year and \$25,000 the
18.27 second year are for grants to the Southern
18.28 Minnesota Initiative Foundation to promote
18.29 local foods through an annual event that raises
18.30 public awareness of local foods and connects
18.31 local food producers and processors with
18.32 potential buyers.
- 18.33 ~~(o)~~ (p) \$75,000 the first year and \$75,000 the
18.34 second year are for grants to Greater Mankato

19.1 Growth, Inc., for assistance to
19.2 agriculture-related businesses to promote jobs,
19.3 innovation, and synergy development. These
19.4 are onetime appropriations.

19.5 ~~(p)~~ (q) \$75,000 the first year and \$75,000 the
19.6 second year are for grants to the Minnesota
19.7 Turf Seed Council for basic and applied
19.8 research. The Minnesota Turf Seed Council
19.9 may subcontract with a qualified third party
19.10 for some or all of the basic or applied research.
19.11 No later than January 15, 2023, the Minnesota
19.12 Turf Seed Council must submit a report
19.13 outlining the use of the grant money and
19.14 related accomplishments to the chairs and
19.15 ranking minority members of the legislative
19.16 committees with jurisdiction over agriculture.
19.17 These are onetime appropriations. Any
19.18 unencumbered balance does not cancel at the
19.19 end of the first year and is available for the
19.20 second year.

19.21 ~~(q)~~ (r) \$150,000 the first year and \$150,000
19.22 the second year are to establish an emerging
19.23 farmer office and hire a full-time emerging
19.24 farmer outreach coordinator. The emerging
19.25 farmer outreach coordinator must engage and
19.26 support emerging farmers regarding resources
19.27 and opportunities available throughout the
19.28 Department of Agriculture and the state. For
19.29 purposes of this paragraph, "emerging farmer"
19.30 has the meaning provided in Minnesota
19.31 Statutes, section 17.055, subdivision 1. Of the
19.32 amount appropriated each year, \$25,000 is for
19.33 translation services for farmers and cottage
19.34 food producers.

20.1 ~~(s)~~ (s) \$222,000 the first year and \$286,000
20.2 the second year are to maintain the current
20.3 level of service delivery.

20.4 (t) \$1,000,000 the second year is to provide
20.5 grants to secondary career and technical
20.6 education programs for the purpose of offering
20.7 instruction in meat cutting and butchery. This
20.8 is a onetime appropriation. Grants may be used
20.9 for costs, including but not limited to:

20.10 (1) equipment required for a meat cutting
20.11 program;

20.12 (2) facility renovation to accommodate meat
20.13 cutting; and

20.14 (3) training faculty to teach the fundamentals
20.15 of meat processing.

20.16 The commissioner may receive applications
20.17 from eligible programs and make grants of up
20.18 to \$100,000, up to ten percent of which may
20.19 be used for training faculty.

20.20 Priority may be given to applicants who are
20.21 coordinating with meat cutting and butchery
20.22 programs at Minnesota State Colleges and
20.23 Universities system and local industry
20.24 partners.

20.25 (u) \$50,000 the second year is for grants to
20.26 organizations in Minnesota to develop
20.27 enterprises, supply chains, markets for
20.28 continuous living cover crops and cropping
20.29 systems in the early stage of commercial
20.30 development, Kernza perennial grain, winter
20.31 camelina, hybrid hazelnuts, and elderberry. A
20.32 multiyear project may receive grant money
20.33 for up to three years. This is a onetime

21.1 appropriation and is available until June 30,
21.2 2027.

21.3 In consultation with interested stakeholders,
21.4 the commissioner must develop a process to
21.5 award grants. At the time of application, the
21.6 commissioner must provide to the applicant
21.7 information about requirements for grant
21.8 recipients. The commissioner must appoint a
21.9 technical review panel to review and rank
21.10 eligible applicants and give preference to
21.11 applicants that are well-positioned to expand
21.12 the profitable commercialization of the Kernza
21.13 perennial grain, winter camelina, hybrid
21.14 hazelnuts, and elderberry. The technical
21.15 review panel must include at least one
21.16 representative from the Forever Green
21.17 Initiative and one representative from the
21.18 Agricultural Utilization Research Institute.
21.19 The commissioner must consider the technical
21.20 review panel recommendations when selecting
21.21 grant recipients.

21.22 Beginning February 1, 2023, and annually
21.23 thereafter until February 1, 2028, the
21.24 commissioner shall submit a report on the
21.25 utilization of the grants to the chairs and
21.26 ranking minority members of the legislative
21.27 committees and divisions with jurisdiction
21.28 over agriculture policy and finance.

21.29 (v) \$10,000 the first year is to provide
21.30 technical assistance and leadership in the
21.31 development of a comprehensive and
21.32 well-documented state aquaculture plan. The
21.33 commissioner must provide the state
21.34 aquaculture plan to the legislative committees
21.35 with jurisdiction over agriculture finance and

- 22.1 policy by February 15, 2023. This is a onetime
22.2 appropriation.
- 22.3 (w) \$500,000 the second year is for continuing
22.4 construction of the soybean processing and
22.5 research facility at the Ag Innovation Campus.
22.6 This is a onetime appropriation and is
22.7 available until December 31, 2026.
- 22.8 (x) \$30,000 the second year is for grants or
22.9 other forms of financial assistance to meat and
22.10 poultry processors for reimbursing the cost of
22.11 attending courses or training and receiving
22.12 technical assistance in fiscal year 2023 that
22.13 support developing sanitation standard
22.14 operating procedures, hazard analysis and
22.15 critical control points plans, or business plans.
22.16 A meat processor with 50 full-time equivalent
22.17 employees or less is eligible for grant money
22.18 under this paragraph. This is a onetime
22.19 appropriation.
- 22.20 (y) \$500,000 the first year is for transfer to the
22.21 agricultural emergency account established
22.22 under Minnesota Statutes, section 17.041.
- 22.23 Notwithstanding Minnesota Statutes, section
22.24 17.041, the commissioner may spend money
22.25 from the agricultural emergency account for
22.26 the purposes of avian influenza testing
22.27 supplies, including but not limited to poultry
22.28 drinking water tests. This paragraph expires
22.29 on December 31, 2022.
- 22.30 (z) \$300,000 the second year is for grants to
22.31 support emerging farmers who are members
22.32 of groups that have historically been
22.33 underrepresented in the farming industry. No
22.34 later than January 15, 2024, the commissioner

23.1 must report grant activity and outcomes to the
 23.2 legislative committees with jurisdiction over
 23.3 agriculture finance.

