# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 2458

**(SENATE AUTHORS: PUTNAM and Kupec)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 03/13/2025 | 755 | Introduction and first reading |
| | | Referred to Agriculture, Veterans, Broadband, and Rural Development |
| 04/07/2025 | 1581a | Comm report: To pass as amended and re-refer to Finance |
| 04/10/2025 | 1795a | Comm report: To pass as amended |
| | 1982 | Second reading |
| | | Referred to for comparison with HF2446 |
| 04/28/2025 | 4073a | Rule 45-amend, subst. General Orders HF2446, SF indefinitely postponed |

A bill for an act

relating to state government; establishing a budget for the Department of Agriculture, the Board of Animal Health, the Agricultural Utilization Research Institute, and the Office of Broadband Development; making policy and technical changes to agriculture provisions; modifying livestock marketing agency and dealer licensing provisions; modifying seed potato provisions; modifying food handler licensing provisions; modifying the cottage foods licensing exemption; transferring money; appropriating money; modifying and establishing fees; requiring reports; amending Minnesota Statutes 2024, sections 17.1017; 17.1018; 17.117, subdivisions 1, 3; 17.118, subdivisions 1, 2, 3; 17.133, subdivision 1; 17A.03, subdivisions 8, 10, 11, by adding a subdivision; 17A.04, subdivisions 1, 2, 4, 6, 7, 8; 17A.06, subdivisions 2, 3; 17A.07; 17A.08; 17A.15; 18B.26, subdivision 8; 18B.37, subdivision 6; 18C.111, by adding a subdivision; 18J.01; 18J.02; 18J.03; 18J.04, subdivisions 1, 2, 3, 4; 18J.05, subdivisions 1, 2, 6; 18J.06; 18J.07, subdivisions 3, 4, 5; 18J.09; 21.111; 21.112, by adding a subdivision; 21.113; 21.115; 21.117; 21.119; 21.1195; 21.1196, subdivision 2; 21.891, subdivision 2; 25.391, subdivisions 1, 2; 28A.03, subdivision 7, by adding subdivisions; 28A.04; 28A.05; 28A.06; 28A.07; 28A.0753, subdivision 3; 28A.08; 28A.081, subdivision 1; 28A.085, subdivision 1; 28A.14; 28A.151, subdivision 2; 28A.152, subdivisions 1, 2, 3, 4, 5, by adding a subdivision; 28A.17; 32D.01, by adding a subdivision; 35.155, subdivision 12; 41A.09, subdivision 2a; 41A.16, subdivision 7; 41A.30, subdivision 1; 41B.039, subdivision 2; 41B.0391, subdivisions 1, 2, 4, 6; 41B.04, subdivision 8; 41B.042, subdivision 4; 41B.043, subdivision 1b; 41B.045, subdivision 2; 41B.047, subdivision 3; 41B.056, subdivision 1; 41B.057, subdivisions 1, 3; 223.17, subdivision 3; 232.22, subdivision 3; 239.761, subdivisions 3, 4, 5, 6; 296A.01, subdivisions 20, 23, 24; Laws 2021, First Special Session chapter 3, article 1, section 2, subdivision 4, as amended; Laws 2023, chapter 43, article 1, section 2, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapters 21; 32D; 343; repealing Minnesota Statutes 2024, sections 21.116; 21.118; 21.1196, subdivision 3; 21.121; 21.122; 35.68; 35.830; 239.77, subdivision 5; Minnesota Rules, parts 1510.2300; 1510.2305; 1510.2310; 1510.2315; 1510.2320; 1510.2325; 1510.2330; 1510.2335; 1510.2340; 1510.2345; 1510.2350; 1510.2355, subparts 1, 2, 3a, 4, 5, 6, 7.

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

## ARTICLE 1

## APPROPRIATIONS

Section 1. **AGRICULTURE APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

| | APPROPRIATIONS Available for the Year Ending June 30 | |
|---|---|---|
| | **2026** | **2027** |
| Sec. 2. **DEPARTMENT OF AGRICULTURE** | | |
| Subdivision 1. **Total Appropriation** | **$ 53,083,000** | **$ 53,401,000** |

Appropriations by Fund

| | 2026 | 2027 |
|---|---|---|
| General | 52,684,000 | 53,002,000 |
| Remediation | 399,000 | 399,000 |

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

Subd. 2. **Protection Services**

Appropriations by Fund

| | | |
|---|---|---|
| General | 19,454,000 | 20,008,000 |
| Remediation | 399,000 | 399,000 |

(a) $399,000 the first year and $399,000 the second year are from the remediation fund for administrative funding of the voluntary cleanup program.

(b) $589,000 the first year and $639,000 the second year are for the soil health financial

assistance program under Minnesota Statutes, section 17.134. The commissioner may award no more than $50,000 of the appropriation each year to a single recipient. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program. Any unencumbered balance does not cancel at the end of the first year and is available in the second year. Appropriations encumbered under contract on or before June 30, 2027, for soil health financial assistance grants are available until June 30, 2029.

(c) $225,000 the first year and $225,000 the second year are for compensation for livestock destroyed or crippled by a wolf under Minnesota Statutes, section 3.737. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to $5,000 each year to reimburse expenses incurred by university extension educators to provide fair market values of destroyed or crippled livestock. If the commissioner receives federal funding to pay claims for destroyed or crippled livestock, an equivalent amount of this appropriation may be used to reimburse nonlethal prevention methods performed by federal wildlife services staff.

(d) $205,000 the first year and $205,000 the second year are for compensation for crop or fence damage caused by elk under Minnesota Statutes, section 3.7371. If the amount in the first year is insufficient, the amount in the

second year is available in the first year. The commissioner may use up to $10,000 of the appropriation each year to reimburse expenses incurred by the commissioner or the commissioner's approved agent to investigate and resolve claims, as well as for costs associated with training for approved agents. The commissioner may use up to $40,000 of the appropriation each year to make grants to producers for measures to protect stored crops from elk damage. If the commissioner determines that claims made under Minnesota Statutes, section 3.737 or 3.7371, are unusually high, amounts appropriated for either program may be transferred to the appropriation for the other program.

(e) $825,000 the first year and $825,000 the second year are to replace capital equipment in the Department of Agriculture's analytical laboratory.

(f) $420,000 the first year and $924,000 the second year are to support current services.

(g) $150,000 the first year and $150,000 the second year are to coordinate climate-related activities and services within the Department of Agriculture and with counterparts in local, state, and federal agencies and for a full-time climate implementation coordinator. The climate implementation coordinator must coordinate efforts seeking federal funding for Minnesota's agricultural climate adaptation and mitigation efforts and develop strategic partnerships with the private sector and nongovernment organizations.

(h) $351,000 the first year and $351,000 the second year are for additional meat and poultry inspection services. The base for this appropriation is $450,000 in fiscal year 2028 and each year thereafter.

Subd. 3. **Agricultural Marketing and Development** 21,126,000 20,876,000

(a) $634,000 the first year and $634,000 the second year are for the continuation of the dairy development and profitability enhancement program, including dairy profitability teams and dairy business planning grants under Minnesota Statutes, section 32D.30.

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

(c) $75,000 the first year and $75,000 the second year are for mental health outreach and support to farmers, ranchers, and others in the agricultural community and for farm safety grant and outreach programs under Minnesota Statutes, section 17.1195. Mental health outreach and support may include a 24-hour hotline, stigma reduction, and education. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of fiscal year 2026 and is available until June 30, 2027. The base for this

appropriation is $50,000 in fiscal year 2028 and each year thereafter.

(d) $16,557,000 the first year and $16,307,000 the second year are for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. The base for this appropriation is $16,357,000 in fiscal year 2028 and each year thereafter.

(e) Except as provided in paragraph (f), the commissioner may allocate the appropriation in paragraph (d) each year among the following areas: facilitating the startup, modernization, improvement, or expansion of livestock operations, including beginning and transitioning livestock operations with preference given to robotic dairy-milking equipment; assisting value-added agricultural businesses to begin or expand, to access new markets, or to diversify, including aquaponics systems, with preference given to hemp fiber processing equipment; facilitating the startup, modernization, or expansion of other beginning and transitioning farms, including by providing loans under Minnesota Statutes, section 41B.056; sustainable agriculture on-farm research and demonstration; the development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research, including basic and applied turf seed research; Farm Business Management tuition assistance; and good agricultural practices and good handling practices certification assistance. Notwithstanding Minnesota Statutes, section

16B.98, subdivision 14, the commissioner may use up to 6.5 percent of the appropriation in paragraph (d) for costs incurred to administer the program.

(f) Of the amount appropriated for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12:

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

(2) $2,750,000 the first year and $2,750,000 the second year are for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. If this appropriation exceeds the total amount for which all producers are eligible in a fiscal year, the balance of the appropriation is available for other purposes under this paragraph;

(3) $2,750,000 the first year and $2,750,000 the second year are for grants that enable retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than 20 retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to

replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 65 percent of the cost of the appropriate technology. A grant award must not exceed $200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which the commissioner contracts, must submit a report on the biofuels infrastructure financial assistance program by January 15 each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The annual report must include but not be limited to a summary of the following metrics: (i) the number and types of projects financed; (ii) the amount of dollars leveraged or matched per project; (iii) the geographic distribution of financed projects; (iv) any market expansion associated with upgraded infrastructure; (v) the demographics of the areas served; (vi) the costs of the program; and (vii) the number of grants to minority-owned or female-owned businesses;

(4) $250,000 the first year and $250,000 the second year are for grants to facilitate the startup, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed $200,000;

(5) $1,444,000 the first year and $1,444,000 the second year are for providing more fruits,

vegetables, meat, poultry, grain, and dairy for children in school and early childhood education settings, including, at the commissioner's discretion, providing grants to reimburse schools and early childhood education and child care providers for purchasing equipment and agricultural products. Of the amount appropriated, $150,000 each year is for a statewide coordinator of farm-to-institution strategy and programming. The coordinator must consult with relevant stakeholders and provide technical assistance and training for participating farmers and eligible grant recipients. At the commissioner's discretion, for state administration of federal cooperative agreements for purchasing Minnesota grown and raised foods for schools, child care providers, food banks, and other institutions, the commissioner may use an amount of state funds equal to no more than 7.5 percent of the total federal funds awarded to the state. The commissioner shall expend any available federal administrative funds awarded for this purpose before using state funds;

(6) $1,075,000 the first year and $1,075,000 the second year are for grants to facilitate the development of urban agriculture, including projects related to youth education, community and economic development, value-added processing, and vocational training. The base for this appropriation is $1,125,000 in fiscal year 2028 and each year thereafter;

(7) $1,000,000 the first year and $1,000,000 the second year are for the food retail

improvement and development program under Minnesota Statutes, section 17.1017;

(8) Up to $200,000 the first year and up to $200,000 the second year are for cooperative development grants under Minnesota Statutes, section 17.1016; and

(9) $250,000 the first year is for the protecting livestock grant program for producers to support the installation of measures to prevent the transmission of avian influenza. For the appropriation in this clause, a grant applicant must document a cost-share of 20 percent. An applicant's cost-share amount may be reduced up to $2,000 to cover time and labor costs. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation does not cancel at the end of the first year and is available in the second year.

(g) Notwithstanding Minnesota Statutes, section 16A.28, the appropriation in paragraph (d) does not cancel at the end of the second year and is available until June 30, 2029. Appropriations encumbered under contract on or before June 30, 2029, for agricultural growth, research, and innovation grants are available until June 30, 2032.

Subd. 4. **Administration and Financial Assistance** 12,104,000 12,118,000

(a) $474,000 the first year and $474,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Aid payments to county and district agricultural societies and associations

must be disbursed no later than July 15 each year. These payments are the amount of aid from the state for an annual fair held in the previous calendar year.

(b) $300,000 the first year and $300,000 the second year are for grants to the Minnesota Agricultural Education and Leadership Council for programs of the council under Minnesota Statutes, chapter 41D.

(c) $2,000 the first year is for a grant to the Minnesota State Poultry Association to promote youth poultry programs in Minnesota. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year.

(d) $18,000 the first year and $18,000 the second year are for grants to the Minnesota Livestock Breeders Association. This is a onetime appropriation.

(e) $30,000 the first year and $30,000 the second year are for grants to the Northern Crops Institute that may be used to purchase equipment. This is a onetime appropriation.

(f) $35,000 the first year and $35,000 the second year are for grants to the Minnesota State Horticultural Society. This is a onetime appropriation.

(g) $75,000 the first year and $75,000 the second year are for grants to the Center for Rural Policy and Development. This is a onetime appropriation.

(h) $40,000 the first year and $40,000 the second year are appropriated from the general fund to the commissioner of agriculture for grants to the Minnesota Turf Seed Council for basic and applied research on:

(1) the improved production of forage and turf seed related to new and improved varieties; and

(2) native plants, including plant breeding, nutrient management, pest management, disease management, yield, and viability.

The Minnesota Turf Seed Council may subcontract with a qualified third party for some or all of the basic or applied research. Any unencumbered balance does not cancel at the end of the first year and is available in the second year. The Minnesota Turf Seed Council must prepare a report outlining the use of the grant money and related accomplishments. No later than January 15, 2027, and January 15, 2028, the council must submit the report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture finance and policy. This is a onetime appropriation.

(i) $50,000 the first year and $50,000 the second year are for grants to GreenSeam for assistance to agriculture-related businesses to support business retention and development, business attraction and creation, talent development and attraction, and regional branding and promotion. These are onetime appropriations. No later than December 1, 2026, and December 1, 2027, GreenSeam

must report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and rural development with information on new and existing businesses supported, number of new jobs created in the region, new educational partnerships and programs supported, and regional branding and promotional efforts.

(j) $1,000,000 the first year and $1,000,000 the second year are to award and administer farm down payment assistance grants under Minnesota Statutes, section 17.133, with priority given to eligible applicants with no more than $100,000 in annual gross farm product sales and eligible applicants who are producers of industrial hemp, cannabis, or one or more of the following specialty crops as defined by the United States Department of Agriculture for purposes of the specialty crop block grant program: fruits and vegetables, tree nuts, dried fruits, medicinal plants, culinary herbs and spices, horticulture crops, floriculture crops, and nursery crops. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance at the end of the first year does not cancel and is available in the second year and appropriations encumbered under contract by June 30, 2027, are available until December 31, 2027.

(k) $1,700,000 the first year and $1,700,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's five Feeding America food banks for the following purposes:

(1) at least $850,000 each year must be allocated to purchase milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Feeding America food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank that receives funding under this clause may use up to two percent for administrative expenses. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance the first year does not cancel and is available the second year;

(2) to compensate agricultural producers and processors for costs incurred to harvest and package for transfer surplus fruits, vegetables, and other agricultural commodities that would otherwise go unharvested, be discarded, or be sold in a secondary market. Surplus commodities must be distributed statewide to food shelves and other charitable organizations that are eligible to receive food from the food banks. Surplus food acquired under this clause must be from Minnesota producers and processors. Second Harvest Heartland may not use any amount of each grant awarded under this clause for administrative expenses;

(3) to purchase and distribute protein products, including but not limited to pork, poultry, beef, dry legumes, cheese, and eggs to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Second Harvest Heartland may use up to two percent of each grant awarded under this clause for administrative expenses. Protein products purchased under the grants must be acquired from Minnesota processors and producers; and

(4) up to $500,000 each year is to purchase produce from The Good Acre.

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

(l) $260,000 the first year and $260,000 the second year are for a pass-through grant to Region Five Development Commission to provide, in collaboration with Farm Business Management, statewide mental health counseling support to Minnesota farm operators, families, and employees, and individuals who work with Minnesota farmers in a professional capacity. Region Five Development Commission may use up to 6.5

percent of the grant awarded under this paragraph for administration.

(m) $25,000 the first year and $25,000 the second year are for grants to the Southern Minnesota Initiative Foundation to promote local foods through an annual event that raises public awareness of local foods and connects local food producers and processors with potential buyers.

(n) $1,000,000 the first year and $1,000,000 the second year are for the Emerging Farmers Office to provide services to beginning and emerging farmers to increase connections between farmers and market opportunities throughout the state. This appropriation may be used for grants, translation services, training programs, or other purposes in line with the recommendations of the emerging farmer working group established under Minnesota Statutes, section 17.055, subdivision 1.

(o) $137,000 the first year and $203,000 the second year are to support current services.

(p) $337,000 the first year and $337,000 the second year are for farm advocate services. Of these amounts, $50,000 the first year and $50,000 the second year are for the continuation of the farmland transition programs and may be used for grants to farmland access teams to provide technical assistance to potential beginning farmers. Farmland access teams must assist existing farmers and beginning farmers with transitioning farm ownership and farm operation. Services provided by teams may

include but are not limited to mediation assistance, designing contracts, financial planning, tax preparation, estate planning, and housing assistance.

(q) $250,000 the first year and $250,000 the second year are for the local food purchasing assistance grant program under article 3, section 42.

(r) $50,000 the first year is to conduct a study and develop recommendations for establishing an incentive-based program to support and encourage agricultural retailers in promoting 4R nutrient management practices. The 4R nutrient management practices include: the right source of nutrients, at the right rate and right time, in the right place.

(1) As part of the study, the department must evaluate strategies for leveraging cost-share programs, including the feasibility of coordinating with the Agricultural Water Quality Certification Program and other efforts related to the state's Nutrient Reduction Strategy.

(2) The commissioner must submit a report detailing its findings, including potential funding sources and proposal outlines for funding requests where appropriate. The commissioner must submit the report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and environment by December 15, 2025.

(s) The commissioner shall continue to increase connections with ethnic minority and

immigrant farmers to farming opportunities and farming programs throughout the state.

Sec. 3. **BOARD OF ANIMAL HEALTH** **$ 6,656,000 $ 6,781,000**

$246,000 the first year and $371,000 the second year are to maintain the current level of service delivery.

Sec. 4. **AGRICULTURAL UTILIZATION RESEARCH INSTITUTE** **$ 4,388,000 $ 4,434,000**

$45,000 the first year and $91,000 the second year are to maintain the current level of service delivery.

Sec. 5. **TRANSFERS; ADMINISTRATION.**

Positions, salary money, and nonsalary administrative money may be transferred within the Department of Agriculture as the commissioner of agriculture considers necessary, with the advanced approval of the commissioner of management and budget. The commissioner of agriculture shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance quarterly about the transfers made under this section.

Sec. 6. **TRANSFERS.**

(a) $100,000 in fiscal year 2026 and $100,000 in fiscal year 2027 are transferred from the general fund to the pollinator research account established under Minnesota Statutes, section 18B.051. For fiscal years 2028 through 2031, the commissioner of management and budget must include a transfer of $100,000 each year from the general fund to the pollinator research account established under Minnesota Statutes, section 18B.051, when preparing each forecast from the effective date of this section through the February 2027 forecast, under Minnesota Statutes, section 16A.103.

(b) $186,000 in fiscal year 2026 and $186,000 in fiscal year 2027 are transferred from the general fund to the Minnesota grown account and may be used as grants for Minnesota Grown promotion under Minnesota Statutes, section 17.102. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2027, for Minnesota Grown grants in this paragraph are available until June 30, 2029. For fiscal years 2028 through 2031, the commissioner of management and budget must include a transfer of $186,000 each year from the general fund to the Minnesota grown

account established under Minnesota Statutes, section 17.102, when preparing each forecast from the effective date of this section through the February 2027 forecast, under Minnesota Statutes, section 16A.103.

(c) $10,552,000 in fiscal year 2026 and $10,552,000 in fiscal year 2027 are transferred from the general fund to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3, and the commissioner shall transfer funds each year to the Board of Regents of the University of Minnesota for purposes of Minnesota Statutes, section 41A.14, subdivision 1, clauses (1) and (2), and must supplement and not supplant existing sources and levels of funding. The commissioner may use up to one percent of this transfer for costs incurred to administer this program.

(d) Of the amount transferred for the agriculture research, education, extension, and technology transfer grant program under Minnesota Statutes, section 41A.14:

(1) $600,000 in fiscal year 2026 and $600,000 in fiscal year 2027 are for the Minnesota Agricultural Experiment Station's agriculture rapid response fund under Minnesota Statutes, section 41A.14, subdivision 1, clause (2);

(2) up to $1,000,000 in fiscal year 2026 and up to $1,000,000 in fiscal year 2027 are for research on avian influenza, salmonella, and other turkey-related diseases and disease prevention measures;

(3) $2,375,000 in fiscal year 2026 and $2,375,000 in fiscal year 2027 are for grants to the Minnesota Agricultural Education Leadership Council to enhance agricultural education with priority given to Farm Business Management challenge grants;

(4) $350,000 in fiscal year 2026 and $350,000 in fiscal year 2027 are for potato research;

(5) $802,000 in fiscal year 2026 and $802,000 in fiscal year 2027 are to fund the Forever Green Initiative and protect Minnesota's natural resources while increasing the efficiency, profitability, and productivity of Minnesota farmers by incorporating perennial and winter annual crops into existing agricultural practices. By February 1 each year, the dean of the College of Food, Agricultural and Natural Resource Sciences must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and policy and higher education detailing uses of the money in this clause, including administrative costs, and the achievements this money contributed to;

(6) $200,000 in fiscal year 2026 and $200,000 in fiscal year 2027 are for research on natural strands of wild rice;

(7) $250,000 in fiscal year 2026 and $250,000 in fiscal year 2027 are for the cultivated wild rice forward selection project at the North Central Research and Outreach Center, including a tenure track or research associate plant scientist; and

(8) $75,000 in fiscal year 2026 and $75,000 in fiscal year 2027 are for grants to the Southwest Minnesota State University Foundation to support the Minnesota Agriculture and Rural Leadership program.

For fiscal years 2028 through 2031, the commissioner of management and budget must include a transfer of $10,552,000 each year from the general fund to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3, when preparing each forecast from the effective date of this section through the February 2027 forecast, under Minnesota Statutes, section 16A.103.

(e) $1,425,000 in fiscal year 2026 and $1,425,000 in fiscal year 2027 are transferred from the general fund to the agricultural and environmental revolving loan account established under Minnesota Statutes, section 17.117, subdivision 5a, for low-interest or no-interest loans issued through the agriculture best management practices loan program under Minnesota Statutes, section 17.117. For fiscal years 2028 through 2031, the commissioner of management and budget must include a transfer of $1,425,000 each year from the general fund to the agricultural and environmental revolving loan account under Minnesota Statutes, section 17.117, subdivision 5a, when preparing each forecast from the effective date of this section through the February 2027 forecast, under Minnesota Statutes, section 16A.103.

