

1.1 **Senator Putnam from the Committee on Agriculture, Broadband, and Rural**
1.2 **Development, to which was referred**

1.3 **S.F. No. 1879:** A bill for an act relating to agriculture; modifying eligibility for beginning
1.4 farmer tax credit for the sale of an agricultural asset; appropriating money for administration
1.5 of the credit; repealing the sunset of the credit; amending Minnesota Statutes 2022, section
1.6 41B.0391, subdivisions 2, 4; repealing Minnesota Statutes 2022, section 41B.0391,
1.7 subdivision 7.

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

1.9 Page 2, line 27, after "agricultural" insert "land"

1.10 Page 3, line 27, delete "\$5,700,000" and insert "\$6,000,000"

1.11 Page 4, delete lines 1 to 3

1.12 Page 4, after line 5, insert:

1.13 "Sec. 3. Minnesota Statutes 2020, section 41B.0391, subdivision 6, is amended to read:

1.14 Subd. 6. **Report to legislature.** (a) No later than February 1, ~~2022~~ 2024, the Rural
1.15 Finance Authority, in consultation with the commissioner of revenue, must provide a report
1.16 to the chairs and ranking minority members of the legislative committees having jurisdiction
1.17 over agriculture, economic development, rural development, and taxes, in compliance with
1.18 sections 3.195 and 3.197, on the beginning farmer tax credits under this section issued in
1.19 tax years beginning after December 31, 2017, and before January 1, ~~2022~~ 2024.

1.20 (b) The report must include background information on beginning farmers in Minnesota
1.21 and any other information the commissioner and authority find relevant to evaluating the
1.22 effect of the credits on increasing opportunities for and the number of beginning farmers.

1.23 (c) For credits issued under subdivision 2, paragraph (a), clauses (1) to (3), the report
1.24 must include:

1.25 (1) the number and amount of credits issued under each clause;

1.26 (2) the geographic distribution of credits issued under each clause;

1.27 (3) the type of agricultural assets for which credits were issued under clause (1);

1.28 (4) the number and geographic distribution of beginning farmers whose purchase or
1.29 rental of assets resulted in credits for the seller or owner of the asset;

1.30 (5) the number and amount of credits disallowed under subdivision 2, paragraph (d);

1.31 (6) data on the number of beginning farmers by geographic region in calendar years
1.32 2017 through ~~2021~~ 2023, including:

2.1 (i) the number of beginning farmers by race and ethnicity, as those terms are applied in
2.2 the 2020 United States Census; and

2.3 (ii) to the extent available, the number of beginning farmers who are members of a
2.4 socially disadvantaged group, as defined in United States Code, Title 7, section 2279(a)(6);
2.5 and

2.6 (7) the number and amount of credit applications that exceeded the allocation available
2.7 in each year.

2.8 (d) For credits issued under subdivision 3, the report must include:

2.9 (1) the number and amount of credits issued;

2.10 (2) the geographic distribution of credits;

2.11 (3) a listing and description of each approved financial management program for which
2.12 credits were issued; and

2.13 (4) a description of the approval procedure for financial management programs not on
2.14 the list maintained by the authority, as provided in subdivision 3, paragraph (a).

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

2.16 Renumber the sections in sequence

2.17 Amend the title as follows:

2.18 Page 1, line 4, after the first semicolon, insert "requiring a report;"

2.19 Amend the title numbers accordingly

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

2.21 Amendments adopted. Report adopted.

2.22 
2.23
(Committee Chair)

2.24 March 1, 2023.....
2.25 (Date of Committee recommendation)