23.4 Sec. 2. Laws 2021, First Special Session chapter 3, article 1, section 4, is amended to read:

23.5	Sec. 4. AGRICULTURAL UTILIZATION			4,043,000
23.6	RESEARCH INSTITUTE	\$	4,543,000	\$ <u>4,343,000</u>

23.7 (a) \$150,000 the first year and \$150,000 the
 23.8 second year are for a meat scientist.

23.9 (b) \$500,000 the first year is for grants to
 23.10 organizations to acquire, host, and operate a
 23.11 mobile slaughter unit. The mobile unit must
 23.12 coordinate with Minnesota state two-year
 23.13 colleges that have meat cutting programs to
 23.14 accommodate training as it relates to animal
 23.15 slaughter. The mobile unit may coordinate
 23.16 with livestock producers who desire to provide
 23.17 value-added meat products by utilizing the
 23.18 mobile slaughter unit. The mobile unit may
 23.19 be used for research, training outside of the
 23.20 two-year colleges, and other activities that
 23.21 align with industry needs. The Agricultural
 23.22 Utilization Research Institute may only award
 23.23 a grant under this paragraph if the grant
 23.24 amount is matched by a like amount from
 23.25 another funding source. The Agricultural
 23.26 Utilization Research Institute must seek
 23.27 matching dollars from Minnesota State
 23.28 Colleges and Universities or other entities for
 23.29 purposes of this paragraph. The appropriation
 23.30 under this paragraph is onetime and is
 23.31 available until June 30, 2024. Any money
 23.32 remaining on June 30, 2024, must be
 23.33 transferred to the commissioner of agriculture
 23.34 for the agricultural growth, research, and
 23.35 innovation program under Minnesota Statutes,

24.1 section 41A.12, and is available until June 30,
 24.2 2025. By January 15, 2023, the institute must
 24.3 report to the chairs and ranking minority
 24.4 members of the legislative committees with
 24.5 jurisdiction over agriculture regarding the
 24.6 status of the project, including the status of
 24.7 the use of any state or matching dollars to
 24.8 complete the project.

24.9 (c) \$300,000 the second year is for equipment
 24.10 upgrades, equipment replacement, installation
 24.11 expenses, and laboratory infrastructure at
 24.12 laboratories in Crookston, Marshall, and
 24.13 Waseca, Minnesota. This is a onetime
 24.14 appropriation and is available until June 30,
 24.15 2026.

24.16 ARTICLE 2

24.17 BROADBAND APPROPRIATIONS

24.18 Section 1. Laws 2021, First Special Session chapter 10, article 1, section 7, is amended
 24.19 to read:

24.20 Sec. 7. **BROADBAND DEVELOPMENT; APPLICATION FOR FEDERAL**
 24.21 **FUNDING; APPROPRIATION.**

24.22 (a) The commissioner of employment and economic development must prepare and
 24.23 submit an application to the United States Department of the Treasury requesting that
 24.24 \$70,000,000 of Minnesota's capital projects fund allocation under Public Law 117-2 be
 24.25 awarded to the state. The commissioner must submit the application required under this
 24.26 paragraph by the later of September 30, 2021, or 90 days after the date on which the United
 24.27 States Department of the Treasury begins accepting capital projects fund applications. The
 24.28 commissioner must specify in the application that the award will be used for grants ~~and~~ that
 24.29 satisfy the purposes specified under Minnesota Statutes, section 116J.395.

24.30 (b) Of the amount awarded to the state of Minnesota pursuant to the application required
 24.31 in paragraph (a), notwithstanding Minnesota Statutes, sections 3.3005 and 4.07, 50 percent
 24.32 in fiscal year 2022 and 50 percent in fiscal year 2023 are appropriated to the commissioner
 24.33 of employment and economic development. This is a onetime appropriation and must be

25.1 used for grants ~~and~~ that satisfy the purposes specified under Minnesota Statutes, section
25.2 116J.395. All money awarded under this section must be spent by December 31, 2026.

25.3 (c) The commissioner of employment and economic development may temporarily
25.4 modify program standards under Minnesota Statutes, section 116J.395, to the degree
25.5 necessary to comply with federal standards for funding received under this section.

25.6 Sec. 2. **LOWER POPULATION DENSITY PILOT PROGRAM.**

25.7 (a) The commissioner of employment and economic development must establish a pilot
25.8 program to provide broadband service to unserved and underserved areas, as defined in
25.9 Minnesota Statutes, section 116J.394, of the state where a 50 percent match formula is not
25.10 adequate to make a business case for the extension of broadband facilities. Grants awarded
25.11 under this section shall adhere to all other requirements of Minnesota Statutes, section
25.12 116J.395, subdivisions 1 to 6, and may fund up to 75 percent of the total cost of a project,
25.13 notwithstanding Minnesota Statutes section 116J.395, subdivision 7. Grants awarded to a
25.14 single project under this section may not exceed \$5,000,000.

25.15 (b) The commissioner of employment and economic development may use up to
25.16 \$15,000,000 from the appropriations in sections 3 and 4 for the lower population density
25.17 pilot program under paragraph (a).

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

25.19 Sec. 3. **BROADBAND DEVELOPMENT; APPLICATION FOR FEDERAL**
25.20 **FUNDING; APPROPRIATION.**

25.21 (a) The commissioner of employment and economic development must prepare and
25.22 submit a grant plan application to the United States Department of the Treasury requesting
25.23 that \$110,703,000 of Minnesota's capital projects fund allocation under Public Law 117-2
25.24 be used for grants that satisfy the purposes specified under Minnesota Statutes, section
25.25 116J.395, and sections 2, 5, and 6 of this article. The commissioner must submit the
25.26 application required under this paragraph by September 24, 2022.

25.27 (b) Notwithstanding Minnesota Statutes, sections 3.3005 and 4.07, the amount awarded
25.28 to Minnesota pursuant to the application required in paragraph (a) is appropriated to the
25.29 commissioner of employment and economic development. This appropriation (1) must be
25.30 used only for grants that satisfy the purposes specified under Minnesota Statutes, section
25.31 116J.395, and sections 2, 5, and 6 of this article and (2) is available until December 31,
25.32 2026.

26.1 (c) The commissioner of employment and economic development may temporarily
26.2 modify program standards under Minnesota Statutes, section 116J.395, and sections 2, 5,
26.3 and 6 of this article to the extent necessary to comply with federal standards that apply to
26.4 funding received under this section.

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

26.6 Sec. 4. **BROADBAND DEVELOPMENT; APPROPRIATION.**

26.7 (a) Notwithstanding Minnesota Statutes, sections 3.3005 and 4.07, if Minnesota receives
26.8 federal money for broadband development under Public Law 117-58, the Infrastructure
26.9 Investment and Jobs Act, the money is appropriated to the commissioner of economic
26.10 development for grants that satisfy the purposes specified under Minnesota Statutes, section
26.11 116J.395, and sections 2, 5, and 6 of this article.