Sec. 7. **FISCAL YEAR 2025 TRANSFER.**

$1,500,000 in fiscal year 2025 is transferred from the general fund to the agricultural emergency account established under Minnesota Statutes, section 17.041.

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

Sec. 8. **CANCELLATIONS; FISCAL YEAR 2025.**

(a) $3,000,000 of the appropriation in fiscal year 2024 from the general fund for green fertilizer production facilities under Laws 2023, chapter 60, article 10, section 4, is canceled to the general fund by June 30, 2025.

(b) $1,500,000 of the appropriation in fiscal year 2025 from the general fund for Dairy Assistance, Investment, Relief Initiative (DAIRI) grants and other forms of financial assistance to Minnesota dairy farms that enroll in coverage under a federal dairy risk

protection program and produced no more than 16,000,000 pounds of milk in 2022 under Laws 2024, chapter 126, article 1, section 1, is canceled to the general fund by June 30, 2025.

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

Sec. 9. Laws 2021, First Special Session chapter 3, article 1, section 2, subdivision 4, as amended by Laws 2022, chapter 95, article 1, section 1, subdivision 4, is amended to read:

| | | |
|---|---|---|
| Subd. 4. **Agriculture, Bioenergy, and Bioproduct Advancement** | 25,343,000 | 27,257,000 |

(a) $9,300,000 the first year and $9,300,000 the second year are for transfer to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3. Of these amounts: at least $600,000 the first year and $600,000 the second year are for the Minnesota Agricultural Experiment Station's agriculture rapid response fund under Minnesota Statutes, section 41A.14, subdivision 1, clause (2); $2,000,000 the first year and $2,000,000 the second year are for grants to the Minnesota Agriculture Education Leadership Council to enhance agricultural education with priority given to Farm Business Management challenge grants; $350,000 the first year and $350,000 the second year are for potato breeding; and $450,000 the first year and $450,000 the second year are for the cultivated wild rice breeding project at the North Central Research and Outreach Center to include a tenure track/research associate plant breeder. The commissioner shall transfer the remaining funds in this appropriation each year to the Board of Regents of the University of Minnesota for purposes of Minnesota Statutes, section 41A.14. Of the amount

transferred to the Board of Regents, up to $1,000,000 each year is for research on avian influenza, salmonella, and other turkey-related diseases. By January 15, 2023, entities receiving grants for potato breeding and wild rice breeding are requested to report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and higher education regarding the use of the grant money and to provide an update on the status of research and related accomplishments.

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

(b) $16,028,000 the first year and $17,928,000 the second year are for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. Except as provided below, the commissioner may allocate the appropriation each year among the following areas: facilitating the start-up, modernization, improvement, or expansion of livestock operations including beginning and transitioning livestock operations with preference given to robotic dairy-milking equipment; providing funding not to exceed $800,000 each year to develop and enhance farm-to-school markets for Minnesota farmers by providing more fruits, vegetables, meat, grain, and dairy for Minnesota children in

school and child care settings including, at the commissioner's discretion, reimbursing schools for purchases from local farmers; assisting value-added agricultural businesses to begin or expand, to access new markets, or to diversify, including aquaponics systems; providing funding not to exceed $600,000 each year for urban youth agricultural education or urban agriculture community development of which $10,000 each year is for transfer to the emerging farmer account under Minnesota Statutes, section 17.055, subdivision 1a; providing funding not to exceed $450,000 each year for the good food access program under Minnesota Statutes, section 17.1017; facilitating the start-up, modernization, or expansion of other beginning and transitioning farms including by providing loans under Minnesota Statutes, section 41B.056; sustainable agriculture on-farm research and demonstration; development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research; Farm Business Management tuition assistance; and good agricultural practices and good handling practices certification assistance. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.

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

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

(2) $4,500,000 the first year and $5,750,000 the second year are for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. Notwithstanding Minnesota Statutes, section 16A.28, the first year appropriation is available until June 30, 2023, and the second year appropriation is available until June 30, 2024. If this appropriation exceeds the total amount for which all producers are eligible in a fiscal year, the balance of the appropriation is available for other purposes under this paragraph. The base appropriation under this clause is $5,750,000 in fiscal year 2024 and thereafter;

(3) $3,000,000 the first year and $3,000,000 the second year are for grants that enable retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than 10 retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant

award must not exceed 65 percent of the cost of the appropriate technology. A grant award must not exceed $200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which it contracts, must submit a report on the biofuels infrastructure financial assistance program by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The annual report must include but not be limited to a summary of the following metrics: (i) the number and types of projects financed; (ii) the amount of dollars leveraged or matched per project; (iii) the geographic distribution of financed projects; (iv) any market expansion associated with upgraded infrastructure; (v) the demographics of the areas served; (vi) the costs of the program; and (vii) the number of grants to minority-owned or female-owned businesses;

(4) $750,000 the first year and $1,400,000 the second year are for grants to facilitate the start-up, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed $200,000. Any unencumbered balance at the end of the second year does not cancel until June 30, 2024, and may be used for other purposes under this paragraph. The base appropriation under this clause is $250,000 in fiscal year 2024 and thereafter; and

(5) $1,400,000 the first year and $1,400,000 the second year are for livestock investment grants under Minnesota Statutes, section 17.118. Any unencumbered balance at the end of the second year does not cancel until June 30, 2024, and may be used for other purposes under this paragraph. The appropriations under this clause are onetime.

Notwithstanding Minnesota Statutes, section 16A.28, ~~any unencumbered balance does not cancel at the end of the first year and is available for the second year, and~~ this appropriation does not cancel at the end of the second year and is available until June 30, 2029. Appropriations encumbered under contract on or before June 30, ~~2023~~ 2029, for agricultural growth, research, and innovation grants are available until June 30, ~~2026~~ 2032.

The base amount for the agricultural growth, research, and innovation program is $17,553,000 in fiscal year 2024 and $17,553,000 in fiscal year 2025, and includes funding for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20.

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

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

Sec. 10. Laws 2023, chapter 43, article 1, section 2, subdivision 4, as amended by Laws 2024, chapter 126, article 1, section 1, subdivision 4, is amended to read:

| | | | |
|---|---|---|---|
| Subd. 4. **Agriculture, Bioenergy, and Bioproduct Advancement** | | 34,034,000 | 38,159,000 |

(a) $10,702,000 the first year and $10,702,000 the second year are for the agriculture research, education, extension, and technology transfer program under Minnesota Statutes, section 41A.14. Except as provided below, the appropriation each year is for transfer to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3, and the commissioner shall transfer funds each year to the Board of Regents of the University of Minnesota for purposes of Minnesota Statutes, section 41A.14. To the extent practicable, money expended under Minnesota Statutes, section 41A.14, subdivision 1, clauses (1) and (2), must supplement and not supplant existing sources and levels of funding. The commissioner may use up to one percent of this appropriation for costs incurred to administer the program.

Of the amount appropriated for the agriculture research, education, extension, and technology transfer grant program under Minnesota Statutes, section 41A.14:

(1) $600,000 the first year and $600,000 the second year are for the Minnesota Agricultural Experiment Station's agriculture rapid response fund under Minnesota Statutes, section 41A.14, subdivision 1, clause (2);

(2) up to $1,000,000 the first year and up to $1,000,000 the second year are for research on avian influenza, salmonella, and other turkey-related diseases and disease prevention measures;

(3) $2,250,000 the first year and $2,250,000 the second year are for grants to the Minnesota Agricultural Education Leadership Council to enhance agricultural education with priority given to Farm Business Management challenge grants;

(4) $450,000 the first year is for the cultivated wild rice breeding project at the North Central Research and Outreach Center to include a tenure track/research associate plant breeder;

(5) $350,000 the first year and $350,000 the second year are for potato breeding;

(6) $802,000 the first year and $802,000 the second year are to fund the Forever Green Initiative and protect the state's natural resources while increasing the efficiency, profitability, and productivity of Minnesota farmers by incorporating perennial and winter-annual crops into existing agricultural practices. The base for the allocation under this clause is $802,000 in fiscal year 2026 and each year thereafter. By February 1 each year, the dean of the College of Food, Agricultural and Natural Resource Sciences must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and policy and higher education detailing uses of the funds in this paragraph, including

administrative costs, and the achievements these funds contributed to;

(7) $350,000 each year is for farm-scale winter greenhouse research and development coordinated by University of Minnesota Extension Regional Sustainable Development Partnerships. The allocation in this clause is onetime;

(8) $200,000 the second year is for research on natural stands of wild rice; and

(9) $250,000 the second year is for the cultivated wild rice forward selection project at the North Central Research and Outreach Center, including a tenure track or research associate plant scientist.

(b) The base for the agriculture research, education, extension, and technology transfer program is $10,352,000 in fiscal year 2026 and $10,352,000 in fiscal year 2027.

(c) $23,332,000 the first year is for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. Except as provided below, the commissioner may allocate this appropriation among the following areas: facilitating the start-up, modernization, improvement, or expansion of livestock operations, including beginning and transitioning livestock operations with preference given to robotic dairy-milking equipment; assisting value-added agricultural businesses to begin or expand, to access new markets, or to diversify, including aquaponics systems, with preference given to hemp fiber processing

equipment; facilitating the start-up, modernization, or expansion of other beginning and transitioning farms, including by providing loans under Minnesota Statutes, section 41B.056; sustainable agriculture on-farm research and demonstration; the development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research, including basic and applied turf seed research; Farm Business Management tuition assistance; and good agricultural practices and good handling practices certification assistance. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.

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

(1) $1,000,000 the first year is for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture;

(2) $5,750,000 the first year is for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. Notwithstanding Minnesota Statutes, section 16A.28, the first year appropriation is available until June 30, 2025. If this appropriation exceeds the total amount for which all producers are eligible in a fiscal year, the balance of the appropriation is available for other purposes under this paragraph;

(3) $3,375,000 the first year is for grants that enable retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than 10 retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 65 percent of the cost of the appropriate technology. A grant award must not exceed $200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which the commissioner contracts, must submit a report on the biofuels infrastructure financial assistance program by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The annual report must include but not be limited to a summary of the following metrics: (i) the number and types of projects financed; (ii) the amount of dollars leveraged or matched per project; (iii) the geographic distribution of financed projects; (iv) any market expansion associated with

upgraded infrastructure; (v) the demographics of the areas served; (vi) the costs of the program; and (vii) the number of grants to minority-owned or female-owned businesses;

(4) $1,250,000 the first year is for grants to facilitate the start-up, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed $200,000. Any unencumbered balance at the end of the second year does not cancel until June 30, 2026, and may be used for other purposes under this paragraph;

(5) $1,150,000 the first year is for providing more fruits, vegetables, meat, poultry, grain, and dairy for children in school and early childhood education settings, including, at the commissioner's discretion, providing grants to reimburse schools and early childhood education and child care providers for purchasing equipment and agricultural products. Organizations must participate in the National School Lunch Program or the Child and Adult Care Food Program to be eligible. Of the amount appropriated, $150,000 is for a statewide coordinator of farm-to-institution strategy and programming. The coordinator must consult with relevant stakeholders and provide technical assistance and training for participating farmers and eligible grant recipients;

(6) $2,000,000 the first year is for urban youth agricultural education or urban agriculture community development;

(7) $1,000,000 the first year is for the good food access program under Minnesota Statutes, section 17.1017; and

(8) $225,000 the first year is to provide grants to secondary career and technical education programs for the purpose of offering instruction in meat cutting and butchery. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 6.5 percent of this appropriation for administrative costs. This is a onetime appropriation. Grants may be used for costs, including but not limited to:

(i) equipment required for a meat cutting program;

(ii) facility renovation to accommodate meat cutting; and

(iii) training faculty to teach the fundamentals of meat processing.

A grant recipient may be awarded a grant of up to $75,000 and may use up to ten percent of the grant for faculty training. Priority may be given to applicants who are coordinating with meat cutting and butchery programs at Minnesota State Colleges and Universities institutions or with local industry partners.

By January 15, 2025, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and education finance by listing the grants made under this paragraph by county and noting the number and amount of grant requests not fulfilled. The report may include additional

information as determined by the commissioner, including but not limited to information regarding the outcomes produced by these grants. If additional grants are awarded under this paragraph that were not covered in the report due by January 15, 2025, the commissioner must submit an additional report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and education finance regarding all grants issued under this paragraph by November 1, 2025.

Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available for the second year, and appropriations encumbered under contract on or before June 30, 2025, for agricultural growth, research, and innovation grants are available until June 30, 2028.

(d) $27,457,000 the second year is for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. Except as provided below, the commissioner may allocate this appropriation among the following areas: facilitating the start-up, modernization, improvement, or expansion of livestock operations, including beginning and transitioning livestock operations with preference given to robotic dairy-milking equipment; assisting value-added agricultural businesses to begin or expand, to access new markets, or to diversify, including aquaponics systems, with preference given to hemp fiber processing

equipment; facilitating the start-up, modernization, or expansion of other beginning and transitioning farms, including by providing loans under Minnesota Statutes, section 41B.056; sustainable agriculture on-farm research and demonstration; the development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research, including basic and applied turf seed research; Farm Business Management tuition assistance; and good agricultural practices and good handling practices certification assistance. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.

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

(1) $1,000,000 the second year is for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture;

(2) $5,750,000 the second year is for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027. If this appropriation exceeds the total amount for which all producers are eligible in a fiscal year, the balance of the appropriation is available for other purposes under this paragraph. The base under this

clause is $3,000,000 in fiscal year 2026 and each year thereafter;

(3) $3,375,000 the second year is for grants that enable retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than ten retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 65 percent of the cost of the appropriate technology. A grant award must not exceed $200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which the commissioner contracts, must submit a report on the biofuels infrastructure financial assistance program by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The annual report must include but not be limited to a summary of the following metrics: (i) the number and types of projects financed; (ii) the amount of money

leveraged or matched per project; (iii) the geographic distribution of financed projects; (iv) any market expansion associated with upgraded infrastructure; (v) the demographics of the areas served; (vi) the costs of the program; and (vii) the number of grants to minority-owned or female-owned businesses. The base under this clause is $3,000,000 for fiscal year 2026 and each year thereafter;

(4) $1,250,000 the second year is for grants to facilitate the start-up, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed $200,000. Any unencumbered balance at the end of the second year does not cancel until June 30, 2027, and may be used for other purposes under this paragraph. The base under this clause is $250,000 in fiscal year 2026 and each year thereafter;

(5) $1,275,000 the second year is for providing more fruits, vegetables, meat, poultry, grain, and dairy for children in school and early childhood education settings, including, at the commissioner's discretion, providing grants to reimburse schools and early childhood education and child care providers for purchasing equipment and agricultural products. Organizations must participate in the National School Lunch Program or the Child and Adult Care Food Program to be eligible. Of the amount appropriated, $150,000 is for a statewide coordinator of farm-to-institution strategy and programming. The coordinator must consult with relevant

stakeholders and provide technical assistance and training for participating farmers and eligible grant recipients. The base under this clause is $1,294,000 in fiscal year 2026 and each year thereafter;

(6) $4,000,000 the second year is for Dairy Assistance, Investment, Relief Initiative (DAIRI) grants and other forms of financial assistance to Minnesota dairy farms that enroll in coverage under a federal dairy risk protection program and produced no more than 16,000,000 pounds of milk in 2022. The commissioner must make DAIRI payments based on the amount of milk produced in 2022, up to 5,000,000 pounds per participating farm, at a rate determined by the commissioner within the limits of available funding. Any unencumbered balance on June 30, 2026, may be used for other purposes under this paragraph. The allocation in this clause is onetime;

(7) $2,000,000 the second year is for urban youth agricultural education or urban agriculture community development;

(8) $1,000,000 the second year is for the good food access program under Minnesota Statutes, section 17.1017; and

(9) $225,000 the second year is for the protecting livestock grant program for producers to support the installation of measures to prevent the transmission of avian influenza. For the appropriation in this paragraph, a grant applicant must document a cost-share of 20 percent. An applicant's cost-share amount may be reduced up to

$2,000 to cover time and labor costs. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 6.5 percent of this appropriation for administrative costs. This appropriation is available until June 30, 2027. This is a onetime appropriation.

(e) Notwithstanding Minnesota Statutes, section 16A.28, ~~this~~ the appropriation in paragraph (d) does not cancel at the end of the second year and is available until June 30, 2027. Appropriations encumbered under contract on or before June 30, 2027, for agricultural growth, research, and innovation grants are available until June 30, 2030.

~~(e)~~ (f) The base for the agricultural growth, research, and innovation program is $17,582,000 in fiscal year 2026 and each year thereafter and includes $200,000 each year for cooperative development grants.

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

## ARTICLE 2

## BROADBAND

Section 1. **BROADBAND DEVELOPMENT APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

| | APPROPRIATIONS Available for the Year Ending June 30 | |
|---|---|---|
| | 2026 | 2027 |

Sec. 2. **DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT** **$ 1,001,000 $ 1,001,000**

$1,001,000 each year is for the Office of Broadband Development.

## ARTICLE 3
## POLICY PROVISIONS

Section 1. Minnesota Statutes 2024, section 17.1017, is amended to read:

**17.1017 ~~GOOD~~ FOOD ~~ACCESS~~ RETAIL IMPROVEMENT AND DEVELOPMENT PROGRAM.**

Subdivision 1. **Definitions.** (a) For purposes of this section, unless the language or context indicates that a different meaning is intended, the following terms have the meanings given them.

(b) "Account" means the ~~good~~ food ~~access~~ retail improvement and development account established in subdivision 3.

(c) "Commissioner" means the commissioner of agriculture.

(d) "Economic or community development financial institution (ECDFI)" means a lender, including but not limited to a community development financial institution (CDFI), an economic development district (EDD), a political subdivision of the state, a microenterprise firm, or a nonprofit community lending organization that has previous experience lending to a food retailer, producer, or another healthy food enterprise ~~in an underserved community in a low-income or moderate-income area~~, as defined in this section~~; has been in existence and operating prior to January 1, 2014~~; has demonstrated the ability to raise matching capital and in-kind services to leverage appropriated money; has the demonstrated ability to underwrite loans and grants; and has partnered previously with nonprofit healthy food access, public health, or related governmental departments or community organizations.

(e) "Farmers' market" means an association of three or more persons who assemble at a defined location that is open to the public for the purpose of selling directly to the consumer the products of a farm or garden occupied and cultivated by the person selling the product.

(f) "Financing" means loans, including low-interest loans, zero-interest loans, forgivable loans, and other types of financial assistance other than grants.

(g) "Food hub" means a centrally located facility with a business management structure that facilitates the aggregation, storage, processing, distribution, marketing, and sale of

locally or regionally produced food products, and which may include a small-scale retail grocery operation.

~~(h) "Good Food Access Program Advisory Committee" means the Good Food Access Program Advisory Committee under section 17.1018.~~

(h) "Food Retail Improvement and Development Program Advisory Committee" means the Food Retail Improvement and Development Program Advisory Committee under section 17.1018.

(i) "Grocery store" means a for-profit, not-for-profit, or cooperative self-service retail establishment that sells primarily meat, fish, seafood, fruits, vegetables, dry groceries, and dairy products and may also sell household products, sundries, and other products. Grocery store includes a supermarket or a large-, mid-, or small-scale retail grocery establishment and may include a mobile food market or a delivery service operation.

(j) "Low-income area" means a census tract as reported in the most recently completed decennial census published by the United States Bureau of the Census that has a poverty rate of at least 20 percent or in which the median family income does not exceed 80 percent of the greater of the statewide or metropolitan median family income.

(k) "Moderate-income area" means a census tract as reported in the most recently completed decennial census published by the United States Bureau of the Census in which the median family income is between 81 percent and 95 percent of the median family income for that area.

(l) "Mobile food market" means a self-contained for-profit, not-for-profit, or cooperative retail grocery operation located in a movable new or renovated truck, bus, or other vehicle that is used to store, prepare, display, and sell primarily meat, fish, seafood, fruits, vegetables, dry groceries, and dairy products and may also be used to sell a nominal supply of cooking utensils and equipment and other household products and sundries.

(m) "Program" means the ~~good~~ food ~~access~~ retail improvement and development program established in this section.

(n) "Small food retailer" means a small-scale retail food outlet, other than a grocery store as defined in this section. Small food retailer includes, but is not limited to, a corner store, convenience store, farmers' market, mobile food market, and a retail food outlet operated by an emergency food program or food hub.

(o) "Technical assistance" means needs-based project assistance provided through the program, including sustainability-focused individualized guidance, presentations, workshops,

trainings, printed materials, mentorship opportunities, peer-to-peer opportunities, or other guidance and resources on relevant topics such as business planning, sales projections, cash flow, succession planning, financing, fundraising, marketing, food preparation demonstrations, and workforce training.

(p) "Underserved community" means a ~~census tract that is federally designated as a food desert by the United States Department of Agriculture, or a census tract in a low-income or moderate-income area that includes a substantial subpopulation such as the elderly or the disabled that has low supermarket access, regardless of distance, due to lack of transportation~~ geographic area or group of people whose food access needs are not met by existing retail options, including a low-income and moderate-income area, a census tract that is federally designated as a food desert by the United States Department of Agriculture, an area where there is a limited number of grocery stores, or a group of people with particular needs such as the aging population, people with disabilities, or people with special dietary needs or preferences, or as otherwise defined by the commissioner.

Subd. 2. **Program established.** (a) A ~~good~~ food ~~access~~ retail improvement and development program is established within the Department of Agriculture to increase the availability of and access to affordable, nutritious, and culturally appropriate food, including fresh fruits and vegetables, for underserved communities ~~in low-income and moderate-income areas~~ by providing financial support and sustainable public-private projects to open, renovate, or expand the operations of grocery stores and small food retailers; expanding access to credit and reducing barriers to investment in underserved communities ~~in low- and moderate-income areas~~; and to provide technical assistance, primarily for small food retailers with demonstrated need, to increase availability and sustainable sales of affordable, nutritious, and culturally appropriate food, including fresh fruits and vegetables, to underserved communities in low-income and moderate-income areas. The commissioner, in cooperation with public and private partners, shall establish and implement the program as provided in this section.

(b) The ~~good~~ food ~~access~~ retail improvement and development program shall be comprised of state or private grants, loans, or other types of financial and technical assistance for the establishment, construction, expansion of operations, or renovation of grocery stores and small food retailers to increase the availability of and access to affordable fresh produce and other nutritious, culturally appropriate food to underserved communities ~~in low-income and moderate-income areas~~.

Subd. 3. **~~Good~~ Food ~~access~~ retail improvement and development account.** A ~~good~~ food ~~access~~ retail improvement and development account is established in the agricultural

fund. The account consists of money appropriated by the legislature to the commissioner, as provided by law, and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account, including interest, is appropriated to the commissioner for the purposes of this section, and shall be used, to the extent practicable, to leverage other forms of public and private financing or financial assistance for the projects.