26.12 (b) The commissioner of employment and economic development may temporarily
26.13 modify program standards under Minnesota Statutes, section 116J.395, and sections 2, 5,
26.14 and 6 of this article to the extent necessary to comply with federal standards that apply to
26.15 funding received under this section.

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

26.17 Sec. 5. **BROADBAND LINE EXTENSION PROGRAM; APPROPRIATION.**

26.18 The commissioner of employment and economic development may use up to \$15,000,000
26.19 from the appropriations in sections 3 and 4 for the broadband line extension program in
26.20 Minnesota Statutes, section 116J.3951.

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

26.22 Sec. 6. **BROADBAND; MAPPING.**

26.23 The commissioner of employment and economic development may use up to \$15,000,000
26.24 from the appropriations in sections 3 and 4 for comprehensive statewide mapping if the
26.25 commissioner determines that comprehensive statewide mapping is an eligible expense
26.26 under federal law.

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

ARTICLE 3

AGRICULTURE AND RURAL DEVELOPMENT POLICY

Section 1. Minnesota Statutes 2020, section 13.643, is amended by adding a subdivision to read:

Subd. 8. **Mental or behavioral health data.** (a) The following data collected and maintained by the Department of Agriculture, Minnesota State Colleges and Universities, and any other pass-through recipients about any individual who seeks assistance with a mental or behavioral health issue or who contacts the Minnesota Farm and Rural Helpline are private or nonpublic data:

(1) data that identify the individual; and

(2) data provided by the individual identifying another person.

(b) The Department of Agriculture, Minnesota State Colleges and Universities, and any other pass-through recipients may release data collected under this subdivision to appropriate parties in connection with an emergency if knowledge of the data is necessary to protect the health or safety of any person.

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

Sec. 2. **[17.1016] COOPERATIVE GRANTS.**

Subdivision 1. **Definitions.** For the purposes of this section:

(1) "agricultural commodity" and "agricultural product processing facility" have the meanings given in section 17.101, subdivision 5; and

(2) "agricultural service" means an action made under the direction of a farmer that provides value to another entity. Agricultural service includes grazing to manage vegetation.

Subd. 2. **Grant program.** (a) The commissioner may establish and implement a grant program to help farmers finance new cooperatives that organize for purposes of operating an agricultural product processing facility or marketing an agricultural product or agricultural service.

(b) To be eligible for this program, a grantee must:

(1) be a cooperative organized under chapter 308A;

(2) certify that all control and equity in the cooperative is from farmers, family farm partnerships, family farm limited liability companies, or family farm corporations as defined

28.1 in section 500.24, subdivision 2, who are actively engaged in agricultural commodity
28.2 production;

28.3 (3) be operated primarily to process agricultural commodities or market agricultural
28.4 products or services produced in Minnesota; and

28.5 (4) receive agricultural commodities produced primarily by shareholders or members
28.6 of the cooperative.

28.7 (c) The commissioner may receive applications and make grants up to \$50,000 to eligible
28.8 grantees for feasibility, marketing analysis, assistance with organizational development,
28.9 financing and managing new cooperatives, product development, development of business
28.10 and marketing plans, and predesign of facilities, including site analysis, the development
28.11 of bid specifications, preliminary blueprints and schematics, and the completion of purchase
28.12 agreements and other necessary legal documents.

28.13 (d) Grants must be matched dollar-for-dollar with other money or in-kind contributions.

28.14 (e) State funds must not be used for grants.

28.15 **Sec. 3. [17.1162] AGRICULTURE BEST MANAGEMENT PRACTICES GRANT**
28.16 **PROGRAM.**

28.17 Subdivision 1. **Establishment.** The commissioner of agriculture must establish and
28.18 administer a grant program to support healthy soil management practices in accordance
28.19 with this section.

28.20 Subd. 2. **State healthy soil management plan.** The commissioner must develop a
28.21 healthy soil management plan in consultation with the University of Minnesota, the United
28.22 States Department of Agriculture Natural Resources Conservation Service, the Board of
28.23 Water and Soil Resources, the Minnesota Pollution Control Agency, and nongovernmental
28.24 environmental and agricultural organizations. By December 31, 2023, and every two years
28.25 thereafter, the commissioner must report the plan to the governor and to the chairs and
28.26 ranking minority members of the house of representatives and senate committees and
28.27 divisions with jurisdiction over agriculture and the environment and natural resources. The
28.28 plan must include all of the following:

28.29 (1) an assessment of the current state of healthy soil management practices statewide;

28.30 (2) a statewide five- and ten-year goal for healthy soil management practice
28.31 implementation, denominated in acres;

29.1 (3) an explanation of how the commissioner will make grant award decisions based on
29.2 the eligibility categories described in subdivision 3;

29.3 (4) an explanation of how the commissioner will ensure a geographically fair distribution
29.4 of funding across a broad group of crop types, soil management practices, and farm sizes;

29.5 (5) a strategy for leveraging other public and private sources of money to expand healthy
29.6 soil management practices in the state;

29.7 (6) a summary of the operations of the program during the previous two-year period,
29.8 including a summary of state, federal, and private money spent, the total number of projects
29.9 and acres, and an estimate of carbon sequestered or carbon emissions reduced during that
29.10 period; and

29.11 (7) any other matter that the commissioner deems relevant.

29.12 Subd. 3. **Eligible projects.** The commissioner may award a grant under this section for
29.13 any project on agricultural land in Minnesota that will:

29.14 (1) increase the quantity of organic carbon in soil through practices, including but not
29.15 limited to reduced tillage, cover cropping, manure management, precision agriculture, crop
29.16 rotations, and changes in grazing management;

29.17 (2) integrate perennial vegetation into the management of agricultural lands;

29.18 (3) reduce nitrous oxide and methane emissions through changes to livestock, soil
29.19 management, or nutrient optimization;

29.20 (4) increase the usage of precision agricultural practices;

29.21 (5) enable the development of site-specific management plans; or

29.22 (6) enable the purchase of equipment, technology, subscriptions, technical assistance,
29.23 seeds, seedlings, or amendments that will further any of the purposes in clauses (1) to (5).

29.24 Subd. 4. **Grant eligibility.** Any land owner or lessee may apply for a grant under this
29.25 section.

29.26 Subd. 5. **Funding limitations.** Every appropriation for the agriculture best management
29.27 practices grant program is subject to the following limitations:

29.28 (1) the commissioner may award no more than ten percent of the appropriation to a
29.29 single recipient; and

29.30 (2) the commissioner may use no more than five percent of the appropriation to cover
29.31 the costs of administering the program.

30.1 Sec. 4. Minnesota Statutes 2020, section 17.117, subdivision 9, is amended to read:

30.2 Subd. 9. **Allocation rescission.** (a) Continued availability of allocations granted to a
30.3 local government unit is contingent upon the commissioner's approval of the local
30.4 government unit's annual report. The commissioner shall review this annual report to ensure
30.5 that the past and future uses of the funds are consistent with the comprehensive water
30.6 management plan, other local planning documents, the requirements of the funding source,
30.7 and compliance to program requirements. If the commissioner concludes the past or intended
30.8 uses of the money are not consistent with these requirements, the commissioner shall rescind
30.9 all or part of the allocation awarded to a local government unit.

30.10 (b) The commissioner may rescind funds allocated to the local government unit that are
30.11 not designated to committed projects or disbursed within one year from the date of the
30.12 allocation agreement.

30.13 (c) ~~An additional year to use the undisbursed portion of an allocation may be granted~~
30.14 ~~by the commissioner under extenuating circumstances~~ The commissioner may rescind
30.15 uncommitted allocations.

30.16 Sec. 5. Minnesota Statutes 2020, section 17.117, subdivision 9a, is amended to read:

30.17 Subd. 9a. **Authority and responsibilities of local government units.** (a) A local
30.18 government unit that enters into an allocation agreement with the commissioner:

30.19 (1) is responsible for the local administration and implementation of the program in
30.20 accordance with this section;

30.21 (2) may submit applications for allocations to the commissioner;

30.22 (3) shall identify, develop, determine eligibility, define and approve projects, designate
30.23 maximum loan amounts for projects, and certify completion of projects implemented under
30.24 this program. In areas where no local government unit has applied for funds under this
30.25 program, the commissioner may appoint a local government unit to review and certify
30.26 projects or the commissioner may assume the authority and responsibility of the local
30.27 government unit;

30.28 (4) shall certify as eligible only projects that are within its geographic jurisdiction or
30.29 within the geographic area identified in its local comprehensive water management plans
30.30 or other local planning documents;

30.31 (5) may require withholding by the local lender of all or a portion of the loan to the
30.32 borrower until satisfactory completion of all required components of a certified project;

31.1 ~~(6) must identify which account is used to finance an approved project if the local~~
 31.2 ~~government unit has allocations from multiple accounts in the agricultural and environmental~~
 31.3 ~~revolving accounts;~~

31.4 ~~(7)~~(6) shall report to the commissioner annually the past and intended uses of allocations
 31.5 awarded; and

31.6 ~~(8)~~(7) may request additional funds in excess of their allocation when funds are available
 31.7 in the agricultural and environmental revolving accounts, as long as all other allocation
 31.8 awards to the local government unit have been used or committed.

31.9 (b) If a local government unit withdraws from participation in this program, the local
 31.10 government unit, or the commissioner in accordance with the priorities established under
 31.11 subdivision 6a, may designate another local government unit that is eligible under subdivision
 31.12 6 as the new local government unit responsible for local administration of this program.
 31.13 This designated local government unit may accept responsibility and administration of
 31.14 allocations awarded to the former responsible local government unit.

31.15 Sec. 6. Minnesota Statutes 2020, section 17.117, subdivision 10, is amended to read:

31.16 Subd. 10. **Authority and responsibilities of local lenders.** (a) Local lenders may enter
 31.17 into lender agreements with the commissioner.

31.18 (b) Local lenders may enter into loan agreements with borrowers to finance eligible
 31.19 projects under this section.

31.20 ~~(c) The local lender shall notify the local government unit of the loan amount issued to~~
 31.21 ~~the borrower after the closing of each loan.~~

31.22 ~~(d)~~(c) Local lenders with local revolving loan accounts created before July 1, 2001,
 31.23 may continue to retain and use those accounts in accordance with their lending agreements
 31.24 for the full term of those agreements.

31.25 ~~(e)~~(d) Local lenders, including local government units designating themselves as the
 31.26 local lender, may enter into participation agreements with other lenders.

31.27 ~~(f)~~(e) Local lenders may enter into contracts with other lenders for the limited purposes
 31.28 of loan review, processing and servicing, or to enter into loan agreements with borrowers
 31.29 to finance projects under this section. Other lenders entering into contracts with local lenders
 31.30 under this section must meet the definition of local lender in subdivision 4, must comply
 31.31 with all provisions of the lender agreement and this section, and must guarantee repayment
 31.32 of the loan funds to the local lender.

32.1 ~~(g)~~(f) When required by the local government unit, a local lender must withhold all or
 32.2 a portion of the loan disbursement for a project until notified by the local government unit
 32.3 that the project has been satisfactorily completed.

32.4 ~~(h)~~(g) The local lender is responsible for repaying all funds provided by the commissioner
 32.5 to the local lender.

32.6 ~~(i)~~(h) The local lender is responsible for collecting repayments from borrowers. If a
 32.7 borrower defaults on a loan issued by the local lender, it is the responsibility of the local
 32.8 lender to obtain repayment from the borrower. Default on the part of borrowers shall have
 32.9 no effect on the local lender's responsibility to repay its obligations to the commissioner
 32.10 whether or not the local lender fully recovers defaulted amounts from borrowers.

32.11 ~~(j)~~(i) The local lender shall provide sufficient collateral or protection to the commissioner
 32.12 for the funds provided to the local lender. The commissioner must approve the collateral
 32.13 or protection provided.

32.14 Sec. 7. Minnesota Statutes 2020, section 17.117, subdivision 11, is amended to read:

32.15 Subd. 11. **Loans issued to borrower.** (a) Local lenders may issue loans only for projects
 32.16 that are approved and certified by the local government unit as meeting priority needs
 32.17 identified in a comprehensive water management plan or other local planning documents,
 32.18 are in compliance with accepted practices, standards, specifications, or criteria, and are
 32.19 eligible for financing under Environmental Protection Agency or other applicable guidelines.

32.20 (b) The local lender may use any additional criteria considered necessary to determine
 32.21 the eligibility of borrowers for loans.

32.22 (c) Local lenders shall set the terms and conditions of loans to borrowers, except that:

32.23 ~~(1) no loan to a borrower may exceed \$200,000; and~~

32.24 ~~(2) no borrower shall, at any time, have multiple loans from this program with a total~~
 32.25 outstanding loan balance of more than \$200,000.

32.26 (d) The maximum term length for projects in this paragraph is ten years.

32.27 (e) Fees charged at the time of closing must:

32.28 (1) be in compliance with normal and customary practices of the local lender;

32.29 (2) be in accordance with published fee schedules issued by the local lender;

32.30 (3) not be based on participation program; and

33.1 (4) be consistent with fees charged other similar types of loans offered by the local
33.2 lender.