Subd. 4. **Program administration.** (a) The commissioner shall be the administrator of the account for auditing purposes and shall establish program requirements and a competitive process for projects applying for financial and technical assistance.

(b) The commissioner may receive money or other assets from any source, including but not limited to philanthropic foundations and financial investors, for deposit into the account.

(c) Through issuance of requests for proposals, the commissioner may contract with one or more qualified economic or community development financial institutions to manage the financing component of the program and with one or more qualified organizations or public agencies with financial or other program-related expertise to manage the provision of technical assistance to project grantees.

(d) Money in the account at the close of each fiscal year shall remain in the account and shall not cancel. In each biennium, the commissioner shall determine the appropriate proportion of money to be allocated to loans, grants, technical assistance, and any other types of financial assistance.

(e) To encourage public-private, cross-sector collaboration and investment in the account and program and to ensure that the program intent is maintained throughout implementation, the commissioner shall convene and maintain the ~~Good~~ Food ~~Access~~ Retail Improvement and Development Program Advisory Committee.

(f) The commissioner, in cooperation with the ~~Good~~ Food ~~Access~~ Retail Improvement and Development Program Advisory Committee, shall manage the program, establish program criteria, facilitate leveraging of additional public and private investment, and promote the program statewide.

(g) The commissioner, in cooperation with the ~~Good~~ Food ~~Access~~ Retail Improvement and Development Program Advisory Committee, shall establish annual monitoring and accountability mechanisms for all projects receiving financing or other financial or technical assistance through this program.

Subd. 5. **Eligible projects.** (a) The commissioner, in cooperation with the program partners and advisers, shall establish project eligibility guidelines and application processes to be used to review and select project applicants for financing or other financial or technical assistance. All projects must ~~be located in~~ serve an underserved community ~~or must serve primarily underserved communities in low-income and moderate-income areas~~.

(b) Projects eligible for financing include, but are not limited to, new construction, renovations, expansions of operations, and infrastructure upgrades of grocery stores and small food retailers to improve the availability of and access to affordable, nutritious food, including fresh fruits and vegetables, and build capacity in areas of greatest need.

(c) Projects eligible for other types of financial assistance such as grants or technical assistance are primarily projects throughout the state, including, but not limited to, feasibility studies, new construction, renovations, expansion of operations, and infrastructure upgrades of small food retailers.

Subd. 6. **Qualifications for receipt of financing and other financial or technical assistance.** (a) An applicant for receipt of financing through an economic or community development financial institution, or an applicant for a grant or other financial ~~or technical~~ assistance, may be a for-profit or not-for-profit entity, including, but not limited to, a sole proprietorship, limited liability company, corporation, cooperative, nonprofit organization, or nonprofit community development organization. Each applicant must:

(1) demonstrate community engagement in and support for the project;

(2) demonstrate the capacity to successfully implement the project;

(3) demonstrate a viable plan for long-term sustainability, including the ability to increase the availability of and access to affordable, nutritious, and culturally appropriate food, including fresh fruits and vegetables, for underserved communities ~~in low-income and moderate-income areas~~; and

(4) demonstrate the ability to repay the debt, to the extent that the financing requires repayment.

(b) Each applicant must also agree to comply with the following conditions for a period of at least five years, except as otherwise specified in this section:

(1) accept Supplemental Nutrition Assistance Program (SNAP) benefits;

(2) allocate at least 30 percent of retail space for the sale of affordable, nutritious, and culturally appropriate foods, including fruits and vegetables, low-fat and nonfat dairy, fortified dairy substitute beverages such as soy-based or nut-based dairy substitute beverages,

whole grain-rich staple foods, meats, poultry, fish, seafood, and other proteins, consistent with nutrition standards in national guidelines described in the current United States Department of Agriculture Dietary Guidelines for Americans; and

(3) comply with all data collection and reporting requirements established by the commissioner~~; and~~.

~~(4) promote the hiring, training, and retention of local or regional residents from low-income and moderate-income areas that reflect area demographics, including communities of color.~~

(c) A selected project that is a small food retailer is not subject to the allocation agreement under paragraph (b), clause (2), and may use financing, grants, or other financial or technical assistance for refrigeration, displays, or onetime capital expenditures for the promotion and sale of perishable foods, including a combination of affordable, nutritious, and culturally appropriate fresh or frozen dairy, dairy substitute products, produce, meats, poultry, and fish, consistent with nutrition standards in national guidelines described in the current United States Department of Agriculture Dietary Guidelines for Americans.

Subd. 7. **Additional selection criteria.** In determining which qualified projects to finance, and in determining which qualified projects to provide with grants or other types of financial or technical assistance, the commissioner, in cooperation with any entities with which the commissioner contracts for those purposes and the ~~Good~~ Food ~~Access~~ Retail Improvement and Development Program Advisory Committee, ~~shall~~ may also consider:

(1) the level of need in the area to be served;

(2) the degree to which the project requires an investment of public support, or technical assistance where applicable, to move forward, build capacity, create community impact, or be competitive;

(3) the likelihood that the project will have positive economic and health impacts on the underserved community, including creation and retention of jobs for local or regional residents ~~from low-income and moderate-income areas~~ that reflect area demographics, including Indigenous communities and communities of color;

(4) the degree to which the project will participate in state and local health department initiatives to educate consumers on nutrition, promote healthy eating and healthy weight, and support locally grown food products through programs such as Minnesota Grown; and

(5) any other criteria that the commissioner, in cooperation with public and private partners, determines to be consistent with the purposes of this chapter.

Subd. 8. **Eligible costs.** Financing for project loans, including low-interest, zero-interest, and forgivable loans, grants, and other financial or technical assistance, may be used to support one or more of the following purposes:

(1) site acquisition and preparation;

(2) predevelopment costs, including but not limited to feasibility studies, market studies, and appraisals;

(3) construction and build-out costs;

(4) equipment and furnishings;

(5) workforce or retailer training; and

(6) working capital.

Subd. 9. **Legislative report.** The commissioner, in cooperation with any economic or community development financial institution and any other entity with which it contracts, shall submit an annual report on the good food access program by January 15 of each year to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over agriculture policy and finance. The annual report shall include, but not be limited to, a summary of the following metrics:

(1) the number and types of projects financed;

(2) the amount of dollars leveraged or matched per project;

(3) the geographic distribution of financed projects;

(4) the number and types of technical assistance recipients;

~~(5) any market or commodity expansion associated with increased access;~~

~~(6)~~ (5) the demographics of the areas served;

~~(7)~~ (6) the costs of the program;

~~(8)~~ (7) the number of SNAP ~~and WIC~~ dollars spent;

~~(9)~~ (8) any increase in retail square footage;

~~(10)~~ (9) the number of loans or grants to ~~minority-owned or female-owned businesses~~ businesses owned by women and Black, Indigenous, or Persons of Color; and

~~(11)~~ (10) measurable economic and health outcomes, including, but not limited to, increases in sales and consumption of locally sourced and other fresh fruits and vegetables,

the number of construction and retail jobs retained or created, and any health initiatives associated with the program.

Sec. 2. Minnesota Statutes 2024, section 17.1018, is amended to read:

**17.1018 ~~GOOD~~ FOOD ~~ACCESS~~ RETAIL IMPROVEMENT AND DEVELOPMENT PROGRAM ADVISORY COMMITTEE.**

Subdivision 1. **Definitions.** As used in this section, the following terms have the meanings given them:

(1) "program" means the good food access program under section 17.1017; and

(2) "commissioner" means the commissioner of agriculture.

Subd. 2. **Creation.** The ~~Good~~ Food ~~Access~~ Retail Improvement and Development Program Advisory Committee consists of the following members, appointed by the commissioner of agriculture, unless otherwise specified:

(1) the commissioners of health~~,~~; employment and economic development~~,~~; and ~~human services~~ children, youth, and families, or their respective designees;

(2) one person representing the grocery industry;

(3) two people representing economic or community development, one rural member and one urban or suburban member;

(4) two people representing political subdivisions of the state;

(5) one person designated by the Council for Minnesotans of African Heritage;

(6) one person designated by the Minnesota Indian Affairs Council;

(7) one person designated by the Council on Asian Pacific Minnesotans;

(8) one person designated by the ~~Chicano Latino Affairs~~ Council on Latino Affairs;

(9) one person designated by the Minnesota Farmers Union;

(10) one person representing public health experts;

(11) one person representing philanthropic foundations;

(12) one person representing economic or community development financial institutions;

(13) one person representing the University of Minnesota Regional Sustainable Development Partnerships;

(14) two people representing organizations engaged in addressing food security, one representative from a statewide hunger relief organization and one from a community-based organization;

(15) one person representing immigrant farmer-led organizations;

(16) one person representing small business technical assistance with experience in food retail; and

(17) up to four additional members with economic development, health equity, financial, or other relevant expertise.

At least half of the members must reside in or their organizations must serve rural Minnesota. The commissioner may remove members and fill vacancies as provided in section 15.059, subdivision 4.

Subd. 3. **Duties.** The advisory committee must advise the commissioner of agriculture on managing the program, establishing program criteria, establishing project eligibility guidelines, establishing application processes and additional selection criteria, establishing annual monitoring and accountability mechanisms, facilitating leveraging of additional public and private investments, and promoting the program statewide.

Subd. 4. **Meetings.** The commissioner must convene the advisory committee at least two times per year to achieve the committee's duties.

Subd. 5. **Administrative support.** The commissioner of agriculture must provide staffing, meeting space, and administrative services for the advisory committee.

Subd. 6. **Chair.** The commissioner of agriculture or the commissioner's designee shall serve as chair of the committee.

Subd. 7. **Compensation.** The public members of the advisory committee serve without compensation or payment of expenses.

Subd. 8. **Expiration.** The advisory committee does not expire.

Sec. 3. Minnesota Statutes 2024, section 17.117, subdivision 1, is amended to read:

Subdivision 1. **Purpose.** The purpose of the agriculture best management practices loan program is to provide low or no interest financing to farmers, agriculture supply businesses, ~~rural~~ landowners, and water-quality cooperatives for the implementation of agriculture and other best management practices that reduce environmental pollution.

Sec. 4. Minnesota Statutes 2024, section 17.117, subdivision 3, is amended to read:

Subd. 3. **Appropriations.** Up to ~~$140,000,000~~ $280,000,000 of the balance in the clean water revolving fund in section 446A.07, as determined by the Public Facilities Authority, is appropriated to the commissioner for the establishment of this program. In addition, the commissioner may receive appropriations from the legislature and grants or funds from other sources for implementation of the program.

Sec. 5. Minnesota Statutes 2024, section 17.118, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The commissioner may award a livestock investment grant to ~~a person~~ an eligible applicant who raises livestock in this state equal to ~~ten percent of the first $500,000 of qualifying expenditures, provided the person makes qualifying expenditures of at least $4,000~~ 25 percent of the first $200,000 of qualifying expenditures. The commissioner may award multiple livestock investment grants to a person over the life of the program and shall give preference to applicants who have not previously received a grant under this section.

Sec. 6. Minnesota Statutes 2024, section 17.118, subdivision 2, is amended to read:

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

(b) "Livestock" means animals raised for the production of fiber, meat, and animal by-products for sale or as breeding stock, including but not limited to beef cattle, dairy cattle, swine, poultry, goats, mules, farmed Cervidae, Ratitae, bison, sheep, horses, aquaculture, and llamas.

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

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

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

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

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

(iii) livestock stream crossing stabilization; and

(iv) fences; or

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

(i) freestall barns;

(ii) watering facilities;

(iii) feed storage and handling equipment;

(iv) milking parlors;

(v) robotic equipment;

(vi) scales;

(vii) milk storage and cooling facilities;

(viii) bulk tanks;

(ix) computer hardware and software and associated equipment used to monitor the productivity and feeding of livestock;

(x) manure pumping and storage facilities;

(xi) swine farrowing facilities;

(xii) swine and cattle finishing barns;

(xiii) calving facilities;

(xiv) digesters;

(xv) equipment used to produce energy;

(xvi) on-farm processing facilities equipment;

(xvii) fences, including but not limited to farmed Cervidae perimeter fences required under section 35.155, subdivision 4; and

(xviii) livestock pens and corrals and sorting, restraining, and loading chutes.

Except for qualifying pasture development expenditures under clause (2), qualifying expenditures only include amounts that are allowed to be capitalized and deducted under either section 167 or 179 of the Internal Revenue Code in computing federal taxable income. Qualifying expenditures do not include an amount paid to refinance existing debt.

Sec. 7. Minnesota Statutes 2024, section 17.118, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** To be eligible for a livestock investment grant, ~~a person~~ an applicant must:

(1) be a resident of Minnesota, a unit of Tribal government, or an entity specifically defined in section 500.24, subdivision 2, that is eligible to own farmland and operate a farm in this state under section 500.24;

(2) be the principal operator of the farm;

(3) hold a feedlot registration, if required; and

(4) apply to the commissioner on forms prescribed by the commissioner including a statement of the qualifying expenditures made during the qualifying period along with any proof or other documentation the commissioner may require.

Sec. 8. Minnesota Statutes 2024, section 17.133, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Eligible farmer" means an individual who at the time that the grant is awarded:

(1) is a resident of Minnesota who intends to acquire farmland located within the state and provide the majority of the day-to-day physical labor and management of the farm;

(2) grosses no more than $250,000 per year from the sale of farm products;

(3) has not, and whose spouse has not, at any time had a direct or indirect ownership interest in farmland; and

(4) is not, and whose spouse is not, ~~related by blood or marriage to an owner~~ a family member of the owner of the farmland that the individual intends to acquire. "Family member" has the meaning given in section 267(c)(4) of the Internal Revenue Code.

(c) "Farm down payment" means an initial, partial payment required by a lender or seller to purchase farmland.

(d) "Incubator farm" means a farm where:

(1) individuals are given temporary, exclusive, and affordable access to small parcels of land, infrastructure, and often training, for the purpose of honing skills and launching a farm business; and

(2) a majority of the individuals farming the small parcels of land grow industrial hemp, cannabis, or one or more of the following specialty crops as defined by the United States Department of Agriculture for purposes of the specialty crop block grant program: fruits and vegetables, tree nuts, dried fruits, medicinal plants, culinary herbs and spices, horticulture crops, floriculture crops, and nursery crops.

(e) "Limited land access" means farming without ownership of land and:

(1) the individual or the individual's child rents or leases the land, with the term of each rental or lease agreement not exceeding three years in duration, from a person who is not related to the individual or the individual's spouse by blood or marriage; or

(2) the individual rents the land from an incubator farm.

(f) "Limited market access" means the individual has gross sales of no more than $100,000 per year from the sale of farm products.

Sec. 9. Minnesota Statutes 2024, section 18B.26, subdivision 8, is amended to read:

Subd. 8. **PFAS prohibitions.** (a) Beginning January 1, 2026, the commissioner may not register a ~~cleaning~~ product in the categories listed in section 116.943, subdivision 5, paragraph (a), if the product contains intentionally added PFAS unless the commissioner determines that the use of PFAS is a currently unavoidable use.

(b) Beginning January 1, 2032, the commissioner may not register a pesticide product that contains intentionally added PFAS unless the commissioner determines that the use of PFAS is a currently unavoidable use.

Sec. 10. Minnesota Statutes 2024, section 18B.37, subdivision 6, is amended to read:

Subd. 6. **Access to pesticide application information.** (a) A physician ~~licensed to practice in Minnesota~~, physician assistant, or nurse practitioner, or a Minnesota licensed veterinarian, may submit a request to the commissioner for access to available information on the application of pesticides by a commercial or noncommercial pesticide applicator related to a course of diagnosis, care, or treatment of a patient under the care of the physician or veterinarian. For purposes of this subdivision, the physician, physician assistant, or nurse practitioner making the request must be licensed to practice in Minnesota.

(b) A request for pesticide application information under this subdivision must include available details as to the specific location of a known or suspected application that occurred on one or more specified dates and times. The request must also include information on symptoms displayed by the patient that prompted the physician or veterinarian to suspect pesticide exposure. The request must indicate that any information discovered will become part of the confidential patient record and will not be released publicly.

(c) Upon receipt of a request under paragraph (a), the commissioner, in consultation with the commissioner of health, shall promptly review the information contained in the

request and determine if release of information held by the department may be beneficial for the medical diagnosis, care, and treatment of the patient.

(d) The commissioner may release to the requester available information on the pesticide. The commissioner shall withhold nonessential information such as total acres treated, the specific amount of pesticides applied, and the identity of the applicator or property owner.

Sec. 11. Minnesota Statutes 2024, section 18C.111, is amended by adding a subdivision to read:

Subd. 6. **Fertilizers and fertilizer by-products.** The commissioner may coordinate the protection of public health and the environment from the unreasonable adverse effects of fertilizers and fertilizer by-products among state agencies and local governments and may assist other state agencies and local governments in providing such protection.

Sec. 12. Minnesota Statutes 2024, section 25.391, subdivision 1, is amended to read:

Subdivision 1. **Exemption.** The provisions of this chapter do not apply to ~~an individual~~ a person who prepares and sells home-processed pet treats for dogs and cats, provided the following conditions are met:

(1) the person is an individual, a sole proprietorship, a single-member limited liability company owned by one individual, or a limited liability company owned by two individuals residing at the same residence;

(2) the person does not hold a commercial feed license under section 25.341;

(3) the ~~individual~~ person is registered with the commissioner under section 28A.152, subdivision 4;

~~(2)~~ (4) the pet treats are not potentially hazardous food, as defined in Minnesota Rules, part 4626.0020, subpart 62, that is safe for human consumption and for consumption by the intended species;

~~(3)~~ (5) the pet treats are baked or dehydrated;

~~(4)~~ (6) the ~~individual~~ person displays at the point of sale a clearly legible sign or placard stating, "These products are homemade and not subject to state inspection."; and

~~(5)~~ (7) each individual pet treat package is labeled with the following: (i) the name and registration number or address of the individual preparing the pet treat; (ii) the date on which the pet treat was prepared; (iii) the ingredients listed; and (iv) the statement "These products are homemade and not subject to state inspection."

Sec. 13. Minnesota Statutes 2024, section 25.391, subdivision 2, is amended to read:

Subd. 2. **Direct sales to consumers.** ~~An individual~~ A person qualifying for the exemption under subdivision 1 may sell the exempt pet treats to consumers in accordance with section 28A.152, except that pet treats may also be delivered by mail or commercial delivery.

Sec. 14. Minnesota Statutes 2024, section 32D.01, is amended by adding a subdivision to read:

Subd. 12a. **Milk marketer.** "Milk marketer" means any person who collects or procures milk from dairy producers in Minnesota or markets milk on behalf of Minnesota dairy producers. Milk marketer does not include:

(1) a person who only brokers a contract between a milk producer and a milk contractor but does not become a party to the contract, take control of the milk, or accept payment on behalf of the milk producer;

(2) a person who only buys or sells milk on a board of trade or commodity exchange;

(3) a person who collects milk solely from their own farm, for use in their own dairy plant; or

(4) a person who only sells milk direct to the end consumer, from their own farm.

Sec. 15. **[32D.31] MILK MARKETING LICENSE.**

Subdivision 1. **License requirement and eligibility.** A current milk marketing license is required for any milk marketer who procures more than 700,000 pounds of milk annually from Minnesota farms. Before a milk marketing license is issued, the commissioner must determine that the applicant meets the relevant licensing requirements.

Subd. 2. **Application.** An applicant for a milk marketing license must apply on a form provided by the commissioner. An applicant must also submit:

(1) a report of the total milk payroll obligations that the applicant incurred during the applicant's last completed fiscal year. If the applicant has not yet operated as a milk marketer in Minnesota, the applicant shall estimate the total milk payroll obligations that the applicant will incur during the applicant's first complete fiscal year;

(2) a report of any milk payroll obligations to dairy producers that were unpaid during the applicant's last completed fiscal year and the payroll amount; and

(3) the total amount of hundredweights procured, collected, or marketed from Minnesota milk producers during the applicant's last completed fiscal year.

Subd. 3. **Term of license; transferability.** A milk marketing license issued by the commissioner expires on December 31 of each year, must be renewed annually, and is not transferable.

Subd. 4. **Fees and penalties.** (a) The fee for a milk marketing license is:

(1) $100 for an initial license; and

(2) $250 annually for a license renewal.

(b) The fee must be paid to the commissioner before the commissioner issues an initial or renewal license. If a person has not applied for a milk marketing license renewal before January 1, a late fee of $100 must be imposed. After January 1, 2026, any person who requires a milk marketing license and conducts activities subject to licensing within 365 days prior to obtaining a milk marketing license must pay a penalty of $250 to receive the person's initial license.

Subd. 5. **License requirements.** An applicant for a milk marketing license must:

(1) complete monthly procurement payments under section 32D.11, if applicable;

(2) provide, upon request of the commissioner, a list of dairy producers from whom the applicant collects milk;

(3) provide dairy field service as described in section 32D.02, subdivision 6;

(4) submit associated farm inspection fees as required under sections 32D.06 and 32D.08;

(5) provide, upon the request of the commissioner, a financial statement to demonstrate that sufficient financial resources are available to satisfy payroll obligations for milk that is procured or collected from Minnesota dairy producers; and

(6) satisfy all contractual payments and agreements made with any Minnesota dairy producer that maintains a permit or certification as required under section 32D.05 or 32D.07. A person's failure to pay dairy producers in accordance with contracts may result in the revocation or suspension of the person's milk marketing license.

Subd. 6. **Permit requirement.** (a) A person conducting the following activities must hold a valid milk marketing permit:

(1) any activities subject to a milk marketing license; or

(2) if the person is a Minnesota milk producer, marketing milk on the producer's own behalf.

(b) An applicant must apply for a milk marketing permit on a form provided by the commissioner. A milk marketing permit must be issued to an applicant in conjunction with the initial license issued and must contain a milk marketing permit number. An applicant for a milk marketing permit must not be required to pay a fee to the commissioner when applying. A milk marketing permit is valid if the holder of the permit maintains a current milk marketing license or continues to market the permit holder's own milk, with no renewals required.

Sec. 16. Minnesota Statutes 2024, section 35.155, subdivision 12, is amended to read:

Subd. 12. **Importation.** (a) A person must not import live Cervidae into the state from a state or province where chronic wasting disease has been detected in the farmed or wild cervid population in the last five years unless the animal has tested not detected for chronic wasting disease with a validated live-animal test.

(b) Live Cervidae or Cervidae semen must originate from a herd that has been subject to a state-, federal-, or provincial-approved chronic wasting disease herd certification program and that has reached a status equivalent to the highest certification.

(c) Cervidae imported in violation of this section may be seized and destroyed by the commissioner of natural resources.

(d) This subdivision does not apply to the interstate transfer of animals between two facilities accredited by the Association of Zoos and Aquariums.

(e) Notwithstanding this subdivision, the commissioner of natural resources may issue a permit allowing the importation of orphaned wild cervid species that are not susceptible to chronic wasting disease from another state to an Association of Zoos and Aquariums accredited institution in Minnesota following a joint risk-based assessment conducted by the commissioner and the institution.

(f) Notwithstanding this subdivision, the state veterinarian may issue a permit to a zoo that is a United States Department of Agriculture licensed exhibitor of regulated animals to import live Cervidae from another state if the Cervidae are part of a herd that is:

(1) in the United States Department of Agriculture Herd Certification Program; or

(2) subject to similar equivalent disease surveillance at the discretion of the state veterinarian.

Sec. 17. Minnesota Statutes 2024, section 41A.09, subdivision 2a, is amended to read:

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

(a) "Ethanol" means fermentation ethyl alcohol derived from agricultural products, including potatoes, cereal grains, cheese whey, and sugar beets; forest products; or other renewable resources, including residue and waste generated from the production, processing, and marketing of agricultural products, forest products, and other renewable resources, that:

(1) meets all of the specifications in ASTM specification ~~D4806-04a~~ D4806-21a; and

(2) is denatured as specified in Code of Federal Regulations, title 27, parts 20 and 21.

(b) "Ethanol plant" means a plant at which ethanol is produced.

(c) "Commissioner" means the commissioner of agriculture.

(d) "Rural economic infrastructure" means the development of activities that will enhance the value of agricultural crop or livestock commodities or by-products or waste from farming operations through new and improved value-added conversion processes and technologies, the development of more timely and efficient infrastructure delivery systems, and the enhancement of marketing opportunities. "Rural economic infrastructure" also means land, buildings, structures, fixtures, and improvements located or to be located in Minnesota and used or operated primarily for the processing or the support of production of marketable products from agricultural commodities or wind energy produced in Minnesota.

Sec. 18. Minnesota Statutes 2024, section 41A.16, subdivision 7, is amended to read:

Subd. 7. **Eligibility for participants after April 1, 2023.** (a) A facility eligible for payment under this section must source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or less from the state border, raw materials may be sourced from within a 100-mile radius. Raw materials must be from agricultural or forestry sources or from solid waste. The facility must be located in Minnesota, must begin production at a specific location after April 1, 2023, and before June 30, 2025, and must not begin operating above 23,750 MMbtu of quarterly advanced biofuel production before July 1, 2015. Eligible facilities include existing companies and facilities that are adding advanced biofuel production capacity, or retrofitting existing capacity, as well as new companies and facilities. Production of conventional corn ethanol and conventional biodiesel is not eligible. Eligible advanced biofuel facilities must produce at least 23,750 MMbtu of biofuel quarterly.

(b) No payments shall be made for advanced biofuel production that occurs after June 30, 2035, for those eligible biofuel producers under paragraph (a).

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

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

(e) Renewable chemical production for which payment has been received under section 41A.17, and biomass thermal production for which payment has been received under section 41A.18, are not eligible for payment under this section.

(f) Biobutanol is eligible under this section.

Sec. 19. Minnesota Statutes 2024, section 41A.30, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Aircraft" has the meaning given in section 296A.01, subdivision 3.

(c) "Aviation gasoline" has the meaning given in section 296A.01, subdivision 7.

(d) "Commissioner" means the commissioner of agriculture.

(e) "Jet fuel" has the meaning given in section 296A.01, subdivision 8.

(f) "Qualifying taxpayer" means a taxpayer, as defined in section 290.01, subdivision 6, that is engaged in the business of:

(1) producing sustainable aviation fuel; or

(2) blending sustainable aviation fuel with aviation gasoline or jet fuel.

(g) "Sustainable aviation fuel" means liquid fuel that:

(1) is derived from biomass, as defined in section 41A.15, subdivision 2e, or gaseous carbon oxides;

(2) is not derived from palm fatty acid distillates; and

(3) achieves at least a 50 percent life cycle greenhouse gas emissions reduction in comparison with petroleum-based aviation gasoline, aviation turbine fuel, and jet fuel as determined by a test that shows:

(i) that the fuel production pathway achieves at least a 50 percent life cycle greenhouse gas emissions reduction in comparison with petroleum-based aviation gasoline, aviation

turbine fuel, and jet fuel utilizing the most recent version of Argonne National Laboratory's Greenhouse Gases, Regulated Emissions, and Energy Use in Technologies (GREET) model that accounts for reduced emissions throughout the fuel production process; or

(ii) that the fuel production pathway achieves at least a 50 percent reduction of the aggregate attributional core life cycle emissions and the positive induced land use change values under the life cycle methodology for sustainable aviation fuels adopted by the International Civil Aviation Organization with the agreement of the United States.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2023, for sustainable aviation fuel sold after June 30, 2024.

Sec. 20. Minnesota Statutes 2024, section 41B.039, subdivision 2, is amended to read:

Subd. 2. **State participation.** The state may participate in a new real estate loan with an eligible lender to a beginning farmer to the extent of 45 percent of the principal amount of the loan ~~or~~. Individual loans must be no less than $50,000 and no more than $500,000~~, whichever is less~~. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 21. Minnesota Statutes 2024, section 41B.0391, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Agricultural assets" means agricultural land, livestock, facilities, buildings, and machinery used for farming in Minnesota.

(c) "Beginning farmer" means an individual ~~who~~, a single-member limited liability company owned by one individual, or a limited liability company owned by two individuals who are family members. Each individual must:

(1) ~~is~~ be a resident of Minnesota;

(2) ~~is~~ be seeking entry, or ~~has~~ have entered within the last ten years, into farming;

(3) ~~intends~~ intend to farm land located within the state borders of Minnesota;

(4) except as provided in subdivision 2, paragraph (f), ~~is not and whose spouse is not~~ not be, nor may their spouse be, a family member of the owner of the agricultural assets from whom the beginning farmer is seeking to purchase or rent agricultural assets;

(5) except as provided in subdivision 2, paragraph (f), ~~is not and whose spouse is not~~ not be, nor may their spouse be, a family member of a partner, member, shareholder, or trustee of the owner of agricultural assets from whom the beginning farmer is seeking to purchase or rent agricultural assets; and

(6) ~~meets~~ meet the following eligibility requirements as determined by the authority:

(i) ~~has~~ have a net worth that does not exceed the limit provided under section 41B.03, subdivision 3, paragraph (a), clause (2);

(ii) ~~provides~~ provide the majority of the day-to-day physical labor and management of the farm;

(iii) ~~has~~ have, by the judgment of the authority, adequate farming experience or demonstrates knowledge in the type of farming for which the beginning farmer seeks assistance from the authority;

(iv) ~~demonstrates~~ demonstrate to the authority a profit potential by submitting projected earnings statements;

(v) ~~asserts~~ assert to the satisfaction of the authority that farming will be a significant source of income for the beginning farmer;

(vi) ~~is~~ be enrolled in or ~~has~~ have completed within ten years of their first year of farming a financial management program approved by the authority or the commissioner of agriculture;

(vii) ~~agrees~~ agree to notify the authority if the beginning farmer no longer meets the eligibility requirements within the three-year certification period, in which case the beginning farmer is no longer eligible for credits under this section; and

(viii) ~~has~~ have other qualifications as specified by the authority.

The authority may waive the requirement in item (vi) if the participant requests a waiver and has a four-year degree in an agricultural program or related field, reasonable agricultural job-related experience, or certification as an adult farm management instructor.

~~(d) "Emerging farmer" means an emerging farmer within the meaning of section 17.055, subdivision 1.~~

~~(e)~~ (d) "Family member" means a family member within the meaning of the Internal Revenue Code, section 267(c)(4).

~~(f)~~ (e) "Farm product" means plants and animals useful to humans and includes, but is not limited to, forage and sod crops, oilseeds, grain and feed crops, dairy and dairy products, poultry and poultry products, livestock, fruits, and vegetables.

~~(g)~~ (f) "Farming" means the active use, management, and operation of real and personal property for the production of a farm product.

(g) "Limited land access farmer" means a farmer experiencing limited land access as defined in section 17.133, subdivision 1.

(h) "Owner of agricultural assets" means an individual, trust, or pass-through entity that is the owner in fee of agricultural land or has legal title to any other agricultural asset. Owner of agricultural assets does not mean an equipment dealer, livestock dealer defined in section 17A.03, subdivision 7, or comparable entity that is engaged in the business of selling agricultural assets for profit and that is not engaged in farming as its primary business activity. An owner of agricultural assets approved and certified by the authority under subdivision 4 must notify the authority if the owner no longer meets the definition in this paragraph within the three year certification period and is then no longer eligible for credits under this section.

(i) "Resident" has the meaning given in section 290.01, subdivision 7.

(j) "Share rent agreement" means a rental agreement in which the principal consideration given to the owner of agricultural assets is a predetermined portion of the production of farm products produced from the rented agricultural assets and which provides for sharing production costs or risk of loss, or both.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2024.

Sec. 22. Minnesota Statutes 2024, section 41B.0391, subdivision 2, is amended to read:

Subd. 2. **Tax credit for owners of agricultural assets.** (a) An owner of agricultural assets may take a credit against the tax due under chapter 290 for the sale or rental of agricultural assets to a beginning farmer in the amount allocated by the authority under subdivision 4. An owner of agricultural assets is eligible for allocation of a credit equal to:

(1) eight percent of the lesser of the sale price or the fair market value of the agricultural asset, up to a maximum of $50,000;

(2) ten percent of the gross rental income in each of the first, second, and third years of a rental agreement, up to a maximum of $7,000 per year; or

(3) 15 percent of the cash equivalent of the gross rental income in each of the first, second, and third years of a share rent agreement, up to a maximum of $10,000 per year.

(b) A qualifying rental agreement includes cash rent of agricultural assets or a share rent agreement. The agricultural asset must be rented at prevailing community rates as determined by the authority.

(c) The credit may be claimed only after approval and certification by the authority, and is limited to the amount stated on the certificate issued under subdivision 4. An owner of agricultural assets must apply to the authority for certification ~~and allocation~~ of a credit, in a form and manner prescribed by the authority. Applications for credits allowed under paragraph (a), clause (1), are due by November 1, 2025, and each year thereafter. Applications for credits allowed under paragraph (a), clauses (2) and (3), are due by July 1, 2025, and each year thereafter.

(d) An owner of agricultural assets or beginning farmer may terminate a rental agreement, including a share rent agreement, for reasonable cause upon approval of the authority. If a rental agreement is terminated without the fault of the owner of agricultural assets, the tax credits shall not be retroactively disallowed. In determining reasonable cause, the authority must look at which party was at fault in the termination of the agreement. If the authority determines the owner of agricultural assets did not have reasonable cause, the owner of agricultural assets must repay all credits received as a result of the rental agreement to the commissioner of revenue. The repayment is additional income tax for the taxable year in which the authority makes its decision or when a final adjudication under subdivision 5, paragraph (a), is made, whichever is later.

(e) The credit is limited to the liability for tax as computed under chapter 290 for the taxable year. If the amount of the credit determined under this section for any taxable year exceeds this limitation, the excess is a beginning farmer incentive credit carryover according to section 290.06, subdivision 37.

(f) For purposes of the credit for the sale of agricultural land only, the family member definitional exclusions in subdivision 1, paragraph (c), clauses (4) and (5), do not apply. For a sale to a family member to qualify for the credit, the sales price of the agricultural land must equal or exceed the assessed value of the land as of the date of the sale. For purposes of this paragraph, "sale to a family member" means a sale to a beginning farmer in which the beginning farmer or the beginning farmer's spouse is a family member of:

(1) the owner of the agricultural land; or

(2) a partner, member, shareholder, or trustee of the owner of the agricultural land.

(g) For a sale to ~~an emerging~~ a limited land access farmer, the credit rate under paragraph (a), clause (1), is twelve percent rather than eight percent.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2024.

Sec. 23. Minnesota Statutes 2024, section 41B.0391, subdivision 4, is amended to read:

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

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

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

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

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

(5) notwithstanding section 41B.211, the Rural Finance Authority must share information with the commissioner of revenue to the extent necessary to administer provisions under this subdivision and section 290.06, subdivisions 37 and 38. The Rural Finance Authority must annually notify the commissioner of revenue of approval and certification or recertification of beginning farmers and owners of agricultural assets under this section. For credits under subdivision 2, the notification must include the amount of credit approved by the authority and stated on the credit certificate.

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

(c) For credits for owners of agricultural assets allowed under subdivision 2, the authority must not allocate more than $6,500,000 for taxable years beginning after December 31, 2022, and before January 1, 2024, and $4,000,000 for taxable years beginning after December 31, 2023. The authority must allocate credits on a first-come, first-served basis beginning on January 1 of each year, except that recertifications for the second and third years of credits under subdivision 2, paragraph (a), clauses (1) and (2), have first priority. Any amount authorized but not allocated for taxable years ending before January 1, 2023, is

canceled and is not allocated for future taxable years. For taxable years beginning after December 31, 2022, any amount authorized but not allocated in any taxable year does not cancel and is added to the allocation for the next taxable year. For each taxable year, 50 percent of newly allocated credits must be allocated to emerging farmers. Any portion of a taxable year's newly allocated credits that is reserved for emerging farmers that is not allocated by ~~September 30~~ June 1 of the taxable year is available for allocation to other credit allocations beginning on ~~October 1~~ June 2.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2024.

Sec. 24. Minnesota Statutes 2024, section 41B.0391, subdivision 6, is amended to read:

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

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

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

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

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

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

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

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

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

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

(ii) to the extent available, the number of beginning farmers who are ~~emerging~~ limited land access farmers~~; and~~.

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

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

(1) the number and amount of credits issued;

(2) the geographic distribution of credits;

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

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

**EFFECTIVE DATE.** This section is effective for reports due for credits issued for taxable years beginning after December 31, 2025. The changes to paragraph (c), clause (6), item (ii), are effective for reports due for credits issued for taxable years beginning after December 31, 2026.

Sec. 25. Minnesota Statutes 2024, section 41B.04, subdivision 8, is amended to read:

Subd. 8. **State participation.** With respect to loans that are eligible for restructuring under sections 41B.01 to 41B.23 and upon acceptance by the authority, the authority shall enter into a participation agreement or other financial arrangement whereby it shall participate in a restructured loan to the extent of 45 percent of the primary principal ~~or~~. Individual loans must be no less than $50,000 and no more than $625,000~~, whichever is less~~. The authority's portion of the loan must be protected during the authority's participation by the first mortgage held by the eligible lender to the extent of its participation in the loan.

Sec. 26. Minnesota Statutes 2024, section 41B.042, subdivision 4, is amended to read:

Subd. 4. **Participation limit; interest.** The authority may participate in new seller-sponsored loans to the extent of 45 percent of the principal amount of the loan ~~or~~. Individual loans must be no less than $50,000 and no more than $500,000~~, whichever is less~~. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the seller's retained portion of the loan.

Sec. 27. Minnesota Statutes 2024, section 41B.043, subdivision 1b, is amended to read:

Subd. 1b. **Loan participation.** The authority may participate in an agricultural improvement loan with an eligible lender to a farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who is actively engaged in farming. Participation is limited to 45 percent of the principal amount of the loan ~~or~~. Individual loans must be no less than $50,000 and no more than $500,000~~, whichever is less~~. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 28. Minnesota Statutes 2024, section 41B.045, subdivision 2, is amended to read:

Subd. 2. **Loan participation.** The authority may participate in a livestock expansion and modernization loan with an eligible lender to a livestock farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in a livestock operation. A prospective borrower must have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than $1,700,000 in 2017 and an amount in subsequent years which is adjusted for inflation by multiplying that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index.

Participation is limited to 45 percent of the principal amount of the loan ~~or~~. Individual loans must be no less than $50,000 and no more than $625,000~~, whichever is less~~. The interest rates and repayment terms of the authority's participation interest may be different from the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 29. Minnesota Statutes 2024, section 41B.047, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** To be eligible for this program, a borrower must:

(1) meet the requirements of section 41B.03, subdivision 1;

(2) certify that the damage or loss was: (i) sustained within a county that was the subject of a state or federal disaster declaration; (ii) due to the confirmed presence of a highly contagious animal disease in Minnesota; (iii) due to an infectious human disease for which the governor has declared a peacetime emergency; or (iv) due to an emergency as determined by the authority;

(3) demonstrate an ability to repay the loan; ~~and~~

(4) have received at least 25 percent of annual gross income from farming in the past year~~.~~; and

(5) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than $5,000,000.

Sec. 30. Minnesota Statutes 2024, section 41B.056, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The authority shall establish and implement ~~a pilot~~ an agricultural microloan program to help finance the purchase of agricultural land or the production of specialty crops or eligible livestock. The authority may contract with an intermediary to provide an efficient delivery system for this program.

Sec. 31. Minnesota Statutes 2024, section 41B.057, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The authority shall establish a farm opportunity loan program to provide loans that enable farmers to:

(1) add value to crops or livestock produced in Minnesota; or

~~(2) adopt best management practices that emphasize sufficiency and self-sufficiency;~~

~~(3) reduce or improve management of agricultural inputs resulting in environmental improvements; or~~

~~(4)~~ (2) increase production of on-farm energy.

Sec. 32. Minnesota Statutes 2024, section 41B.057, subdivision 3, is amended to read:

Subd. 3. **Loan participation.** The authority may participate in a farm opportunity loan with an eligible lender, as defined in section 41B.02, subdivision 8, to a farmer or a group of farmers on joint projects who are eligible under subdivision 2, paragraph (c), and who are actively engaged in farming. Participation is limited to 45 percent of the principal amount of the loan or $100,000 per individual, whichever is less. For loans to a group made up of four or more individuals, participation is limited to 45 percent of the principal amount of the loan or $250,000, whichever is less. The interest rate on the loans must not exceed six percent. A borrower must have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than $1,700,000 in 2017 and an amount in subsequent years that is adjusted for inflation by multiplying that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index.

Sec. 33. Minnesota Statutes 2024, section 223.17, subdivision 3, is amended to read:

Subd. 3. **Grain buyers and storage account; fees.** (a) The commissioner shall set the fees for inspections under sections 223.15 to 223.22 at levels necessary to pay the expenses

of administering and enforcing sections 223.15 to 223.22. The fee for any license issued or renewed after June 30, ~~2005, shall be set according to the following schedule:~~ 2025, is $500 for each licensed location.

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

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

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

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

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

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

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

(1) examination fees must be calculated based on bushel capacity of each licensed location with a charge of $0.0035 per bushel of capacity;

(2) examination fees must not be less than $350 and must not exceed $4,000; and

(3) a licensed location with no grain bin capacity must be charged a $350 examination fee.

(c) The fee for any supplemental examination required by the commissioner under section 223.23 is ~~$55~~ $110 per hour per examiner.

(d) A licensed grain buyer meeting the annual examination requirements under section 223.23 is exempt from the fees under paragraph (b) if the annual examination is conducted by the Agricultural Marketing Service of the United State Department of Agriculture.

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

(f) There is created the grain buyers and storage account in the agricultural fund. Money collected pursuant to sections 223.15 to 223.23 shall be paid into the state treasury and credited to the grain buyers and storage account. Money in the account, including interest, is appropriated to the commissioner for the administration and enforcement of sections 223.15 to 223.23.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 34. Minnesota Statutes 2024, section 232.22, subdivision 3, is amended to read:

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

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

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

(1) for a license to store grain, ~~$110~~ $300 for each home rule charter or statutory city or town in which a public grain warehouse is operated; and

~~(2) in addition to the license fee required under clause (1), a person with a license to store grain in a public grain warehouse is subject to an examination fee for each licensed location, as follows:~~

| ~~Bushel Capacity~~ | ~~Examination Fee~~ |
|---|---|
| ~~Less than 150,001~~ | ~~$ 300~~ |
| ~~150,001 to 250,000~~ | ~~$ 425~~ |
| ~~250,001 to 500,000~~ | ~~$ 545~~ |
| ~~500,001 to 750,000~~ | ~~$ 700~~ |
| ~~750,001 to 1,000,000~~ | ~~$ 865~~ |
| ~~1,000,001 to 1,200,000~~ | ~~$ 1,040~~ |
| ~~1,200,001 to 1,500,000~~ | ~~$ 1,205~~ |
| ~~1,500,001 to 2,000,000~~ | ~~$ 1,380~~ |
| ~~More than 2,000,000~~ | ~~$ 1,555~~ |

~~(3)~~ (2) the fee for supplemental examinations required by the commissioner under section 232.24 is ~~$55~~ $110 per hour per examiner.

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

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 35. Minnesota Statutes 2024, section 239.761, subdivision 3, is amended to read:

Subd. 3. **Gasoline.** (a) Gasoline that is not blended with biofuel must not be contaminated with water or other impurities and must comply with ASTM specification ~~D4814-11b~~ D4814-24a. Gasoline that is not blended with biofuel must also comply with the volatility requirements in Code of Federal Regulations, title 40, part 1090.

(b) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal, a person responsible for the product:

(1) may blend the gasoline with agriculturally derived ethanol as provided in subdivision 4;

(2) shall not blend the gasoline with any oxygenate other than biofuel;

(3) shall not blend the gasoline with other petroleum products that are not gasoline or biofuel;

(4) shall not blend the gasoline with products commonly and commercially known as casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline; and

(5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive designed to replace tetra-ethyl lead, that is registered by the EPA.

Sec. 36. Minnesota Statutes 2024, section 239.761, subdivision 4, is amended to read:

Subd. 4. **Gasoline blended with ethanol; general.** (a) Gasoline may be blended with agriculturally derived, denatured ethanol that complies with the requirements of subdivision 5.

(b) A gasoline-ethanol blend must:

(1) comply with the volatility requirements in Code of Federal Regulations, title 40, part 1090;

(2) comply with ASTM specification ~~D4814-11b~~ D4814-24a, or the gasoline base stock from which a gasoline-ethanol blend was produced must comply with ASTM specification ~~D4814-11b~~ D4814-24a; and

(3) not be blended with casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline after the gasoline-ethanol blend has been sold, transferred, or otherwise removed from a refinery or terminal.