33.3 (f) The interest rate assessed to an outstanding loan balance by the local lender must not
33.4 exceed three percent per year.

33.5 Sec. 8. Minnesota Statutes 2020, section 17.117, subdivision 11a, is amended to read:

33.6 Subd. 11a. **Eligible projects.** (a) All projects that remediate or mitigate adverse
33.7 environmental impacts are eligible if the project is eligible under an allocation agreement.

33.8 (b) A manure management project is eligible if the project remediates or mitigates
33.9 impacts from facilities with less than 1,000 animal units as defined in Minnesota Rules,
33.10 chapter 7020, and otherwise meets the requirements of this section.

33.11 (c) A drinking water project is eligible if the project:

33.12 (1) remediates ~~the~~ or mitigates the inadequate flow, adverse environmental impacts or
33.13 presence of contaminants in ~~private well~~ privately owned water supplies that are used for
33.14 drinking water by people or livestock, privately owned water service lines, or privately
33.15 owned plumbing and fixtures;

33.16 (2) implements best management practices that are intended to achieve drinking water
33.17 standards or adequate flow; and

33.18 (3) otherwise meets the requirements of this section.

33.19 Sec. 9. Minnesota Statutes 2020, section 18E.04, subdivision 4, is amended to read:

33.20 Subd. 4. **Reimbursement payments.** (a) The board shall pay a person that is eligible
33.21 for reimbursement or payment under subdivisions 1, 2, and 3 from the agricultural chemical
33.22 response and reimbursement account for 80 percent of the total reasonable and necessary
33.23 corrective action costs greater than \$1,000 and less than or equal to ~~\$350,000~~ \$425,000 in
33.24 fiscal years 2023 and 2024, \$500,000 in fiscal years 2025 and 2026, and \$575,000 in fiscal
33.25 year 2027 and each following year.

33.26 (b) A reimbursement or payment may not be made until the board has determined that
33.27 the costs are reasonable and are for a reimbursement of the costs that were actually incurred.

33.28 (c) The board may make periodic payments or reimbursements as corrective action costs
33.29 are incurred upon receipt of invoices for the corrective action costs.

34.1 (d) Money in the agricultural chemical response and reimbursement account is
 34.2 appropriated to the commissioner to make payments and reimbursements directed by the
 34.3 board under this subdivision.

34.4 (e) The board may not make reimbursement greater than the maximum allowed under
 34.5 paragraph (a) for all incidents on a single site which:

34.6 (1) were not reported at the time of release but were discovered and reported after July
 34.7 1, 1989; and

34.8 (2) may have occurred prior to July 1, 1989, as determined by the commissioner.

34.9 (f) The board may only reimburse an eligible person for separate incidents within a
 34.10 single site if the commissioner determines that each incident is completely separate and
 34.11 distinct in respect of location within the single site or time of occurrence.

34.12 (g) Except for an emergency incident, the board may not reimburse or pay for more than
 34.13 60 percent of the corrective action costs of an eligible person or for an incident within five
 34.14 years of a previous incident at a single site resulting from a site recontamination.

34.15 (h) The deduction of \$1,000 and 20 percent from the ~~\$350,000 remuneration~~ payment
 34.16 amounts described in subdivision (a) may be waived by the board if the incident took place
 34.17 on or after August 18, 2007, and was caused by flooding associated with Presidential
 34.18 Declaration of Major Disaster DR-1717.

34.19 Sec. 10. Minnesota Statutes 2021 Supplement, section 35.155, subdivision 14, is amended
 34.20 to read:

34.21 Subd. 14. **Concurrent authority; regulating farmed white-tailed deer.** ~~(a)~~ The
 34.22 commissioner of natural resources ~~and, in conjunction with~~ the Board of Animal Health,
 34.23 possess concurrent authority to regulate farmed white-tailed deer under this section, sections
 34.24 35.92 to 35.96, and any administrative rules adopted pursuant to this section or sections
 34.25 35.92 to 35.96. This does not confer to the commissioner any additional authorities under
 34.26 chapter 35, other than those set forth in sections 35.155 and 35.92 to 35.96, and any
 34.27 administrative rules adopted thereto. Neither entity may issue an emergency order restricting
 34.28 the movement of farmed white-tailed deer without the concurrence of the other.

34.29 ~~(b) By February 1, 2022, the commissioner of natural resources, in conjunction with the~~
 34.30 ~~Board of Animal Health, must submit a report to the chairs and ranking minority members~~
 34.31 ~~of the legislative committees and divisions with jurisdiction over the environment and~~
 34.32 ~~natural resources and agriculture on the implementation of the concurrent authority under~~
 34.33 ~~this section. The report must include:~~

35.1 ~~(1) a summary of how the agencies worked together under this section, including~~
 35.2 ~~identification of any challenges;~~

35.3 ~~(2) an assessment of ongoing challenges to managing chronic wasting disease in this~~
 35.4 ~~state; and~~

35.5 ~~(3) recommendations for statutory and programmatic changes to help the state better~~
 35.6 ~~manage the disease.~~

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

35.8 Sec. 11. Minnesota Statutes 2020, section 40A.18, subdivision 2, is amended to read:

35.9 Subd. 2. **Allowed commercial and industrial operations.** (a) Commercial and industrial
 35.10 operations are not allowed on land within an agricultural preserve except:

35.11 (1) small on-farm commercial or industrial operations normally associated with and
 35.12 important to farming in the agricultural preserve area;

35.13 (2) storage use of existing farm buildings that does not disrupt the integrity of the
 35.14 agricultural preserve;

35.15 (3) small commercial use of existing farm buildings for trades not disruptive to the
 35.16 integrity of the agricultural preserve such as a carpentry shop, small scale mechanics shop,
 35.17 and similar activities that a farm operator might conduct; ~~and~~

35.18 (4) wireless communication installments and related equipment and structure capable
 35.19 of providing technology potentially beneficial to farming activities. A property owner who
 35.20 installs wireless communication equipment does not violate a covenant made prior to January
 35.21 1, 2018, under section 40A.10, subdivision 1; and

35.22 (5) solar energy generating systems with an output capacity of one megawatt or less.

35.23 (b) For purposes of paragraph (a), clauses (2) and (3), "existing" means existing on
 35.24 August 1, 1989.

35.25 Sec. 12. Minnesota Statutes 2021 Supplement, section 41A.21, subdivision 2, is amended
 35.26 to read:

35.27 Subd. 2. **Eligibility.** (a) A facility eligible for payment under this section must source
 35.28 at least 80 percent of its forest resources raw materials from Minnesota. The facility must
 35.29 be located in Minnesota; must begin construction activities by December 31, 2022, for a
 35.30 specific location; must ~~begin production~~ have produced at least one OSB square foot on a
 35.31 3/8-inch nominal basis at a specific location by June 30, 2025; and must not begin operating

36.1 before January 1, 2022. Eligible facilities must be new OSB construction sites with total
36.2 capital investment in excess of \$250,000,000. Eligible OSB production facilities must
36.3 produce at least ~~200,000,000~~ 50,000,000 OSB square feet on a 3/8-inch nominal basis of
36.4 OSB each ~~year~~ quarter. At least one product produced at the facility should be a wood-based
36.5 wall or roof structural sheathing panel that has an integrated, cellulose-based paper overlay
36.6 that serves as a water resistive barrier.

36.7 (b) No payments shall be made for OSB production that occurs after June 30, 2036, for
36.8 those eligible producers under paragraph (a).

36.9 (c) An eligible producer of OSB shall not transfer the producer's eligibility for payments
36.10 under this section to a facility at a different location.

36.11 (d) A producer that ceases production for any reason is ineligible to receive payments
36.12 under this section until the producer resumes production.

36.13 Sec. 13. Minnesota Statutes 2020, section 41B.025, is amended by adding a subdivision
36.14 to read:

36.15 Subd. 10. **Timely decisions.** The authority must make a decision on a completed loan
36.16 application submitted by a borrower or eligible agricultural lender within ten business days.

36.17 Sec. 14. Minnesota Statutes 2020, section 223.17, subdivision 4, is amended to read:

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

36.21 (1) \$10,000 for grain buyers whose gross annual purchases are \$100,000 or less;

36.22 (2) \$20,000 for grain buyers whose gross annual purchases are more than \$100,000 but
36.23 not more than \$750,000;

36.24 (3) \$30,000 for grain buyers whose gross annual purchases are more than \$750,000 but
36.25 not more than \$1,500,000;

36.26 (4) \$40,000 for grain buyers whose gross annual purchases are more than \$1,500,000
36.27 but not more than \$3,000,000;

36.28 (5) \$50,000 for grain buyers whose gross annual purchases are more than \$3,000,000
36.29 but not more than \$6,000,000;

36.30 (6) \$70,000 for grain buyers whose gross annual purchases are more than \$6,000,000
36.31 but not more than \$12,000,000;

37.1 (7) \$125,000 for grain buyers whose gross annual purchases are more than \$12,000,000
37.2 but not more than \$24,000,000; and

37.3 (8) \$150,000 for grain buyers whose gross annual purchases exceed \$24,000,000.

37.4 (b) The amount of the bond shall be based on the most recent gross annual grain purchase
37.5 report of the grain buyer.

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

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

37.13 (e) A grain buyer who purchases grain immediately upon delivery solely with cash; a
37.14 certified check; a cashier's check; or a postal, bank, or express money order is exempt from
37.15 this subdivision ~~if the grain buyer's gross annual purchases are \$100,000 or less.~~

37.16 (f) Bonds must be continuous until canceled. To cancel a bond, a surety must provide
37.17 90 days' written notice of the bond's termination date to the licensee and the commissioner.

37.18 Sec. 15. Minnesota Statutes 2020, section 223.17, subdivision 6, is amended to read:

37.19 Subd. 6. **Financial statements.** (a) Except as allowed in paragraph (c), a grain buyer
37.20 licensed under this chapter must annually submit to the commissioner a financial statement
37.21 prepared in accordance with generally accepted accounting principles. The annual financial
37.22 statement required under this subdivision must also:

37.23 (1) include, but not be limited to the following:

37.24 (i) a balance sheet;

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

37.26 (iii) a statement of retained earnings;

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

37.28 (v) a statement of the dollar amount of grain purchased in the previous fiscal year of the
37.29 grain buyer;

37.30 (2) be accompanied by a compilation report of the financial statement that is prepared
37.31 by a grain commission firm or a management firm approved by the commissioner or by an

38.1 independent public accountant, in accordance with standards established by the American
38.2 Institute of Certified Public Accountants;

38.3 (3) be accompanied by a certification by the chief executive officer or the chief executive
38.4 officer's designee of the licensee, and where applicable, all members of the governing board
38.5 of directors under penalty of perjury, that the financial statement accurately reflects the
38.6 financial condition of the licensee for the period specified in the statement;

38.7 (4) for grain buyers purchasing under ~~\$5,000,000~~ \$7,500,000 of grain annually, be
38.8 reviewed by a certified public accountant in accordance with standards established by the
38.9 American Institute of Certified Public Accountants, and must show that the financial
38.10 statements are free from material misstatements; and

38.11 (5) for grain buyers purchasing ~~\$5,000,000~~ \$7,500,000 or more of grain annually, be
38.12 audited by a certified public accountant in accordance with standards established by the
38.13 American Institute of Certified Public Accountants and must include an opinion statement
38.14 from the certified public accountant.

38.15 (b) Only one financial statement must be filed for a chain of warehouses owned or
38.16 operated as a single business entity, unless otherwise required by the commissioner. All
38.17 financial statements filed with the commissioner are private or nonpublic data as provided
38.18 in section 13.02.

38.19 (c) A grain buyer who purchases grain immediately upon delivery solely with cash; a
38.20 certified check; a cashier's check; or a postal, bank, or express money order is exempt from
38.21 this subdivision ~~if the grain buyer's gross annual purchases are \$100,000 or less.~~

38.22 (d) The commissioner shall annually provide information on a person's fiduciary duties
38.23 to each licensee. To the extent practicable, the commissioner must direct each licensee to
38.24 provide this information to all persons required to certify the licensee's financial statement
38.25 under paragraph (a), clause (3).

38.26 Sec. 16. Minnesota Statutes 2020, section 346.155, subdivision 7, is amended to read:

38.27 Subd. 7. **Exemptions.** This section does not apply to:

38.28 (1) institutions accredited by the American Zoo and Aquarium Association;

38.29 (2) a wildlife sanctuary;

38.30 (3) fur-bearing animals, as defined in section 97A.015, possessed by a game farm that
38.31 is licensed under section 97A.105, or bears possessed by a game farm that is licensed under
38.32 section 97A.105;

39.1 (4) the Department of Natural Resources, or a person authorized by permit issued by
39.2 the commissioner of natural resources pursuant to section 97A.401, subdivision 3;

39.3 (5) a licensed or accredited research or medical institution; ~~or~~

39.4 (6) a United States Department of Agriculture licensed exhibitor of regulated animals
39.5 while transporting or as part of a circus, carnival, rodeo, or fair; or

39.6 (7) a United States Department of Agriculture licensed exhibitor of regulated animals
39.7 that houses animals owned by institutions accredited by the American Zoo and Aquarium
39.8 Association.