Sec. 37. Minnesota Statutes 2024, section 239.761, subdivision 5, is amended to read:

Subd. 5. **Denatured ethanol.** Denatured ethanol that is to be blended with gasoline must be agriculturally derived and must comply with ASTM specification ~~D4806-11a~~ D4806-21a. This includes the requirement that ethanol may be denatured only as specified in Code of Federal Regulations, title 27, parts 20 and 21.

Sec. 38. Minnesota Statutes 2024, section 239.761, subdivision 6, is amended to read:

Subd. 6. **Gasoline blended with nonethanol oxygenate.** (a) A person responsible for the product shall comply with the following requirements:

(1) after July 1, 2000, gasoline containing in excess of one-third of one percent, in total, of nonethanol oxygenates listed in paragraph (b) must not be sold or offered for sale at any time in this state; and

(2) after July 1, 2005, gasoline containing any of the nonethanol oxygenates listed in paragraph (b) must not be sold or offered for sale in this state.

(b) The oxygenates prohibited under paragraph (a) are:

(1) methyl tertiary butyl ether, as defined in section 296A.01, subdivision 34;

(2) ethyl tertiary butyl ether, as defined in section 296A.01, subdivision 18; or

(3) tertiary amyl methyl ether.

(c) Gasoline that is blended with a nonethanol oxygenate must comply with ASTM specification ~~D4814-11b~~ D4814-24a. Nonethanol oxygenates must not be blended into gasoline after the gasoline has been sold, transferred, or otherwise removed from a refinery or terminal.

Sec. 39. Minnesota Statutes 2024, section 296A.01, subdivision 20, is amended to read:

Subd. 20. **Ethanol, denatured.** "Ethanol, denatured" means ethanol that is to be blended with gasoline, has been agriculturally derived, and complies with ASTM specification ~~D4806-11a~~ D4806-21a. This includes the requirement that ethanol may be denatured only as specified in Code of Federal Regulations, title 27, parts 20 and 21.

Sec. 40. Minnesota Statutes 2024, section 296A.01, subdivision 23, is amended to read:

Subd. 23. **Gasoline.** (a) "Gasoline" means:

(1) all products commonly or commercially known or sold as gasoline regardless of their classification or uses, except casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline that under the requirements of section 239.761, subdivision 3, must not be blended with gasoline that has been sold, transferred, or otherwise removed from a refinery or terminal; and

(2) any liquid prepared, advertised, offered for sale or sold for use as, or commonly and commercially used as, a fuel in spark-ignition, internal combustion engines, and that when tested by the Weights and Measures Division meets the specifications in ASTM specification ~~D4814-11b~~ D4814-24a.

(b) Gasoline that is not blended with ethanol must not be contaminated with water or other impurities and must comply with both ASTM specification ~~D4814-11b~~ D4814-24a and the volatility requirements in Code of Federal Regulations, title 40, part 1090.

(c) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal, a person responsible for the product:

(1) may blend the gasoline with agriculturally derived ethanol, as provided in subdivision 24;

(2) must not blend the gasoline with any oxygenate other than denatured, agriculturally derived ethanol;

(3) must not blend the gasoline with other petroleum products that are not gasoline or denatured, agriculturally derived ethanol;

(4) must not blend the gasoline with products commonly and commercially known as casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline; and

(5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive designed to replace tetra-ethyl lead, that is registered by the EPA.

Sec. 41. Minnesota Statutes 2024, section 296A.01, subdivision 24, is amended to read:

Subd. 24. **Gasoline blended with nonethanol oxygenate.** "Gasoline blended with nonethanol oxygenate" means gasoline blended with ETBE, MTBE, or other alcohol or ether, except denatured ethanol, that is approved as an oxygenate by the EPA, and that complies with ASTM specification ~~D4814-11b~~ D4814-24a. Oxygenates, other than denatured ethanol, must not be blended into gasoline after the gasoline has been sold, transferred, or otherwise removed from a refinery or terminal.

Sec. 42. **[343.256] ELECTIVE DECLAWING PROHIBITED.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the terms in this subdivision have the meanings given.

(b) "Cat" means an animal of the taxonomic family *Felidae*.

(c) "Declawing" means an onychectomy or any other surgical procedure to amputate or modify a portion of a cat's paw in order to remove the cat's claws. Declawing does not include the trimming of nonviable claw husk or placing nonpermanent nail caps.

(d) "Procedure performed solely for a therapeutic purpose" means a medically necessary procedure to address an existing or recurring infection, disease, injury, or abnormal condition in the claws, nail bed, or toe bone that jeopardizes the cat's health. Procedure performed solely for a therapeutic purpose does not include a procedure performed for a cosmetic or aesthetic purpose or to make a cat more convenient to keep or handle.

(e) "Tendonectomy" means a procedure in which the tendons to a cat's limbs, paws, or toes are cut or modified so that the normal functioning of the claws is impaired.

Subd. 2. **Prohibited acts.** Except as provided in subdivision 3, a person must not perform surgical claw removal, declawing, or a tendonectomy on any cat or otherwise alter a cat's toes, claws, or paws in a manner that prevents or impairs the normal function of the cat's toes, claws, or paws.

Subd. 3. **Therapeutic purpose.** The prohibition in subdivision 2 does not apply to a procedure performed solely for a therapeutic purpose.

Sec. 43. **LOCAL FOOD PURCHASING ASSISTANCE GRANT PROGRAM.**

(a) The commissioner of agriculture may award grants to eligible applicants to purchase and distribute food at no cost to Minnesotans experiencing food insecurity. When awarding grants, the commissioner of agriculture must give preference to applicants that:

(1) source 100 percent of food from Minnesota;

(2) source at least 70 percent of food from farmers who are experiencing limited land access or limited market access as defined in Minnesota Statutes, section 17.133, subdivision 1; and

(3) demonstrate strong connections to individuals whose needs are not met through the traditional emergency food system.

(b) Eligible applicants include but are not limited to individuals, nonprofit organizations, for-profit businesses, Tribal governments, government entities, agricultural cooperatives, economic development organizations, and educational institutions.

(c) Grantees may use up to 15 percent of each grant awarded under this section for administrative and transportation expenses.

Sec. 44. **REPEALER.**

(a) Minnesota Statutes 2024, section 239.77, subdivision 5, is repealed.

(b) Minnesota Statutes 2024, sections 35.68; and 35.830, are repealed.

Sec. 45. **EFFECTIVE DATE.**

Except as otherwise provided, this article is effective August 1, 2025.

## ARTICLE 4
## LIVESTOCK MARKET AGENCY AND DEALER LICENSING PROVISIONS

Section 1. Minnesota Statutes 2024, section 17A.03, subdivision 8, is amended to read:

Subd. 8. **Livestock dealer agent.** "Livestock dealer agent" means any individual who is engaged by a livestock dealer to act as the dealer's representative.

Sec. 2. Minnesota Statutes 2024, section 17A.03, subdivision 10, is amended to read:

Subd. 10. **Meat packing ~~plants~~ companies, packers, and slaughtering houses.** "Meat packing ~~plants~~ companies," "packers," and "slaughtering houses" ~~means~~ mean places of business ~~where livestock purchased or acquired is slaughtered~~ that have the meaning given to "packers" as defined in section 31B.02, subdivision 8.

Sec. 3. Minnesota Statutes 2024, section 17A.03, subdivision 11, is amended to read:

Subd. 11. **Buying station.** "Buying station" means any stockyard or concentration point, other than a public stockyard, at which livestock is bought and sold or assembled for shipment to a meat packing ~~plant~~ company or a public stockyard, or graded or weighed for the purpose of establishing a basis for sale or reshipment.

Sec. 4. Minnesota Statutes 2024, section 17A.03, is amended by adding a subdivision to read:

Subd. 16. **Meat packing company agent.** "Meat packing company agent" means an individual who is engaged by a meat packing company to act as the company's representative.

Sec. 5. Minnesota Statutes 2024, section 17A.04, subdivision 1, is amended to read:

Subdivision 1. **Licensing provisions.** (a) Licenses shall be issued to livestock market agencies and public stockyards annually and shall expire on December 31 each year, renewable annually thereafter. A separate license must be obtained for each separate geographical location even though operated under the same management or same person, partnership, firm, corporation, or livestock market. The license issued to a livestock market agency ~~and~~ or public stockyard shall be conspicuously posted at the licensee's place of business.

(b) Licenses shall be required for livestock dealers ~~and their agents~~, livestock dealer agents, meat packing companies, and meat packing company agents for the period beginning July 1 each year and ending June 30. A license issued under this subdivision is renewable annually thereafter. The license issued to a livestock dealer ~~or the agent of a~~, livestock dealer agent, meat packing company, or meat packing company agent shall be carried by the person ~~so~~ who is licensed. ~~The~~ A livestock dealer or meat packing company shall be responsible for the acts of the ~~dealer's agents~~ livestock dealer agent or meat packing company agent. Licensed livestock market agencies, public stockyards, and livestock dealers shall be responsible for the faithful performance of duty of the public livestock weighers at their places of business. The license issued to a livestock market agency, public stockyard ~~or~~,

meat packing company, meat packing company agent, livestock dealer, or ~~agent of a~~ livestock dealer agent is not transferable. The operation of livestock market agencies, livestock dealers, agents, and ~~packers~~ meat packing companies at a public stockyard are exempt from sections 17A.01 to 17A.09 and 17A.12 to 17A.17.

Sec. 6. Minnesota Statutes 2024, section 17A.04, subdivision 2, is amended to read:

Subd. 2. **Application.** Any person desiring to carry on the business of a livestock market agency or livestock dealer, or both, or a public stockyard, livestock dealer agent, meat packing company, or meat packing company agent shall make application to the commissioner on a form or forms provided by the commissioner.

Sec. 7. Minnesota Statutes 2024, section 17A.04, subdivision 4, is amended to read:

Subd. 4. **Surety bonds required.** Each livestock market agency and livestock dealer applying for a license ~~under Laws 1974, chapter 347~~ shall file with the commissioner a valid and effective bond issued by a surety company licensed to do business in this state, or meeting the requirements of section 17A.05, in the form and amount set forth in section 17A.05. No bond shall be required of a public stockyard or any agent of a bonded livestock dealer. The commissioner may at any time raise or lower bond requirements if it appears that a modification of such bond requirements is justified and will protect the public. The bonds of livestock market agencies and dealers whose residence or principal place of business is within the state of Minnesota shall name the commissioner as the trustee. ~~Any~~ A license ~~issued under Laws 1974, chapter 347~~ shall automatically become void upon the termination of the surety bond covering the licensed operations.

Sec. 8. Minnesota Statutes 2024, section 17A.04, subdivision 6, is amended to read:

Subd. 6. **Refusal to license.** The commissioner shall refuse to issue or renew a livestock market agency, meat packing company, or livestock dealer license if the applicant has not filed a surety bond in the form and amount required under this section and section 17A.05; the commissioner may refuse to issue or renew a license if the applicant: (1) has not satisfactorily demonstrated by a current balance sheet and financial statement that the applicant's assets exceed liabilities; (2) has been found by the department to have failed to pay, without reasonable cause, obligations incurred in connection with livestock transactions; (3) has failed to maintain and operate livestock or monorail scales in a manner to ensure accurate and correct weights; or (4) has failed to comply with other statutes, rules, or regulations enforced by the commissioner, the Board of Animal Health, the Division of

Weights and Measures of the Department of Commerce, or the federal Packers and Stockyards Administration.

Sec. 9. Minnesota Statutes 2024, section 17A.04, subdivision 7, is amended to read:

Subd. 7. **Revocation of license.** Whenever the commissioner finds that any livestock market agency, meat packing company, or livestock dealer has violated the provisions of this chapter, or has failed to comply with other laws, rules, or regulations enforced by the Board of Animal Health, the Division of Weights and Measures of the Department of Commerce, or the federal Packers and Stockyards Administration, the commissioner may, by order, pursuant to the provisions of chapter 14, and this subdivision, revoke the license of the offender. ~~Before any such license shall be revoked, the licensee shall be furnished with a statement of the complaints made against the licensee, and a hearing shall be had before the commissioner upon at least ten days' notice to the licensee to determine whether such license shall be revoked, which notice may be served either by certified mail addressed to the address of the licensee as shown in the license application or in the manner provided by law for the service of a summons. At the time and place fixed for hearing, the commissioner or any official, employee or agent of the department authorized by the commissioner, shall receive evidence, administer oaths, examine witnesses, hear the testimony and thereafter file an order either dismissing the proceedings or revoking the license.~~

Sec. 10. Minnesota Statutes 2024, section 17A.04, subdivision 8, is amended to read:

Subd. 8. **Suspension of license.** Whenever the commissioner finds that the licensee has violated provisions of this chapter, or has failed to comply with other laws, rules, or regulations enforced by the Board of Animal Health, the Division of Weights and Measures of the Department of Commerce, or the federal Packers and Stockyards Administration, and that the continued activity of a licensee may cause irreparable injury or loss to persons engaged in business with the licensee, the commissioner may, without hearing, suspend the license of the licensee, provided that when a license is so suspended, the commissioner shall immediately initiate procedures to afford the licensee a hearing pursuant to subdivision 7 ~~except that the ten days' notice required in subdivision 7 may be waived by the licensee~~.

Sec. 11. Minnesota Statutes 2024, section 17A.06, subdivision 2, is amended to read:

Subd. 2. **Hearing on claims.** In case of default by the licensee, the commissioner shall have the power to have the matter heard as a contested case pursuant to procedures outlined in chapter 14. ~~No hearing shall be required if all affected parties to a bond claim proceeding~~

~~waive their right to a hearing and agree to accept the commissioner's determination as to the validity of the claim and the allocation of the proceeds of the bond.~~ The commissioner must first determine whether a claim is valid. If the commissioner determines that a claim is valid, the commissioner must notify the licensee of the determination and that the licensee has 15 days to either pay the claim or appeal the determination. If the licensee does not respond within 15 days, the determination must be considered a final order by the commissioner. If the commissioner determines that a claim is not valid, the commissioner must notify the claimant of the determination and that the claimant has 15 days to appeal the determination. If the claimant does not respond within 15 days, the determination must be considered a final order by the commissioner.

Sec. 12. Minnesota Statutes 2024, section 17A.06, subdivision 3, is amended to read:

Subd. 3. **Public notice.** ~~Prior to a hearing~~ After the commissioner determines that a claim is valid, the commissioner shall publish a notice setting forth the default of the licensee and requiring all claimants to file proof of claim with the commissioner within 45 days of the date such notice is published or be barred from participating in the proceeds of the bond. Such publication shall be made in a newspaper published in the county in which the licensee's principal place of business is located. The commissioner shall also fulfill any notice requirements prescribed by chapter 14 and rules of the Office of Administrative Hearings. No claim shall be allowed unless it is filed with the commissioner within one year of the date of the transaction. If a livestock market agency, meat packing company, or livestock dealer has on file a Packers and Stockyards Act bond and is registered with the Packers and Stockyards Administration, the terms of the bond or that federal agency's regulations will control.

Sec. 13. Minnesota Statutes 2024, section 17A.07, is amended to read:

**17A.07 PROHIBITED CONDUCT.**

It shall be unlawful for any person to: (1) carry on the business of a livestock market agency, livestock dealer, livestock dealer agent, meat packing company, meat packing company agent, or public stockyard without a valid and effective license issued by the commissioner under the provisions of section 17A.04; (2) carry on the business of a livestock market agency, meat packing company, or livestock dealer without filing and maintaining a valid and effective surety bond in conformity with sections 17A.04 and 17A.05; (3) carry on the business of a livestock market agency, meat packing company, or livestock dealer if the person cannot pay debts as they become due or ceases to pay debts in the ordinary

course of business as they become due; (4) use or allow to be used any livestock scale or monorail scale which has not been certified and approved for official use or has been found to be inaccurate; (5) fail to maintain and operate livestock or monorail scales in a manner to ensure accurate and correct weights; (6) weigh livestock or carcasses at other than true and correct weights or issue accounts and records on the basis of inaccurate or incorrect weights; (7) engage in or use any unfair or deceptive practice or device in connection with marketing of livestock; (8) willfully make or cause to be made any false entry or statement of fact in any application, financial statement or report filed with the department under this chapter.

Sec. 14. Minnesota Statutes 2024, section 17A.08, is amended to read:

**17A.08 RECORD KEEPING.**

Every person shall make and retain such accounts, records, and memoranda necessary to fully and correctly disclose all transactions involved in the person's business, including the true ownership of such business by stockholding or otherwise. Whenever the commissioner finds that the accounts, records, and memoranda of any such person do not fully and correctly disclose all transactions involved in the person's business, the commissioner may ~~prescribe~~ take enforcement actions in addition to prescribing the manner or form and length of time for retention which such accounts, records, and memoranda shall be kept. The commissioner shall at all reasonable times have access to, for the purpose of examination, and the right to copy any documentary evidence of any person being investigated or proceeded against.

Sec. 15. Minnesota Statutes 2024, section 17A.15, is amended to read:

**17A.15 POWERS AND DUTIES OF COMMISSIONER.**

The commissioner shall enforce the provisions of ~~Laws 1974, chapter 347~~ this chapter and shall promulgate, in the manner provided by law, such rules as the commissioner deems necessary or desirable, and may cooperate with any department of state or government, to carry out the provisions of sections 17A.01 to 17A.15. The commissioner or a duly authorized agent shall have the power to issue subpoenas, administer oaths and affirmations, examine witnesses, receive evidence, and shall have the power to require by subpoena the attendance and testimony of witnesses and the production of all such documentary evidence relating to any matter under investigation or administrative proceeding.

Sec. 16. **EFFECTIVE DATE.**

This article is effective August 1, 2025.

## ARTICLE 5
## SEED POTATO PROVISIONS

Section 1. Minnesota Statutes 2024, section 18J.01, is amended to read:

**18J.01 DEFINITIONS.**

(a) The definitions in this section; chapters 18G, 18H, 18K, 27, 223, 231, and 232; and sections ~~18G.02, 18H.02, 18K.02, 27.01, 223.16, 231.01, and 232.21~~ 21.111 to 21.125 and 21.80 to 21.92 apply to this chapter.

(b) For purposes of this chapter, "associated rules" means rules adopted under this chapter, chapter 18G, 18H, 18K, 27, 223, 231, or 232, or sections ~~21.80~~ 21.111 to ~~21.92~~ 21.125.

Sec. 2. Minnesota Statutes 2024, section 18J.02, is amended to read:

**18J.02 DUTIES OF COMMISSIONER.**

The commissioner shall administer and enforce this chapter, chapters 18G, 18H, 18K, 27, 223, 231, and 232; sections 21.111 to 21.125, and 21.80 to 21.92; and associated rules.

Sec. 3. Minnesota Statutes 2024, section 18J.03, is amended to read:

**18J.03 CIVIL LIABILITY.**

A person regulated by this chapter, chapter 18G, 18H, 18K, 27, 223, 231, or 232, or sections 21.111 to 21.125 or 21.80 to 21.92, is civilly liable for any violation of one of those statutes or associated rules by the person's employee or agent.

Sec. 4. Minnesota Statutes 2024, section 18J.04, subdivision 1, is amended to read:

Subdivision 1. **Access and entry.** The commissioner, upon presentation of official department credentials, must be granted immediate access at reasonable times to sites where a person manufactures, distributes, uses, handles, disposes of, stores, or transports seeds, plants, grain, household goods, general merchandise, produce, or other living or nonliving products or other objects regulated under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules.

Sec. 5. Minnesota Statutes 2024, section 18J.04, subdivision 2, is amended to read:

Subd. 2. **Purpose of entry.** (a) The commissioner may enter sites for:

(1) inspection of inventory and equipment for the manufacture, storage, handling, distribution, disposal, or any other process regulated under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules;

(2) sampling of sites, seeds, plants, products, grain, household goods, general merchandise, produce, or other living or nonliving objects that are manufactured, stored, distributed, handled, or disposed of at those sites and regulated under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules;

(3) inspection of records related to the manufacture, distribution, storage, handling, or disposal of seeds, plants, products, grain, household goods, general merchandise, produce, or other living or nonliving objects regulated under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules;

(4) investigating compliance with chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules; or

(5) other purposes necessary to implement chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules.

(b) The commissioner may enter any public or private premises during or after regular business hours without notice of inspection when a suspected violation of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules may threaten public health or the environment.

Sec. 6. Minnesota Statutes 2024, section 18J.04, subdivision 3, is amended to read:

Subd. 3. **Notice of inspection samples and analyses.** (a) The commissioner shall provide the owner, operator, or agent in charge with a receipt describing any samples obtained. If requested, the commissioner shall split any samples obtained and provide them to the owner, operator, or agent in charge. If an analysis is made of the samples, a copy of the results of the analysis must be furnished to the owner, operator, or agent in charge within 30 days after an analysis has been performed. If an analysis is not performed, the commissioner must notify the owner, operator, or agent in charge within 30 days of the decision not to perform the analysis.

(b) The sampling and analysis must be done according to methods provided for under applicable provisions of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to

21.125 or 21.80 to 21.92; or associated rules. In cases not covered by those sections and methods or in cases where methods are available in which improved applicability has been demonstrated the commissioner may adopt appropriate methods from other sources.

Sec. 7. Minnesota Statutes 2024, section 18J.04, subdivision 4, is amended to read:

Subd. 4. **Inspection requests by others.** (a) A person who believes that a violation of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules has occurred may request an inspection by giving notice to the commissioner of the violation. The notice must be in writing, state with reasonable particularity the grounds for the notice, and be signed by the person making the request.

(b) If after receiving a notice of violation the commissioner reasonably believes that a violation has occurred, the commissioner shall make a special inspection in accordance with the provisions of this section as soon as practicable, to determine if a violation has occurred.

(c) An inspection conducted pursuant to a notice under this subdivision may cover an entire site and is not limited to the portion of the site specified in the notice. If the commissioner determines that reasonable grounds to believe that a violation occurred do not exist, the commissioner must notify the person making the request in writing of the determination.

Sec. 8. Minnesota Statutes 2024, section 18J.05, subdivision 1, is amended to read:

Subdivision 1. **Enforcement required.** (a) A violation of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or an associated rule is a violation of this chapter.

(b) Upon the request of the commissioner, county attorneys, sheriffs, and other officers having authority in the enforcement of the general criminal laws must take action to the extent of their authority necessary or proper for the enforcement of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules or valid orders, standards, stipulations, and agreements of the commissioner.

Sec. 9. Minnesota Statutes 2024, section 18J.05, subdivision 2, is amended to read:

Subd. 2. **Commissioner's discretion.** If minor violations of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules occur or the commissioner believes the public interest will be best served by a suitable notice of warning in writing, this section does not require the commissioner to:

(1) report the violation for prosecution;

(2) institute seizure proceedings; or

(3) issue a withdrawal from distribution, stop-sale, or other order.