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

39.10 ARTICLE 4

39.11 BROADBAND POLICY

39.12 Section 1. **[116J.3951] BROADBAND LINE EXTENSION PROGRAM.**

39.13 Subdivision 1. **Program established.** A broadband line extension grant program is
39.14 established in the Department of Employment and Economic Development. The purpose
39.15 of the broadband line extension grant program is to award grants to eligible applicants in
39.16 order to extend existing broadband infrastructure to unserved locations.

39.17 Subd. 2. **Portal.** No later than November 1, 2022, the department must develop and
39.18 implement a portal on the department's website that allows a person to report (1) that
39.19 broadband service is unavailable at the physical address of the person's residence or business,
39.20 and (2) any additional information that the department deems necessary to ensure that the
39.21 broadband line extension grant program functions effectively. The department must develop
39.22 a form that allows the information identified in this subdivision to be submitted on paper.

39.23 Subd. 3. **Data sharing.** (a) Beginning no later than six months after the date that the
39.24 portal is implemented and every six months thereafter, the department must send to each
39.25 broadband service provider serving Minnesota customers: (1) a list of addresses submitted
39.26 to the portal under subdivision 2 during the previous six months, and (2) any additional
39.27 information that the department deems necessary to ensure that the broadband line extension
39.28 grant program functions effectively. The department must send the information required
39.29 under this section via e-mail.

39.30 (b) No later than ten days after the date that the list in paragraph (a) is provided, a
39.31 broadband service provider may notify the department of any posted address at which the

40.1 broadband service provider's broadband service is available. The department must provide
40.2 persons residing or doing business at those addresses with contact information for:

40.3 (1) the broadband service provider with broadband service available at that address; and

40.4 (2) programs administered by government agencies, nonprofit organizations, or the
40.5 applicable broadband service provider that reduce the cost of broadband service and for
40.6 which the persons may be eligible.

40.7 Subd. 4. **Reverse auction process.** (a) No later than ten days after the date that the notice
40.8 requirement in subdivision 3, paragraph (b), expires, the department must notify each
40.9 broadband service provider that the broadband service provider may participate in the reverse
40.10 auction process under this subdivision. Within 60 days of the date that the notification is
40.11 received, a broadband service provider may submit a bid to the department to extend the
40.12 broadband service provider's existing broadband infrastructure to a location where broadband
40.13 service is currently unavailable.

40.14 (b) A bid submitted under this subdivision must include:

40.15 (1) a proposal to extend broadband infrastructure to one or more of the addresses on the
40.16 list sent by the department to the broadband service provider under subdivision 3, paragraph
40.17 (a), at which broadband service is unavailable;

40.18 (2) the amount of the broadband infrastructure extension's total cost that the broadband
40.19 service provider proposes to pay;

40.20 (3) the amount of the broadband infrastructure extension's total cost that the broadband
40.21 service provider proposes that the department is responsible for paying; and

40.22 (4) any additional information required by the department.

40.23 (c) Financial assistance that the department provides under this section must be in the
40.24 form of a grant issued to the broadband service provider. A grant issued under this section
40.25 must not exceed \$25,000 per line extension.

40.26 (d) Within 60 days of the date that the bidding period closes, the department must review
40.27 the bids submitted and select the broadband service provider bids that request the least
40.28 amount of financial support from the state, provided that the department determines that
40.29 the selected bids represent a cost-effective expenditure of state resources.

40.30 Subd. 5. **Line extension agreement.** The department must enter into a line extension
40.31 agreement with each winning bidder identified under subdivision 4, except that the
40.32 department may not enter into a line extension agreement to serve any customer located

41.1 within an area that will be served by a grant already awarded by the department under section
 41.2 116J.395.

41.3 Subd. 6. **Contents of agreement.** A line extension agreement under subdivision 5 must
 41.4 contain the following terms:

41.5 (1) the broadband service provider agrees to extend broadband infrastructure to support
 41.6 broadband service scalable to speeds of at least 100 megabits per second download and 100
 41.7 megabits per second upload to each address included in the broadband service provider's
 41.8 winning bid;

41.9 (2) the department agrees to pay the state's portion of the line extension cost in a grant
 41.10 issued to the broadband service provider upon the completion of the broadband infrastructure
 41.11 extension to each address in the broadband service provider's winning bid; and

41.12 (3) the winning bidder has an exclusive right to apply the grant to the cost of the
 41.13 broadband infrastructure extension for a period of one year after the date that the agreement
 41.14 is executed.

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

41.16 Sec. 2. Minnesota Statutes 2020, section 116J.396, subdivision 2, is amended to read:

41.17 Subd. 2. **Expenditures.** Money in the account may be used only:

41.18 (1) for grant awards made under ~~section~~ sections 116J.395 and 116J.3951, including
 41.19 costs incurred by the Department of Employment and Economic Development to administer
 41.20 that section;

41.21 (2) to supplement revenues raised by bonds sold by local units of government for
 41.22 broadband infrastructure development; or

41.23 (3) to contract for the collection of broadband deployment data from providers and the
 41.24 creation of maps showing the availability of broadband service.

41.25 Sec. 3. **[116J.399] BROADBAND EASEMENTS.**

41.26 Subdivision 1. **Definitions.** For the purposes of this section, the following terms have
 41.27 the meanings given:

41.28 (1) "broadband infrastructure" has the meaning given in section 116J.394, paragraph
 41.29 (c), except that broadband infrastructure does not include small wireless facilities as defined
 41.30 in section 237.162, subdivision 11;

42.1 (2) "broadband service" has the meaning given in section 116J.394, paragraph (b); and

42.2 (3) "provider" means a broadband service provider, but does not include an electric
42.3 cooperative association organized under chapter 308A that provides broadband service.

42.4 Subd. 2. **Use of existing easements for broadband services.** (a) A provider, provider's
42.5 affiliate, or another entity that has entered into an agreement with a provider, may use the
42.6 provider, affiliate, or entity's existing or subsequently acquired easements to install broadband
42.7 infrastructure and provide broadband service, which may include an agreement to lease
42.8 fiber capacity.

42.9 (b) Before exercising rights granted under this subdivision, a provider must provide
42.10 notice to the property owner on which the easement is located, as described in subdivision
42.11 3.

42.12 (c) Use of an easement to install broadband infrastructure and provide broadband service
42.13 vests and runs with the land beginning six months after the first notice is provided under
42.14 subdivision 3, unless a court action challenging the use of the easement has been filed before
42.15 that time by the property owner as provided under subdivision 4. The provider must also
42.16 file copies of the notices with the county recorder.

42.17 Subd. 3. **Notice to property owner.** (a) A provider must send two written notices to
42.18 impacted property owners declaring that the provider intends to use the easements to install
42.19 broadband infrastructure and provide broadband service. The notices must be sent at least
42.20 two months apart and must be sent by first class mail to the last known address of the owner
42.21 of the property on which the easement is located or, if the property owner is an existing
42.22 customer of the provider, by separate printed insertion in the property owner's monthly
42.23 invoice or included as a separate page on a property owner's electronic invoice.

42.24 (b) The notice must include:

42.25 (1) the provider's name and mailing address;

42.26 (2) a narrative describing the nature and purpose of the intended easement use;

42.27 (3) a description of any trenching or other underground work expected to result from
42.28 the intended use, and the anticipated time frame for the work;

42.29 (4) a phone number for an employee of the provider that the property owner may contact
42.30 regarding the easement; and

42.31 (5) the following statement, in bold red lettering: "It is important to make any challenge
42.32 by the deadline to preserve any legal rights you may have."

43.1 (c) The provider must file copies of the notices with the county recorder.

43.2 Subd. 4. **Action for damages.** (a) Notwithstanding any other law to the contrary, this
43.3 subdivision governs an action under this section and is the exclusive means to bring a claim
43.4 for compensation with respect to a notice of intent to use a provider's existing easement to
43.5 install broadband infrastructure and provide broadband service.

43.6 (b) Within six months after the date notice is received under subdivision 3, a property
43.7 owner may file an action seeking to recover damages for a provider's use of an existing
43.8 easement to install broadband infrastructure and provide broadband service. Claims for
43.9 damages under \$15,000 may be brought in conciliation court.

43.10 (c) To initiate an action under this subdivision, a property owner must serve a complaint
43.11 upon the provider in the same manner as in a civil action and must file the complaint with
43.12 the district court for the county in which the easement is located. The complaint must state
43.13 whether the property owner:

43.14 (1) challenges the provider's right to use the easement for broadband services or
43.15 infrastructure as provided under subdivision 5, paragraph (a);

43.16 (2) seeks damages as provided under subdivision 5, paragraph (b); or

43.17 (3) seeks to proceed under both clauses (1) and (2).

43.18 Subd. 5. **Deposit and hearing required.** (a) If a property owner files a complaint
43.19 challenging a provider's right to use an easement to install broadband infrastructure and
43.20 provide broadband service, after the provider answers the complaint, the district court must
43.21 promptly hold a hearing on the complaint. If the district court denies the property owner's
43.22 complaint, the provider may proceed to use the easement to install broadband infrastructure
43.23 and provide broadband service, unless the complaint also seeks damages. If the complaint
43.24 seeks damages, the provider may proceed under paragraph (b).

43.25 (b) If a property owner files a claim for damages, a provider may, after answering the
43.26 complaint, deposit with the court administrator an amount equal to the provider's estimate
43.27 of damages. A provider's estimate of damages must be no less than \$1. After the estimated
43.28 damages are deposited, the provider may use the existing easement to install broadband
43.29 infrastructure and provide broadband service, conditioned on an obligation, filed with the
43.30 court administrator, to pay the amount of damages determined by the court.

43.31 Subd. 6. **Calculation of damages; burden of proof.** (a) In an action under this section
43.32 involving a property owner's claim for damages:

44.1 (1) the property owner has the burden to prove the existence and amount of any net
 44.2 reduction in the fair market value of the property, considering the existence, installation,
 44.3 construction, maintenance, modification, operation, repair, replacement, or removal of
 44.4 broadband infrastructure in the easement, adjusted to reflect any increase in the property's
 44.5 fair market value resulting from access to broadband service;

44.6 (2) a court is prohibited from awarding consequential or special damages; and

44.7 (3) evidence of estimated revenue, profits, fees, income, or similar benefits accruing to
 44.8 the provider, the provider's affiliate, or a third party as a result of use of the easement is
 44.9 inadmissible.

44.10 (b) Any fees or costs incurred as a result of an action under this subdivision must be
 44.11 paid by the party that incurred the fees or costs, except that a provider is responsible for a
 44.12 property owner's attorney fees if the final judgment or award of damages by the court exceeds
 44.13 140 percent of the provider's damage deposit made under subdivision 5, if applicable.

44.14 Subd. 7. **No limits on existing easement.** Nothing in this section limits in any way a
 44.15 provider's existing easement rights.

44.16 Subd. 8. **Local governmental right-of-way management preserved.** The placement
 44.17 of broadband infrastructure to provide broadband service under subdivisions 2 to 7 is subject
 44.18 to local government permitting and right-of-way management authority under section
 44.19 237.163, and must be coordinated with the relevant local government unit in order to
 44.20 minimize potential future relocations. The provider must notify a local government unit
 44.21 prior to placing infrastructure for broadband service in an easement that is in or adjacent to
 44.22 the local government unit's public right-of-way.

44.23 Subd. 9. **Railroad rights-of-way crossing.** The placement of broadband infrastructure
 44.24 for use to provide broadband service under subdivisions 1 to 7 or section 308A.201,
 44.25 subdivision 12, in any portion of an existing easement located in a railroad right-of-way is
 44.26 subject to sections 237.04 and 237.045.

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

44.28 Delete the title and insert:

44.29 "A bill for an act

44.30 relating to agriculture; establishing cooperative grants for farmers; establishing an
 44.31 agricultural best management practices grant program; making policy and technical
 44.32 changes to agricultural provisions; requiring reports; appropriating money;
 44.33 establishing the broadband line extension program; extending use of utility
 44.34 easements for broadband; amending Minnesota Statutes 2020, sections 13.643, by
 44.35 adding a subdivision; 17.117, subdivisions 9, 9a, 10, 11, 11a; 18E.04, subdivision
 44.36 4; 40A.18, subdivision 2; 41B.025, by adding a subdivision; 116J.396, subdivision

45.1 2; 223.17, subdivisions 4, 6; 346.155, subdivision 7; Minnesota Statutes 2021
 45.2 Supplement, sections 35.155, subdivision 14; 41A.21, subdivision 2; Laws 2021,
 45.3 First Special Session chapter 3, article 1, sections 2; 4; Laws 2021, First Special
 45.4 Session chapter 10, article 1, section 7; proposing coding for new law in Minnesota
 45.5 Statutes, chapters 17; 116J."

45.6 And when so amended the bill do pass and be re-referred to the Committee on Finance.

45.7 Amendments adopted. Report adopted.



45.8
 45.9 (Committee Chair)

45.10 March 30, 2022.....
 45.11 (Date of Committee recommendation)