Sec. 10. Minnesota Statutes 2024, section 18J.05, subdivision 6, is amended to read:

Subd. 6. **Agent for service of process.** All persons licensed, permitted, registered, or certified under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules must appoint the commissioner as the agent upon whom all legal process may be served and service upon the commissioner is deemed to be service on the licensee, permittee, registrant, or certified person.

Sec. 11. Minnesota Statutes 2024, section 18J.06, is amended to read:

**18J.06 FALSE STATEMENT OR RECORD.**

A person must not knowingly make or offer a false statement, record, or other information as part of:

(1) an application for registration, license, certification, or permit under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules;

(2) records or reports required under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules; or

(3) an investigation of a violation of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules.

Sec. 12. Minnesota Statutes 2024, section 18J.07, subdivision 3, is amended to read:

Subd. 3. **Cancellation of registration, permit, license, certification.** The commissioner may cancel or revoke a registration, permit, license, or certification provided for under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules or refuse to register, permit, license, or certify under provisions of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules if the registrant, permittee, licensee, or certified person has used fraudulent or deceptive practices in the evasion or attempted evasion of a provision of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules.

Sec. 13. Minnesota Statutes 2024, section 18J.07, subdivision 4, is amended to read:

Subd. 4. **Service of order or notice.** (a) If a person is not available for service of an order, the commissioner may attach the order to the facility, site, seed or seed container, plant or other living or nonliving object regulated under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules and notify the owner, custodian, other responsible party, or registrant.

(b) The seed, seed container, plant, or other living or nonliving object regulated under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules may not be sold, used, tampered with, or removed until released under conditions specified by the commissioner, by an administrative law judge, or by a court.

Sec. 14. Minnesota Statutes 2024, section 18J.07, subdivision 5, is amended to read:

Subd. 5. **Unsatisfied judgments.** (a) An applicant for a license, permit, registration, or certification under provisions of this chapter, chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules may not allow a final judgment against the applicant for damages arising from a violation of those statutes or rules to remain unsatisfied for a period of more than 30 days.

(b) Failure to satisfy, within 30 days, a final judgment resulting from a violation of this chapter results in automatic suspension of the license, permit, registration, or certification.

Sec. 15. Minnesota Statutes 2024, section 18J.09, is amended to read:

**18J.09 CREDITING OF PENALTIES, FEES, AND COSTS.**

Penalties, cost reimbursements, fees, and other money collected under this chapter must be deposited into the state treasury and credited to the appropriate nursery and phytosanitary account under section 18H.17, industrial hemp account under section 18K.07, ~~or~~ seed potato inspection account under section 21.115, seed inspection account under section 21.92, or grain buyers and storage account under sections 223.17 and 232.22.

Sec. 16. Minnesota Statutes 2024, section 21.111, is amended to read:

**21.111 DEFINITIONS.**

Subdivision 1. **Scope.** When used in sections 21.111 to ~~21.122~~ 21.125 the terms defined in this section shall have the meanings ascribed to them.

~~Subd. 2. **Inspected.** "Inspected" means that the potato plants are examined in the field and that the harvested potatoes produced by the potato plants are examined by or under the~~

~~authority of the commissioner. For seed potatoes produced in a lab, inspected means that the lab's records, including records related to the lab's procedures and protocols, as well as the seed potatoes, have been examined under the authority of the commissioner.~~

Subd. 3. **Certified.** "Certified" means that the potatoes were inspected while growing in the field and, when possible, again after being harvested, and were thereafter duly certified by or under the authority of the commissioner, as provided in sections 21.111 to ~~21.122, and as provided by rules adopted and published by the commissioner~~ 21.125. For seed potatoes produced in a lab, certified means that:

(1) the seed potato lab facilities and the lab's procedures and protocols have been examined under the authority of the commissioner; and

(2) the seed potatoes have been inspected after they have been harvested, removed, or released from the lab, and were duly certified by or under the authority of the commissioner, as provided in sections 21.111 to ~~21.122~~ 21.125.

~~Subd. 3a. **Interstate cooperation.** In order to best use state resources, the commissioner may enter into agreements with other seed potato certification entities to carry out the purposes of sections 21.111 to 21.122. Any agreement may provide for field inspections, shipping point inspections, winter tests, and other certification functions to be carried out by personnel employed by either entity according to methods determined by the certification entities of the respective areas. The commissioner may extend seed potato certification services to states where growers wish to grow certified seed potatoes and the state does not have a seed potato certification program. Any agreement must be reported to the chairs of the legislative committees responsible for the budget or policy of the seed potato inspection program and to the commissioner of management and budget.~~

Subd. 3b. **Certified seed potatoes.** "Certified seed potatoes" means potatoes that have been produced, graded, sacked or placed in bulk, inspected, and certified in accordance with this chapter.

Subd. 3c. **Class.** "Class" means the seed quality level related to compliance with tolerances for diseases and varietal purity.

Subd. 3d. **Clone.** "Clone" means a unit of seed potatoes that is the progeny of one plant, which has been tested to become eligible to produce Generation 1 class seed potatoes.

Subd. 3e. **Commissioner.** "Commissioner" means the commissioner of agriculture or the commissioner's designee.

Subd. 3f. **Crop.** "Crop" means all lots produced on a farm in one year.

Subd. 3g. **Department.** "Department" means the Department of Agriculture.

Subd. 3h. **Explant.** "Explant" means an in vitro potato plant or a plantlet that is produced by rooting an excised tip of a tuber sprout or an axillary bud from a growing plant and that serves as a parent for a whole clone or accession of micropropagated plants or plantlets.

Subd. 3i. **Farm.** "Farm" means a potato-growing enterprise. Farm includes all land, equipment, storage facilities, and laborers used to produce potatoes.

Subd. 3j. **Field.** "Field" means a plot of land on a farm where potatoes are grown.

Subd. 3k. **Inspected.** (a) For plants growing in a field, "inspected" means that the commissioner has examined the plants in the field where the plants are grown and has visually assessed the plants for disease and factors impacting quality.

(b) For harvested potatoes, inspected means that the commissioner has observed the tubers and, when requested, the commissioner has evaluated the tubers for quality and conditions described in section 21.125.

(c) For seed potatoes produced by a laboratory, inspected means that the commissioner has examined the seed potatoes and the laboratory's records, including records related to the laboratory's procedures and protocols.

Subd. 3l. **Lot.** "Lot" means a group of seed potatoes of one variety, planted in one continuous plot, grown on the same farm, and physically separated from other lots while being grown and stored.

Subd. 3m. **Material in maintenance.** "Material in maintenance" means propagative material, plantlets, or tubers that are maintained, not multiplied, under controlled laboratory conditions.

Subd. 3n. **Roguing.** "Roguing" is the process of removing infected plants from a field of certified seed potatoes.

Subd. 3o. **Stand.** "Stand" is the live plant population in a certified seed potato lot.

Subd. 5. **Seed potatoes.** "Seed potatoes" means potatoes used, sold, offered or exposed for sale, or held with intent to sell or as a sample representing any lot or stock of potatoes offered or exposed for sale or held with intent to sell within this state, for the purpose of planting.

Subd. 6. **Person.** "Person" includes an individual, partnership, corporation, company, society, association, and firms.

Subd. 7. **Physically separated.** "Physically separated" means separated by at least the width of one row and markings such as flags at every corner of the lot.

Subd. 8. **Rejected.** "Rejected" means that a field or lot fails to meet the certification standards in this chapter.

Subd. 9. **Tuber units.** "Tuber units" means the separate pieces of one tuber that are planted consecutively in two or more hills in a row.

Subd. 10. **Winter testing.** "Winter testing" means growing out and visually inspecting a representative sample of tubers from each seed lot for stand, vigor, varietal purity, and disease.

Sec. 17. Minnesota Statutes 2024, section 21.112, is amended by adding a subdivision to read:

Subd. 1a. **Interstate cooperation.** In order to best use state resources, the commissioner may enter into agreements with other seed potato certification entities to carry out the purposes of sections 21.111 to 21.125. An agreement under this subdivision may provide for field inspections, shipping point inspections, winter testing, and other certification functions to be carried out by personnel employed by either the commissioner or other seed potato certification entities according to methods determined by the seed potato certification entities. The commissioner may extend seed potato certification services to a state where growers wish to grow certified seed potatoes and where the state does not have a seed potato certification program. Any agreement under this subdivision must be reported to the chairs and ranking minority members of the legislative committees responsible for the budget or policy of the seed potato inspection program and to the commissioner of management and budget.

Sec. 18. Minnesota Statutes 2024, section 21.113, is amended to read:

**21.113 SHIPPING POINT CERTIFICATES ~~OF INSPECTION~~; CERTIFICATES OF ORIGIN; AND BULK CERTIFICATES.**

Subdivision 1. **Shipping point inspections.** (a) The commissioner shall issue shipping point certificates of inspection only when seed potatoes have been inspected while growing in the field and again after being harvested.

(b) For seed potatoes produced in a lab or greenhouse, the commissioner shall issue certificates of inspection only after:

(1) the seed potato ~~lab~~ growth facility and the ~~lab's~~ growth facility's records have been inspected; and

(2) the seed potatoes have been inspected after they have been harvested, removed, or released from the lab or greenhouse.

(c) Certificates of inspection under this section shall show the varietal purity and the freedom from disease and physical injury of such potatoes and any other information as may be prescribed by ~~rules adopted and published under~~ sections 21.111 to ~~21.122~~ 21.125.

Subd. 2. **Other certificates.** (a) The use of a certificate of origin requires the approval of the seller and the purchaser and must only be used for intrastate shipments between certified seed potato producers. The certificate of origin must contain information considered necessary by the commissioner and must at a minimum identify the producer, receiver, variety, classification, quantity, date of shipment, and lot of the seed potatoes. The limitation of warranty as described in paragraph (c) must not include any representation of the condition of the potatoes at the time of shipment. A certificate of origin must only be used for intrastate shipment if a shipping point inspection is not available. Use of a certificate of origin must be approved by the commissioner prior to shipment.

(b) A bulk certificate must include the date of issuance, class, grade, lot number, and approximate weight of the load.

(c) A certification does not represent a warranty of any kind, express or implied, including merchantability, as to the quality of the crop produced from the certified seed potatoes. A certification must only represent that the seed potatoes were produced, graded, sacked or placed in bulk, and inspected in accordance with this chapter. A certification under this subdivision must not include any representation of the condition of the potatoes at the time of shipment.

Sec. 19. Minnesota Statutes 2024, section 21.115, is amended to read:

**21.115 FEES; SEED POTATO INSPECTION ACCOUNT.**

The commissioner shall fix the fees for all inspections and certifications in such amounts as from time to time may be found necessary to pay the expenses of carrying out and enforcing the purposes of sections 21.111 to ~~21.122~~ 21.125, with a reasonable reserve, and shall require the same to be paid before such inspections or certifications are made. All moneys collected as fees or as penalties for violations of any of the provisions of such sections shall be paid into the agricultural fund and credited to the seed potato inspection account of the commissioner, which account is hereby created and appropriated for carrying

out the purposes of sections 21.111 to ~~21.122~~ 21.125. Interest, if any, received on deposits of these moneys shall be credited to the account, and there shall be paid into this fund any sum provided by the legislature for the purpose of carrying out the provisions of such sections.

Sec. 20. Minnesota Statutes 2024, section 21.117, is amended to read:

**21.117 APPLICATIONS FOR INSPECTIONS; WITHDRAWALS; AMENDMENTS.**

(a) Any person may make application to the commissioner for inspection or certification of seed potatoes growing or to be grown. Upon receiving such application and the required fee and such other information as may be required, the commissioner shall cause such potatoes to be inspected or certified in accordance with the provisions of sections 21.111 to ~~21.122 and the rules adopted and published thereunder~~ 21.125.

(b) If a grower wishes to withdraw ~~a field or lab~~ an application after having made a timely application for inspection and such withdrawal is requested before the field or lab inspection has been made, the fee paid shall be refunded to said grower. A grower must submit a withdrawal request in writing and include a reason for withdrawal. A grower must remove withdrawn acres from production before the first field inspection.

(c) If a grower wishes to amend an application after submitting a timely application for inspection, the grower must submit the request in writing, including a reason for the amendment.

Sec. 21. Minnesota Statutes 2024, section 21.119, is amended to read:

**21.119 USE OF CERTAIN TERMS FORBIDDEN; EXCEPTIONS.**

It shall be unlawful to use or employ the term "certified" or the term "inspected," or any term or terms conveying a meaning substantially equivalent to the meaning of either of these terms, either orally or in writing, printing, marking, or otherwise in reference to or in connection with, or in advertising or characterizing or labeling seed potatoes or the containers thereof, unless such potatoes shall have been duly inspected and certified pursuant to the provisions of sections 21.111 to ~~21.122~~ 21.125.

Sec. 22. Minnesota Statutes 2024, section 21.1195, is amended to read:

**21.1195 MINIMUM STANDARDS FOR PLANTING.**

(a) ~~Seed~~ Potatoes may not be planted in the state in lots of ten or more acres unless the seed meets the minimum disease standards prescribed by the commissioner. ~~Seed~~ Potatoes may meet the standards by being certified in accordance with this chapter and rules adopted by the commissioner, or under the certification program of another state or province which, in the judgment of the commissioner, provides equivalent assurances of seed potato quality. ~~Seed~~ Potatoes may be planted without certification if they have had at least field inspection as required for certified seed potatoes, have passed the field inspection standards of disease tolerance, and are free from ring rot. ~~A person that plants seed potatoes in violation of this section is subject to a civil penalty of $20 per acre for each acre or part of an acre planted in violation of this section.~~ Failure to maintain complete and accurate records in accordance with this section ~~or rules adopted by the commissioner is an additional violation resulting in a separate civil penalty of $200 for each failure~~ is a violation and subject to enforcement under chapter 18J.

(b) If there is not available to be planted in this state, in any year, a sufficient volume of potato seed meeting certified seed potato disease standards, in any or all varieties, the commissioner may, upon application by one or more growers, permit seed that does not comply with this section to be planted for that growing season if the seed does not pose a serious disease threat.

(c) Each grower shall keep records of each lot of ~~seed~~ potatoes planted. For each growing season, the records must include, by field, the variety, planting location, and source of the seed potatoes. Each grower shall register fields and file records as prescribed by the commissioner. All records must be made available for inspection by the commissioner or the commissioner's agents during normal business hours.

(d) In addition to the enforcement powers and penalties in this section, the commissioner may issue a subpoena to a grower in order to compel delivery of records which are required under this section. These subpoenas are enforceable by any court of competent jurisdiction.

Sec. 23. Minnesota Statutes 2024, section 21.1196, subdivision 2, is amended to read:

Subd. 2. **Restriction.** (a) ~~The seed potato certification requirements under sections 21.111 to 21.122 apply to potatoes grown in plots of ten acres or more in the restricted seed potato growing area. Qualifying potatoes grown in the restricted seed potato growing area must be certified as seed potatoes.~~ A grower who seeks to plant potatoes in the restricted seed

potato growing area and who does not intend to have the potatoes certified as seed potatoes must meet the following requirements:

(1) seed potatoes planted in the restricted seed potato growing area must have been certified before planting. For seed potatoes to be certified, the seed potatoes must meet the standards of this chapter or the standards of a certification program of another state or province that, in the judgment of the commissioner, provides equivalent assurances of seed potato quality;

(2) certification documentation for all lots planted on a farm must be filed with the Department of Agriculture;

(3) planted lots must meet tolerances for certified class seed potatoes; and

(4) the potato plants must be inspected by the commissioner during a site visit.

(b) The commissioner may enter and inspect plots subject to paragraph (a) during the growing season.

(c) Potatoes grown in the restricted seed potato growing area that have not met the requirements for certification must not be labeled, marketed, or sold as certified seed potatoes.

(d) If, in any year, a sufficient volume of potato seed that meets certification standards related to disease, in any or all varieties, is not available to be planted in Minnesota, the commissioner may, upon application by one or more growers, permit potato seed that does not comply with this section to be planted for that growing season if the seed does not pose a serious threat of disease to the public.

Sec. 24. **[21.123] SEED POTATO CERTIFICATION.**

Subdivision 1. **Eligibility.** In order to produce certified seed potatoes, a grower must comply with the following requirements:

(1) a grower must ensure that potatoes meet the tolerances prescribed by this chapter and the potatoes have been inspected by the commissioner while growing in a field;

(2) a grower must ensure that all potatoes planted on the grower's farm have been entered for certification by the commissioner;

(3) a grower must ensure that each lot is grown while physically separated from other lots. Markers must be visible to an inspector from anywhere in the area of separation;

(4) a grower must submit an application for certification before June 16 each year on forms provided by the commissioner. The commissioner must charge a ten percent late

registration fee to a grower who submitted an application postmarked after June 15 and before July 1. The commissioner may extend the deadline due to special circumstances, such as a natural disaster, that make it impractical or impossible for planting to be completed by the deadline and that affect an area or large number of growers. A grower must make a request for an extension in writing before June 16;

(5) an application for certification must include a North American Health Certificate and a shipping point certificate, bulk seed certificate, or certificate of origin. The commissioner must not accept an incomplete application for certification;

(6) an application for recertification must demonstrate that the seed potatoes being entered for recertification originated from a class system in Minnesota or another state or province under the supervision of another certifying agency; and

(7) a grower must comply with sections 21.111 to 21.125. A grower's violation of sections 21.111 to 21.125 is cause for the commissioner to reject the grower's field or lot. A grower must not sell or label potatoes as certified seed potatoes when the potatoes were grown in a rejected field or lot.

Subd. 2. **Certification process.** (a) As part of the certification process, the commissioner must visually inspect sample plants and tubers from each field and lot belonging to the grower, except that the commissioner is not required to visually inspect sample plants and tubers when certifying prenuclear class potatoes.

(b) For seed potato varieties that do not exhibit visible symptoms of a specific pathogen, the commissioner must subject the seed potatoes to laboratory tests to determine the level of a pathogen in a seed lot. Testing under this paragraph may occur during the growing season, the storage season, or winter testing.

(c) The commissioner must not accept an application for certification from a grower in a community or county without sufficient acreage for total inspection fee charges to cover the cost of wages and expenses of the commissioner to complete an inspection. The commissioner must make a determination of sufficient acreage under this paragraph before conducting an inspection as part of the certification process.

(d) The commissioner must not inspect a field for certification unless both the planted seed potato variety and the particular planted lot have been authorized by the commissioner. When considering the authorization of a particular seed potato variety for planting as certified seed potatoes, the commissioner must consider scientific evidence and the expert opinions of inspectors.

(e) The following classes of seed potatoes are eligible for planting as certified seed potatoes: Prenuclear (PN), Generation 1 (G1), Generation 2 (G2), Generation 3 (G3), Generation 4 (G4), Generation 5 (G5), and experimental class seed potatoes. The commissioner may authorize the planting of Certified (C) class or Generation 6 (G6) class seed potatoes if the commissioner determines that the seeds do not pose a serious threat of disease to the public.

Subd. 3. **Bacterial ring rot or potato spindle tuber viroid.** If the commissioner finds the presence of bacterial ring rot or potato spindle tuber viroid in a field or lot, the commissioner must reject the entire field or lot. If the commissioner discovers a single plant in a field or a tuber in storage that is infected with bacterial ring rot or potato spindle tuber viroid, the commissioner must reject the entire field or lot where the plant was grown. If the commissioner has not found bacterial ring rot or potato spindle tuber viroid in a field or lot, the field or lot is not necessarily free from either disease.

Subd. 4. **Winter testing.** (a) In order to detect certain virus diseases, the commissioner must conduct winter testing of a sample from each class seeking eligibility for recertification, except PN, G1, and experimental classes. The commissioner must grow out and visually inspect a representative sample of tubers from each seed lot for stand, vigor, varietal purity, and disease. If, during a visual inspection, a plant shows signs of potato virus Y or potato leafroll virus, or if the plant is of a variety that does not express visual symptoms of infection, the commissioner must ensure that a sample of the plant is lab tested for potato virus Y and potato leafroll virus. The commissioner must determine whether a field or lot contains the threshold amount of disease permitted under section 21.124, subdivision 9. The commissioner must include any lot that passes winter testing in the approved list of certified seed lots eligible for recertification.

(b) If the commissioner determines that a winter test of a lot or field has a serious malfunction, the commissioner must base classification of the lot or field on summer field readings from the previous year or lab testing.

(c) Instead of winter testing a sample of winter grow out, the commissioner may accept comprehensive lab testing if the commissioner determines that special circumstances exist, such as a natural disaster, that would make submission of samples for inclusion in winter testing impractical or impossible.

(d) The commissioner must reject a field or lot if the commissioner determines that a large number of plants are missing from the field or lot due to disease.

(e) The commissioner must reject a field or lot if the commissioner determines that the field or lot contains a large number of weak plants.

(f) The commissioner may reject a field or lot if the field or lot contains a large number of plants that have a mixture of variety.

Subd. 5. **Seed potato certification classes.** Seed potato certification classes must be differentiated by the potatoes' compliance with disease tolerances, varietal purity, and seed origin. Seed potato certification classes are: Prenuclear, Generation 1, Generation 2, Generation 3, Generation 4, Generation 5, Generation 6, and Certified.

Subd. 6. **Experimental status.** (a) Lots from a breeder's seed that have not been tested and have not been determined to be virus-free are considered experimental. The commissioner must designate seedlings or numbered selections in experimental status as a class and determine requirements of that class.

(b) To obtain experimental status under this subdivision, an applicant must submit a written statement from the seedlings' or numbered selections' breeder, originator, or originator's designee verifying that the applicant has full and unrestricted rights to introduce the seedlings or numbered selections into the commercial market and that the applicant may apply to enter the seedlings or numbered selections into the certification system. The written statement must accompany the certification application submitted by the applicant.

(c) After reviewing the applicant's written statement and certification application, the commissioner may designate seedlings or numbered selections described in the application as having experimental status.

(d) After an applicant is notified by the commissioner that the seedlings or numbered selections have experimental status, the applicant must ensure that the seedlings or numbered selections are tagged with the word "EXPERIMENTAL."

Subd. 7. **Protected varieties.** If an applicant seeks to enter a seed potato variety protected under the Plant Variety Protection Act Amendments of 1994 into the certification system, the applicant must submit a written statement from the breeder, originator, or originator's designee that the applicant has full and unrestricted rights to introduce the protected variety into the certification system. The applicant must ensure that the written statement accompanies the certification application for any protected seed potato variety.

Subd. 8. **Certification factors; field inspection.** (a) The commissioner must consider the following factors when conducting a field inspection pursuant to a certification application:

(1) the commissioner must reject a field or lot if a large number of plants are missing due to disease;

(2) the commissioner must reject a field or lot if the field or lot contains a large number of weak plants;

(3) the commissioner must inspect a field or lot for bacterial ring rot. The commissioner must reject a field or lot if the commissioner finds the presence of bacterial ring rot. If bacterial ring rot is present in a field or lot, the remaining crop is not eligible for certification planting;

(4) the commissioner must reject a field or lot if the field or lot contains potatoes with a level of disease higher than the acceptable tolerance for the disease for the potatoes' seed potato certification class according to section 21.124, subdivision 9;

(5) the commissioner must reject a field or lot if the field or lot contains a percentage of diseased plants that exceeds the acceptable percentage of disease listed in section 21.124 for the seed potato certification class;

(6) the commissioner must reject a field or lot if any of the following are present in the field or lot to such an extent that the commissioner is unable to complete a satisfactory inspection for diseases: early or late blight, blackleg or wilt of any kind, weeds, plant injury from insects, or chemical damage; and

(7) the commissioner must reject a field or lot if any other conditions are present to such an extent that the commissioner is unable to make a satisfactory inspection for diseases.

(b) The commissioner must determine that a field is ineligible for certification if cull piles are in such close vicinity to the field that it is likely that the field is contaminated.

(c) The commissioner must make at least two field inspections of a field during the growing season. The commissioner must conduct a final inspection of a field for bacterial ring rot during the time of year that symptoms of bacterial ring rot are most likely to be observed. If the commissioner is unable to conduct a final inspection under this paragraph due to management practices of the grower or for a reason that is out of the grower's control, such as a natural disaster, the grower must ensure that laboratory testing is conducted to maintain eligibility for certification. An additional inspection or additional laboratory testing may be necessary to meet phytosanitary requirements in established markets in another state or in a Canadian province.

Subd. 9. **Roguing.** If any of the diseases listed in section 21.124, subdivision 1, are present in a field in amounts greater than the maximum disease tolerance level, the grower

must rogue the field and remove the infected plants before the final inspection by the commissioner. If a grower has completed roguing a field after tubers have formed, the grower must remove and destroy all tubers from rogued plants.

Subd. 10. **Storage.** (a) A grower must ensure that a lot is stored under conditions that prevent disease contamination. A grower must not store a lot in any warehouse where other potatoes are stored, unless the grower labels the lot according to paragraph (b).

(b) If more than one grower stores lots in the same warehouse, each grower must identify the grower's lots by labeling the bin containing the lot with the grower's name, the grower's address, the variety of potatoes in the bin, and the number of potatoes in the bin.

(c) If a grower plans to store a lot in a public warehouse or storage unit that is not directly under the grower's control, the grower must send a complete record of storage to the commissioner prior to storing the lot. The record must include the address and location of the public warehouse or storage unit, the variety of potatoes in each bin, and the number of potatoes in each bin. If a warehouse receipt for the lot is available, the grower must submit a copy of the warehouse receipt to the commissioner. If more than one grower stores lots in the same public warehouse or storage unit, the grower must label each lot according to paragraph (b).

(d) A grower must not use the same equipment for grading and handling lots of certified seed potatoes and other potatoes. If a grower has used the same equipment for grading and handling certified seed potatoes and other potatoes, the commissioner must reject the grower's lots.

(e) A firm that handles lots under contract must label each bin containing a lot with the name of the grower whose lots are being stored. A firm handling lots under contract must properly label and handle bins containing lots. A certification tag or bulk certificate must not be issued unless all bins are properly labeled according to this paragraph.

(f) By November 1 of each crop year, a grower must submit to the commissioner a completed storage and yield report for each lot on a form prescribed by the commissioner. The commissioner may extend the deadline after November 1 due to special circumstances, such as a natural disaster, that would make it impractical or impossible for a grower to complete harvesting and storage by November 1 and that affect an area or a large number of growers. A grower must submit a written request for an extension to the commissioner before November 1 of the crop year for which the extension is sought.

Subd. 11. **Tags; bulk certificates.** (a) Once the commissioner has informed a grower that the grower's potatoes meet the certification requirements in sections 21.111 to 21.125,

a grower may tag the potatoes using an approved tag indicating the grade of potatoes as blue-tag-certified seed potato grade, yellow-tag-certified seed potato grade, or white-tag-certified seed potato grade. A grower's name, the city where the farm is located, the potato variety, and the crop year must be printed on a tag under this subdivision.

(b) When fastening a tag to a potato sack, a grower must fasten the tag to the sack to form a seal at the time that the lot is prepared for shipment.

(c) A bulk certificate must include the date that the certificate was issued, class, grade, lot number, and approximate weight of the lot.

(d) If a grower wishes to tag the grower's own potatoes, the grower must order the tags for the grower's own potatoes.

(e) A grower may print a tag for potatoes if the grower has provided proof of each lot to the commissioner for review before using the tag. A tag printed by a grower must contain the following statement: "The quality and condition of each lot is only confirmed through a shipping point inspection certificate. This tag, without an accompanying shipping point inspection certificate, is not proof that the potatoes contained within have been duly inspected."

Subd. 12. **Certified seed potato grades.** Certified seed potatoes must be classified by certified seed potato grades based on the number of physical defects of tubers. A grower must only use a certified seed potato grade for potatoes after a shipping point inspection of the potatoes has been completed. The following three grades of certified seed potatoes must be used for Minnesota-certified seed potatoes:

(1) the blue-tag-certified seed potato grade is the first grade of certified seed potatoes. The blue-tag-certified seed potato grade is stricter than other grades. The blue-tag-certified seed potato grade does not allow as many physical defects of tubers as other grades. A grower may use the blue-tag-certified seed potato grade for intrastate and interstate shipments of certified seed potatoes.

(2) the yellow-tag-certified seed potato grade is the second grade of certified seed potatoes. The yellow-tag-certified seed potato grade allows more physical defects of tubers than the blue-tag-certified seed potato grade. A grower may use the yellow-tag-certified seed potato grade for intrastate and interstate shipments of certified seed potatoes; and

(3) the white-tag-certified seed potato grade is the third grade of certified seed potatoes. The number of physical defects that the white-tag-certified seed potato grade allows is determined by an agreement between the purchaser and seller of the certified seed potatoes.

A grower may use the white-tag-certified seed potato grade for intrastate and interstate shipments of certified seed potatoes.

Subd. 13. **Grading.** (a) A grower must ensure that a lot is inspected at the shipping point if the lot requires a grade statement.

(b) If an inspection at the shipping point is impossible, a grower must request a grading inspection in transit.

(c) A grower must ensure that a bagged lot or shipment offered for sale and tagged with approved certification tags is contained in new even-weight sacks.

(d) A grower must ensure that a bulk shipment is identified with a bulk certificate.

(e) A grower must ensure that a bagged lot and bulk lot or shipment meets grade standards in section 21.125.

(f) A grower must recondition a lot or shipment that fails to meet the grade standards in section 21.125.

(1) If a lot or shipment fails to meet grade standards and is contained in sacks, a grower must remove approved certification tags from the lot or shipment before the lot or shipment may proceed to its destination.

(2) If a shipment is in bulk and fails to meet grade standards in section 21.125, a bulk certificate must not be issued.

(g) If a lot or shipment fails to meet grade standards, the shipper must bear the costs of reconditioning potatoes to meet the grade standards in section 21.125.

Sec. 25. **[21.124] REQUIREMENTS FOR PRODUCTION OF DIFFERENT CLASSES OF CERTIFIED SEED POTATOES.**

Subdivision 1. **Prenuclear class certified seed potatoes.** (a) A lot grown as and intended to be prenuclear class certified seed potatoes must be grown from plants tested and shown to be free from the following pathogens:

(1) *Clavibacter michiganensis* ssp. *sepedonicus* (ring rot);

(2) *Pectobacterium atrosepticum* ssp. *Atrosepticum, carotovora* (blackleg);

(3) potato virus X;

(4) potato virus S;

(5) potato virus A;

(6) potato virus M;

(7) potato virus Y;

(8) potato spindle tuber viroid; and

(9) potato leafroll virus.

(b) When growing prenuclear class seed potatoes, a grower must ensure that each explant or tuber is tested for organisms for which testing is required by the state or province of destination. A grower must ensure that material in maintenance is tested during the year of producing prenuclear class seed potatoes.

(c) A grower must produce prenuclear class seed potatoes in a greenhouse or screenhouse under sanitary conditions, free from insects and weeds that can harbor or transmit potato diseases or other conditions that would allow possible disease contamination. A grower must ensure that a facility used for growing prenuclear seed potatoes is sufficiently insulated from insects by screens and double doors. The commissioner may inspect any facility or equipment used for growing, handling, and storing prenuclear class seed potatoes to verify that the facility or equipment complies with this paragraph.

(d) A grower must ensure that one percent of each lot or ten plants or tubers from each lot, whichever is greater, is tested during the growing season to verify that the crop is free from potato virus X, potato virus Y, potato leafroll virus, *C. michiganensis*, and *P. atrosepticum*.

(e) Prenuclear tubers may originate from greenhouse tubers for one year only if the greenhouse tubers have remained at the same growing operation and have remained isolated from field-grown tubers.

(f) Prenuclear class certified seed potatoes must not contain more than the allowable tolerances for disease and varietal mixture in subdivision 9.

Subd. 2. **Generation 1 class certified seed potatoes.** (a) Generation 1 class seed potatoes must meet the following requirements:

(1) the seed source must be either prenuclear tubers, clones, or plantlets; and

(2) tubers or plantlets must be planted in identifiable family units.

(b) Lots in Generation 1 class may be exempt from winter testing requirements if leaves collected during the growing season are laboratory tested and shown to be within the allowable tolerance of potato virus X, potato virus Y, and other pathogens identified by the commissioner.

(c) Each lot must be stored in an individual identifiable unit.

(d) Generation 1 seed potatoes must not contain more than the allowable tolerances for disease and varietal mixture for seed potatoes in subdivision 9.

Subd. 3. **Generation 2 class certified seed potatoes.** Generation 2 class seed potatoes must originate from Generation 1 class seed potatoes. Generation 2 class seed potatoes must not contain more than the allowable tolerances of disease and varietal mixture in subdivision 9.

Subd. 4. **Generation 3 class certified seed potatoes.** Generation 3 class seed potatoes must originate from Generation 2 class seed potatoes. Generation 3 class seed potatoes must not contain more than the allowable tolerances of disease and varietal mixture in subdivision 9.

Subd. 5. **Generation 4 class certified seed potatoes.** Generation 4 class seed potatoes must originate from Generation 3 class seed potatoes. Generation 4 class seed potatoes must not contain more than the allowable tolerances for disease and varietal mixture in subdivision 9.

Subd. 6. **Generation 5 class certified seed potatoes.** Generation 5 class seed potatoes must originate from Generation 4 class seed potatoes. Generation 5 class seed potatoes must not contain more than the allowable tolerances for disease and varietal mixture in subdivision 9.

Subd. 7. **Generation 6 class certified seed potatoes.** Generation 6 class seed potatoes must originate from Generation 5 class seed potatoes. Generation 6 class seed potatoes must not contain more than the allowable tolerances for disease and varietal mixture in subdivision 9.

Subd. 8. **Certified class certified seed potatoes.** Certified class seed potatoes must originate from generation classes of seed potatoes. Certified class seed potatoes must not contain more than the allowable tolerances for disease and varietal mixture in subdivision 9.

Subd. 9. **Allowable tolerances for diseases and varietal mixture by generation class.** The numbers represent the percentage of potatoes that may be affected out of an individual lot.

| | PN | G1 | G2 | G3 | G4 | G5 | G6 | C |
|---|---|---|---|---|---|---|---|---|
| Tolerances: | | | | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Severe Mosaic from potato virus Y, A, M, X, and/or S | 0 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 1 |
| Leafroll | 0 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 1 |
| Total | 0 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 1 |
| Other viruses | 0 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Mycoplasms (haywire, witches broom, yellow dwarf) | 0 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Total | 0 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Blackleg | 0 | 0 | 0.2 | 0.5 | 1 | exc. | exc. | exc. |
| Varietal mixture | 0 | 0 | 0 | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 |
| Ring Rot and Spindle Tuber | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Winter Test: | | | | | | | | |
| Virus or expressing symptoms of chemical damage | - | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |

Sec. 26. **[21.125] MINNESOTA CERTIFIED SEED POTATO GRADES AND TOLERANCES.**

Subdivision 1. **Certified seed potato grading.** Potatoes must meet the requirements of sections 21.111 to 21.125 to be graded as certified seed potatoes.

Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Damage" means any defect or combination of defects that materially affects the appearance of the individual potato, or that cannot be removed without a loss of more than five percent of the total weight of the potato, including the peel covering the defective area.

(c) "Diameter" means the greatest dimension at right angles to the longitudinal axis. Diameter means the long axis.

(d) "Dry rot" means decaying tissue that is dry.

(e) "Fairly clean" means that the individual potato is reasonably free from dirt, staining, or other foreign matter.

(f) "Fairly well-shaped" means that the individual potato is not materially pointed, dumbbell-shaped, or otherwise ill-formed.

(g) "Mature" means that the outer skin does not loosen or feather readily during the ordinary methods of handling.

(h) "Serious damage" means any defect or combination of defects that seriously affects the appearance of the individual potato or that cannot be removed without a loss of more than ten percent of the total weight of the potato, including the peel covering the defective area.

(i) "Slightly dirty" means the appearance is not materially affected by dirt, staining, or other foreign matter.

(j) "Soft rot" or "wet breakdown" means any soft, mushy, or leaky condition of potato tissues.

(k) "Well-shaped" means the normal shape for a variety.

Subd. 3. **Damage.** The commissioner must find that one or more of the following defects constitutes damage:

(1) a russet scab that materially detracts from the appearance of a potato;

(2) second growth or growth cracks that materially affect the appearance of an individual potato;

(3) air cracks when removal of the air cracks causes a loss of more than five percent of the total weight of a potato;

(4) a potato that is more than moderately shriveled, spongy, or flabby;

(5) an individual potato that has sprouts over one inch in length;

(6) a surface scab, powdery scab, or pitted scab that covers more than five percent of the surface of a potato or a surface scab, powdery scab, or pitted scab that, when removed, causes a potato to lose more than five percent of the potato's total weight, including peel covering a defective area of the potato; or

(7) more than 50 percent of a potato's surface contains scattered, lightly caked soil or more than 15 percent of a potato's surface is badly caked with soil.

Subd. 4. **Serious damage.** The commissioner must find that one or more of the following defects constitutes serious damage:

(1) a russet scab that seriously detracts from the appearance of a potato;

(2) the appearance of a potato is seriously affected by caked or smeared dirt or other foreign matter;

(3) both ends of a potato are cut or clipped, more than an estimated one-fourth of a potato is cut away from one end, or a remaining portion of a clipped potato weighs less than six ounces;

(4) one or more cuts that seriously affect the appearance of a potato or that cannot be removed without the loss of more than ten percent of a potato's total weight, including peel covering the defective area;

(5) a potato that is excessively shriveled, spongy, or flabby;

(6) a surface scab, powdery scab, or pitted scab that covers more than 25 percent of the surface of a potato or a surface scab, powdery scab, or pitted scab that, when removed, causes a loss of more than ten percent of a potato's total weight, including peel covering the defective area; or

(7) wireworm or air cracks that, when removed, cause a loss of more than ten percent of a potato's total weight.

Subd. 5. **Application of tolerance.** If the average of an entire lot is within the disease tolerances specified for the grade in section 21.124, subdivision 9, an individual container in the lot may contain no more than double the disease tolerance specified in section 21.124, subdivision 9, except that sprouts, at least one defective specimen with a defect other than bacterial ring rot, and one off size specimen is permitted. This subdivision does not apply to bulk conveyances.

Subd. 6. **Condition after transit.** Deterioration that developed in transit must affect the condition of potatoes. Deterioration that developed in transit must not affect the grade of potatoes.

Subd. 7. **Minnesota blue-tag-certified seed potato grade.** (a) To be graded as Minnesota blue-tag-certified seed potatoes, potatoes must meet the following requirements:

(1) at the time of the shipping point inspection, potatoes must be of one variety; unwashed; fairly well-shaped; free from bacterial ring rot, late blight, freezing, black heart, and soft rot or wet breakdown; free from damage caused by soil or other foreign matter, second growth, air cracks, cuts, shriveling, sprouts, pitted scabs, surface scabs, powdery scabs, russet scabs, dry rot, other diseases, insects or worms, mechanical or other means, or flattened or depressed areas with underlying flesh discoloration; and free from serious damage caused by hollow heart, wireworm, growth cracks, or internal discoloration other than hollow heart. Sunburn and silver scurf must not be considered factors that affect the

grading of potatoes. This clause does not apply to hollow heart if the potatoes are labeled "hollow heart exempt" on the affixed tag or accompanying certificate; and

(2) for round or intermediate shaped varieties, the maximum potato size is 12 ounces (340.2 grams) and, unless otherwise specified, the minimum size must not be less than 1-1/2 inches (38.1 millimeters) in diameter. For long varieties, the maximum size is 14 ounces (396.9 grams) and, unless otherwise specified, the minimum size must not be less than 1-1/2 inches (38.1 millimeters) in diameter. For all varieties, the minimum diameter for size "B" must not be less than 1-1/2 inches (38.1 millimeters) and the maximum size must not be more than 2-1/4 inches (57.1 millimeters) in diameter. The department may grade potatoes that do not meet the maximum and minimum size specifications as Minnesota blue-tag-certified seed potatoes if the buyer agrees to accept potatoes of alternate size specifications from the grower and the specifications are listed on the affixed tag or accompanying bulk certificate issued by the department.

(b) To allow for variations incident to proper grading and handling, the following lot tolerances are permitted:

(1) for defects:

(i) up to ten percent of a lot may be seriously damaged by hollow heart, unless labeled "hollow heart exempt" on the affixed tag or accompanying certificate;

(ii) up to five percent of a lot may be seriously damaged by internal discoloration due to causes other than hollow heart;

(iii) up to ten percent of a lot may be damaged by soil or other foreign matter;

(iv) up to 20 percent of a lot may be damaged by sprouts;

(v) up to ten percent of a lot may be seriously damaged by wireworm;

(vi) for potatoes that fail to meet the remaining requirements of the potatoes' grade, a lot may contain up to a total of six percent of the following defects combined and must not contain more than the following percentage of defects:

(A) soft rot, frozen, or wet breakdown, 0.5 percent;

(B) damage by surface scab, powdery scab, or pitted scab, 2.0 percent;

(C) damage by dry rot, 2.0 percent, of which not more than 1.0 percent is late blight tuber rot;

(D) bacterial ring rot, 0.0 percent; and

(E) late blight tuber rot, 1.0 percent; and

(vii) the presence of the following does not affect seed quality and must not be scored against the potatoes' grade:

(A) brown discoloration following skinning;

(B) dried stems;

(C) flattened or depressed areas showing no underlying flesh discoloration;

(D) greening;

(E) sunburn;

(F) skin checks; and

(G) silver scurf; and

(2) for off size:

(i) up to five percent of potatoes may fail to meet the required or specified minimum size; and

(ii) up to ten percent of potatoes may fail to meet the required maximum size.

Subd. 8. **Minnesota yellow-tag-certified seed potato grade.** (a) To be graded as Minnesota yellow-tag-certified seed potatoes, potatoes must meet the following requirements:

(1) at the time of the shipping point inspection, the potatoes must be of one variety; unwashed; fairly well-shaped; free from bacterial ring rot, late blight, freezing, black heart, and soft rot or wet breakdown; free from damage caused by second growth, air cracks, cuts, shriveling, pitted scabs, surface scabs, powdery scabs, dry rot, other diseases, insects or worms, or mechanical means or other means; and free from serious damage caused by soil or other foreign matter, hollow heart, wireworm, growth cracks, russet scabs, or internal discoloration other than hollow heart. Sunburn and silver scurf must not be considered factors that affect the grading of potatoes. This clause does not apply to hollow heart if labeled "hollow heart exempt" on the affixed tag or accompanying certificate; and

(2) for all varieties, the maximum potato size is 14 ounces (396.9 grams) and the minimum size is 1-1/2 inch (38.1 millimeter) in diameter. For all varieties, the minimum diameter for size "B" must not be less than 1-1/2 inches (38.1 millimeters) and the maximum diameter must not be more than 2-1/4 inches (57.1 millimeters). The department may grade potatoes that do not meet the maximum and minimum size specifications as Minnesota yellow-tag-certified seed potatoes if the buyer agrees to accept potatoes with alternate size

specifications from the grower and the size specifications are listed on the affixed tag or accompanying bulk certificate issued by the department.

(b) To allow for variations incident to proper grading and handling, the following lot tolerances are permitted:

(1) for defects:

(i) up to 20 percent of potatoes may be seriously damaged by hollow heart, unless labeled "hollow heart exempt" on the affixed tag or accompanying certificate;

(ii) up to five percent of potatoes may be seriously damaged by internal discoloration due to a cause other than hollow heart;

(iii) up to ten percent of potatoes may be seriously damaged by soil or other foreign matter;

(iv) up to ten percent of potatoes may be seriously damaged by wireworm;

(v) up to 20 percent of a lot may have defects if the potatoes fail to meet the remaining requirements of the grade. Of the 20 percent of defects allowed, a lot may contain a total of six percent of the following defects combined and must not contain more than the following percentage of defects:

(A) soft rot, frozen, or wet breakdown, 0.5 percent;

(B) damage by surface scab, powdery scab, or pitted scab, 5.0 percent;

(C) damage by dry rot, 2.0 percent, of which not more than 1.0 percent is late blight tuber rot;

(D) bacterial ring rot, 0.0 percent; and

(E) late blight tuber rot, 1.0 percent; and

(vi) the presence of the following does not affect seed quality and must not be scored against the grade:

(A) brown discoloration following skinning;

(B) dried stems;

(C) flattened or depressed areas showing no underlying flesh discoloration;

(D) greening;

(E) sunburn;

(F) skin checks;

(G) silver scurf; and

(H) sprouts; and

(2) for off size:

(i) five percent for potatoes that fail to meet the required or specified minimum size; and

(ii) ten percent for potatoes that fail to meet the required maximum size.

(c) The potatoes must be fairly well-shaped, with an exception for long varieties when specified as "except for shape." When specified as "except for shape," the tubers may be misshapen.

Subd. 9. **Minnesota white-tag-certified seed potato grade.** Minnesota white-tag-certified seed potato grade consists of certified seed potatoes that are graded according to agreement between the seller and the purchaser as to size and defects, except that not more than one-half percent of soft rot, frozen, or wet breakdown and two percent dry rot, of which not more than one percent late blight tuber rot is allowed.

Sec. 27. Minnesota Statutes 2024, section 21.891, subdivision 2, is amended to read:

Subd. 2. **Seed fee permits.** (a) A labeler who wishes to sell seed in Minnesota must comply with section 21.89, subdivisions 1 and 2, and the procedures in this subdivision. Each labeler who wishes to sell seed in Minnesota must apply to the commissioner to obtain a permit. The application must contain the name and address of the applicant, the application date, and the name and title of the applicant's contact person. Permit fees are based on the initial sale of seed in Minnesota.

(b) The application for a seed permit covered by section 21.89, subdivision 2, clause (1), must be accompanied by an application fee of $75.

(c) The application for a seed permit covered by section 21.89, subdivision 2, clause (2), must be accompanied by an application fee based on the level of annual gross sales as follows:

(1) for gross sales of $0 to $25,000, the annual permit fee is $75;

(2) for gross sales of $25,001 to $50,000, the annual permit fee is $150;

(3) for gross sales of $50,001 to $100,000, the annual permit fee is $300;

(4) for gross sales of $100,001 to $250,000, the annual permit fee is $750;

(5) for gross sales of $250,001 to $500,000, the annual permit fee is $1,500;

(6) for gross sales of $500,001 to $1,000,000, the annual permit fee is $3,000; and

(7) for gross sales of $1,000,001 and above, the annual permit fee is $4,500.

(d) The application for a seed permit covered by section 21.89, subdivision 2, clause (3), must be accompanied by an application fee of $75. Labelers holding seed fee permits covered under this paragraph need not apply for a new permit or pay the application fee. Under this permit category, the fees for the following kinds of agricultural seed sold either in bulk or containers are:

(1) oats, wheat, and barley, 9 cents per hundredweight;

(2) rye, field beans, buckwheat, and flax, 12 cents per hundredweight;

(3) field corn, 17 cents per 80,000 seed unit;

(4) forage, hemp, lawn and turf grasses, and legumes, 69 cents per hundredweight;

(5) sunflower, $1.96 per hundredweight;

(6) sugar beet, 12 cents per 100,000 seed unit;

(7) soybeans, 7.5 cents per 140,000 seed unit;

(8) for any agricultural seed not listed in clauses (1) to (7), the fee for the crop most closely resembling it in normal planting rate applies; and

(9) for native grasses and wildflower seed, $1 per hundredweight.

(e) If, for reasons beyond the control and knowledge of the labeler, seed is shipped into Minnesota by a person other than the labeler, the responsibility for the seed fees are transferred to the shipper. An application for a transfer of this responsibility must be made to the commissioner. Upon approval by the commissioner of the transfer, the shipper is responsible for payment of the seed permit fees.

(f) Seed permit fees may be included in the cost of the seed either as a hidden cost or as a line item cost on each invoice for seed sold. To identify the fee on an invoice, the words "Minnesota seed permit fees" must be used.

(g) All seed fee permit holders must file semiannual reports with the commissioner, even if no seed was sold during the reporting period. Each semiannual report must be submitted within 30 days of the end of each reporting period. The reporting periods ~~are October 1 to March 31 and April 1 to September 30 of each year or July 1 to December 31 and January 1 to June 30 of each year~~ must be determined by the commissioner and

communicated annually to permit holders. Permit holders may change their reporting periods with the approval of the commissioner.

(h) The holder of a seed fee permit must pay fees on all seed for which the permit holder is the labeler and which are covered by sections 21.80 to 21.92 and sold during the reporting period.

(i) If a seed fee permit holder fails to submit a semiannual report and pay the seed fee within 30 days after the end of each reporting period, the commissioner shall assess a penalty of $100 or eight percent, calculated on an annual basis, of the fee due, whichever is greater, but no more than $500 for each late semiannual report. A $15 penalty must be charged when the semiannual report is late, even if no fee is due for the reporting period. Seed fee permits may be revoked for failure to comply with the applicable provisions of this paragraph or the Minnesota seed law.

Sec. 28. **REPEALER.**

(a) Minnesota Statutes 2024, sections 21.116; 21.118; 21.1196, subdivision 3; 21.121; and 21.122, are repealed.

(b) Minnesota Rules, parts 1510.2300; 1510.2305; 1510.2310; 1510.2315; 1510.2320; 1510.2325; 1510.2330; 1510.2335; 1510.2340; 1510.2345; 1510.2350; and 1510.2355, subparts 1, 2, 3a, 4, 5, 6, and 7, are repealed.

Sec. 29. **EFFECTIVE DATE.**

This article is effective August 1, 2025.

## ARTICLE 6
## FOOD HANDLER LICENSING PROVISIONS

Section 1. Minnesota Statutes 2024, section 28A.03, subdivision 7, is amended to read:

Subd. 7. **Principal mode of business.** "Principal mode of business" means that type of business described under paragraph (a)~~,~~ or (b)~~, (c) or (d)~~ in section 28A.05 within which category the greatest amount of the applicant's food business lies.

Sec. 2. Minnesota Statutes 2024, section 28A.03, is amended by adding a subdivision to read:

Subd. 12. **Risk category.** "Risk category" means a classification of the level of food safety risk associated with food handling, processing, preparation, and storage based upon

an assessment by regulatory food safety professionals of the potential likelihood and severity of harm.

Sec. 3. Minnesota Statutes 2024, section 28A.03, is amended by adding a subdivision to read:

Subd. 13. **Gross sales or service.** "Gross sales or service" means a calculation in dollars of the total value of food sales or service at the location before taxes or deductions that includes the value of food items held for distribution to other places of business or donated.

Sec. 4. Minnesota Statutes 2024, section 28A.04, is amended to read:

**28A.04 LICENSE REQUIRED; CUSTOM PROCESSING PERMIT APPLICATIONS; RENEWALS.**

Subdivision 1. **Application; date of issuance.** (a) Except as provided under section 28A.152, no person shall engage in the business of manufacturing, processing, selling, handling, or storing food without having first obtained from the commissioner a license for doing such business. Applications for such license shall be made to the commissioner in such manner and time as required and upon such forms as provided by the commissioner and shall contain the name and address of the applicant, address or description of each place of business, and the nature of the business to be conducted at each place, and such other pertinent information as the commissioner may require.

(b) An applicant for a license must submit a nonrefundable application fee of $50 with each license application. The fee under this paragraph does not apply to annual license renewals. The fee under this paragraph is not required for applications to operate solely as a special event food stand or custom exempt food handler.

~~(b)~~ (c) A ~~retail or wholesale~~ food handler license shall be issued for the period ~~July~~ January 1 to ~~June 30 following~~ December 31 and shall be renewed thereafter by the licensee on or before ~~July~~ January 1 of each year, except that:

(1) retail and wholesale food handler licenses issued for the period of July 1, 2025, to June 30, 2026, must be renewed on or before July 1, 2026, for the period of July 1, 2026, to December 31, 2026. The renewal fee for the period of July 1, 2026, to December 31, 2026, is one-half of the fee for a food handler specified in section 28A.08, subdivision 3;

~~(1)~~ (2) licenses for all mobile food concession units and retail mobile units must be issued for the period April 1 to March 31, and must be renewed thereafter by the licensee on or before April 1 of each year~~; and~~.

~~(2)~~ A license issued for a temporary food concession stand must have a license issuance and renewal date consistent with appropriate statutory provisions~~.~~; and

(3) a license for a food handler operating only at the State Fair must be issued for the period of July 1 to June 30 and must be renewed thereafter by the licensee on or before July 1 of each year.

(d) A penalty for late renewal under paragraph (b) must be assessed in accordance with section 28A.08.

~~(c)~~ (e) A custom exempt food handler license shall be issued for the period July 1 to June 30 ~~following~~ and ~~shall~~ must be renewed thereafter by the licensee on or before July 1 each year. The custom exempt food handler license is for businesses that only conduct custom exempt operations and mark all products as "Not For Sale." Food handlers that conduct retail exempt operations or other operations other than custom exempt processing or slaughter are not eligible for this license.

~~(d) A license for a food broker or for a food processor or manufacturer shall be issued for the period January 1 to December 31 following and shall be renewed thereafter by the licensee on or before January 1 of each year, except that a license for a wholesale food processor or manufacturer operating only at the state fair shall be issued for the period July 1 to June 30 following and shall be renewed thereafter by the licensee on or before July 1 of each year. A penalty for a late renewal shall be assessed in accordance with section 28A.08.~~

~~(e)~~ (f) On a quarterly basis during the licensing period, the commissioner must prorate the fee for an initial license issued under this chapter, except that a person applying for a new license up to 14 calendar days before the effective date of the new license period under paragraph (b) must be issued a license for the 14 days and the next license year as a single license and pay a single license fee as if the 14 days were part of the upcoming license period.

Subd. 2. **Custom processing or Minnesota Meat and Poultry Inspection Act permit.** In addition to the license requirements set forth in subdivision 1, every custom exempt processor or establishment operating under the Minnesota Meat and Poultry Inspection Act as defined in section 31A.31, shall obtain a custom processing permit or Minnesota Meat and Poultry Grant of Inspection permit. Application for a permit shall be made on forms provided by the commissioner. The commissioner shall cause the ~~custom~~ processor's place of business to be inspected and if the commissioner finds that the applicant's place of business complies with state standards relating to meat processing plants, a ~~custom processing~~ permit under

this subdivision shall be issued to the applicant. ~~No~~ An additional fee ~~shall~~ of up to $500 may be charged for a ~~custom processing~~ permit under this subdivision.

Sec. 5. Minnesota Statutes 2024, section 28A.05, is amended to read:

**28A.05 ~~CLASSIFICATION~~ FOOD HANDLER CLASSES.**

All persons required to have a license under section 28A.04 shall be classified into one of the following classes of food handlers, according to their principal mode of business.

(a) ~~Retail~~ Food handlers are persons who:

(1) sell or process and sell food directly to the ultimate consumer or who custom process meat or poultry. The term includes a person who sells food directly to the ultimate consumer through the use of vending machines, and a person who sells food for consumption on site or off site if the sale is conducted on the premises that are part of a grocery or convenience store operation~~.~~;

~~(b) Wholesale food handlers are persons who~~ (2) sell to ~~others~~ other business entities or establishments for resale~~.~~, including a person who handles food in job lots ~~(jobbers) is included in this classification.~~; or

~~(c) Wholesale food processors or manufacturers are persons who~~ (3) process or manufacture raw materials and other food ingredients into food items, ~~or who~~ reprocess food items, ~~or who~~ package food for sale to ~~others~~ other business entities or establishments for resale, or ~~who~~ commercially slaughter animals or poultry. Included herein are persons who can, extract, ferment, distill, pickle, bake, freeze, dry, smoke, grind, mix, stuff, pack, bottle, recondition, or otherwise treat or preserve food for sale to ~~others~~ other business entities or establishments for resale, cold storage warehouse operators as defined in section 28.01, subdivision 3, salvage food processors as defined in section 31.495, subdivision 1, and dairy plants as defined in section 32D.01, subdivision 6.

~~(d)~~ (b) Custom exempt food handlers are persons who only conduct custom exempt processing as defined in section 31A.02, subdivision 5. A retail or wholesale transaction may not take place in a facility operated by a person with a custom exempt food handler license.

~~(e) A food broker is a person who buys and sells food and who negotiates between a buyer and a seller of food, but who at no time has custody of the food being bought and sold.~~

Sec. 6. Minnesota Statutes 2024, section 28A.06, is amended to read:

**28A.06 EXTENT OF LICENSE.**

No person, except as described in section 27.03, shall be required to hold more than one license in order to engage in any aspect of food handling ~~described in section 28A.05 provided,~~ except that:

(1) each issued license shall be valid for no more than one place of business~~, except that~~;

(2) a license for a mobile unit or a retail food vehicle, portable structure, or cart is valid statewide and is required to be issued only once each year unless the licensee fails to display the license as required by section 28A.07 or it is a seasonal permanent food stand, seasonal temporary food stand, food cart, or special event food stand as defined in section 157.15, in which case the duration of the license is restricted by the limitations found in the definitions in section 157.15~~.~~; and

(3) the commissioner may authorize a food handler reporting $50,000 or less gross annual food sales to conduct business activities under the food handler's license at up to two additional locations if:

(i) the food handler has reported each location and activity to the commissioner; and

(ii) the commissioner has approved each location and activity before the food handler conducts business activities at each location.

Sec. 7. Minnesota Statutes 2024, section 28A.07, is amended to read:

**28A.07 ISSUANCE OF LICENSE.**

Prior to the issuance or renewal of any license herein, the commissioner may cause appropriate inspections to be made to determine under applicable statutory and promulgated rule requirements, the applicant's risk category and fitness to engage in the ~~mode(s) of~~ business activities described in that person's license application. A valid and properly displayed license shall be sufficient to allow the licensee to engage in the manner of food handling so described in the licensee's application, provided that the commissioner may withhold authorization to engage in any aspects of business for which the applicant is not deemed fit under this section. A licensee may, at any time, apply to change such application which shall then be considered by the commissioner in the same manner as a new or renewal application hereunder.

Sec. 8. Minnesota Statutes 2024, section 28A.0753, subdivision 3, is amended to read:

Subd. 3. **Food ~~manufacturer, processor, or distributor~~ handlers who manufacture, process, or distribute; licensing, preemption by state.** When a food ~~manufacturer, processor, or distributor~~ handler described in section 28A.05, subdivision 1, paragraph (a), clauses (2) and (3), is licensed by the commissioner of agriculture, the food ~~manufacturer, processor or distributor~~ handler is exempt from the licensing requirements of any municipal corporation or subdivision of state government, except for licensing requirements which may be imposed by the municipal corporation or subdivision of state government in which the ~~manufacturer, processor, or distributor~~ food handler locates a plant. All delivery equipment used by such a food ~~manufacturer, processor or distributor~~ handler is included within the meaning of this section, whether owned or operated, independently contracted, or contracted with a common carrier approved by the commissioner of agriculture. This delivery equipment is exempt from licensing by any municipal corporation or subdivision of state government except for those requirements which may be imposed by the municipal corporation or subdivision of state government in which the equipment is principally located. Delivery equipment approved by the commissioner of agriculture shall carry, at all times, a certificate of approval for the purposes for which the equipment is utilized. Nothing in this section is intended to permit the enactment of an ordinance regulating an activity where the state has preempted the field.

Sec. 9. Minnesota Statutes 2024, section 28A.08, is amended to read:

**28A.08 LICENSE FEES; PENALTIES.**

Subdivision 1. **General.** (a) License fees, penalties for late renewal of licenses, and penalties for not obtaining a license before conducting business in food handling that are set in this section apply to the sections named except as provided under section 28A.09. Except as specified herein, bonds and assessments based on number of units operated or volume handled or processed which are provided for in said laws shall not be affected, nor shall any penalties for late payment of said assessments, nor shall inspection fees, be affected by this chapter. The penalties may be waived by the commissioner. Fees for all new licenses must be based on the anticipated future gross annual food sales. If a firm is found to be operating for multiple years without paying license fees, the state may collect the appropriate fees and penalties for each year of operation.

(b) The commissioner may adjust the fees in subdivision 3 every five years to the inflation level established in the United States Bureau of Labor and Statistics Consumer Price Index, using July 2025 as the base month and year.

Subd. 3. **Fees effective ~~July 1, 2003~~ August 1, 2025.**

| Type of food handler | Risk Category | License Fee ~~Effective July 1, 2003~~ | Penalties: Late Renewal | Penalties: No License |
|---|---|---|---|---|
| 1. ~~Retail food handler or~~ Custom exempt food handler | | | | |
| ~~(a) Having gross sales of only prepackaged nonperishable food of less than $15,000 for the immediately previous license or fiscal year and filing a statement with the commissioner~~ | | ~~$ 50~~ | ~~$ 17~~ | ~~$ 33~~ |
| ~~(b)~~ (a) Having ~~under $15,000 gross sales or service including food preparation or having $15,000 to~~ $50,000 or less gross sales or service for the immediately previous license or fiscal year | | ~~$ 77~~ $135 | ~~$ 25~~ $45 | ~~$ 51~~ $90 |
| ~~(c)~~ (b) Having $50,001 to ~~$250,000~~ $125,000 gross sales or service for the immediately previous license or fiscal year | | ~~$155~~ $200 | ~~$ 51~~ $67 | ~~$102~~ $133 |
| ~~(d)~~ (c) Having ~~$250,001~~ $125,001 to ~~$1,000,000~~ $500,000 gross sales or service for the immediately previous license or fiscal year | | ~~$276~~ $370 | ~~$ 91~~ $123 | ~~$182~~ $247 |
| ~~(e)~~ (d) Having ~~$1,000,001~~ $500,001 to ~~$5,000,000~~ $1,000,000 gross sales or service for the immediately previous license or fiscal year | | ~~$799~~ $475 | ~~$264~~ $158 | ~~$527~~ $317 |
| ~~(f)~~ (e) Having ~~$5,000,001~~ $1,000,001 to ~~$10,000,000~~ $5,000,000 gross sales or service for the immediately previous license or fiscal year | | ~~$1,162~~ $1,350 | ~~$383~~ $450 | ~~$767~~ $900 |
| (f) Having $5,000,001 to $10,000,000 gross sales or service for the immediately previous license or fiscal year | | $1,750 | $583 | $1,167 |
| (g) Having $10,000,001 to $15,000,000 gross sales or service for the immediately previous license or fiscal year | | ~~$1,376~~ $2,150 | ~~$454~~ $717 | ~~$908~~ $1,433 |
| (h) Having $15,000,001 to $20,000,000 gross sales or service for the immediately previous license or fiscal year | | ~~$1,607~~ $2,550 | ~~$530~~ $849 | ~~$1,061~~ $1,700 |
| (i) Having $20,000,001 to $25,000,000 gross sales or service for the immediately previous license or fiscal year | | ~~$1,847~~ $2,950 | ~~$610~~ $984 | ~~$1,219~~ $1,967 |
| (j) Having over $25,000,001 gross sales or service for the immediately previous license or fiscal year | | ~~$2,001~~ $3,350 | ~~$660~~ $1,117 | ~~$1,321~~ $2,233 |

| | | | | | |
|---|---|---|---|---|---|
| 2. ~~Wholesale~~ Food handler | | | | | |
| (a) Having gross sales of only prepackaged nonperishable food of less than $30,000 for the immediately previous license or fiscal year and filing a statement with the commissioner | | $90 | $30 | $60 |
| | | ~~$ 57~~ | ~~$ 19~~ | ~~$ 38~~ |
| ~~(a)~~ (b) Having gross sales or service of less than ~~$25,000~~ $50,000 for the immediately previous license or fiscal year | High | $285 | $95 | $190 |
| | Medium | $195 | $65 | $130 |
| | Low | $135 | $45 | $90 |
| ~~(b)~~ (c) Having ~~$25,001~~ $50,001 to ~~$250,000~~ $125,000 gross sales or service for the immediately previous license or fiscal year | | ~~$284~~ | ~~$ 94~~ | ~~$187~~ |
| | High | $350 | $117 | $233 |
| | Medium | $260 | $87 | $173 |
| | Low | $200 | $67 | $133 |
| ~~(c)~~ (d) Having ~~$250,001~~ $125,001 to ~~$1,000,000~~ $250,000 gross sales or service ~~from a mobile unit without a separate food facility~~ for the immediately previous license or fiscal year | | ~~$444~~ | ~~$147~~ | ~~$293~~ |
| | High | $415 | $138 | $277 |
| | Medium | $350 | $117 | $233 |
| | Low | $265 | $ 88 | $177 |
| ~~(d)~~ (e) Having $250,001 to ~~$1,000,000~~ $500,000 gross sales or service ~~not covered under paragraph (c)~~ for the immediately previous license or fiscal year | | ~~$590~~ | ~~$195~~ | ~~$389~~ |
| | High | $520 | $173 | $347 |
| | Medium | $430 | $143 | $287 |
| | Low | $370 | $123 | $247 |
| ~~(e)~~ (f) Having ~~$1,000,001~~ $500,001 to ~~$5,000,000~~ $1,000,000 gross sales or service for the immediately previous license or fiscal year | | ~~$769~~ | ~~$254~~ | ~~$508~~ |
| | High | $625 | $208 | $417 |
| | Medium | $535 | $178 | $357 |
| | Low | $475 | $158 | $317 |
| ~~(f)~~ (g) Having ~~$5,000,001~~ $1,000,001 to ~~$10,000,000~~ $5,000,000 gross sales or service for the immediately previous license or fiscal year | | ~~$920~~ | ~~$304~~ | ~~$607~~ |
| | High | $1,500 | $500 | $1,000 |
| | Medium | $1,425 | $475 | $950 |
| | Low | $1,350 | $450 | $900 |
| (h) Having $5,000,001 to $10,000,000 gross sales or service for the immediately previous license or fiscal year | High | $1,900 | $633 | $1,267 |
| | Medium | $1,825 | $608 | $1,217 |
| | Low | $1,750 | $583 | $1,167 |
| ~~(g)~~ (i) Having $10,000,001 to $15,000,000 gross sales or service for the immediately previous license or fiscal year | | ~~$990~~ | ~~$327~~ | ~~$653~~ |
| | High | $2,300 | $767 | $1,533 |
| | Medium | $2,225 | $742 | $1,483 |
| | Low | $2,150 | $717 | $1,433 |
| ~~(h)~~ (j) Having $15,000,001 to $20,000,000 gross sales or service for the immediately previous license or fiscal year | | ~~$1,156~~ | ~~$381~~ | ~~$763~~ |
| | High | $2,700 | $900 | $1,800 |
| | Medium | $2,625 | $875 | $1,750 |
| | Low | $2,550 | $849 | $1,700 |
| ~~(i)~~ (k) Having $20,000,001 to $25,000,000 gross sales or service for the immediately previous license or fiscal year | | ~~$1,329~~ | ~~$439~~ | ~~$877~~ |
| | High | $3,100 | $1,033 | $2,067 |
| | Medium | $3,025 | $1,008 | $2,017 |
| | Low | $2,950 | $984 | $1,967 |
| ~~(j)~~ (l) Having ~~over~~ $25,000,001 ~~or more~~ to $50,000,000 gross sales or service for the immediately previous license or fiscal year | | ~~$1,502~~ | ~~$496~~ | ~~$991~~ |
| | High | $3,500 | $1,167 | $2,333 |
| | Medium | $3,425 | $1,142 | $2,283 |
| | Low | $3,350 | $1,117 | $2,233 |

| | | | | | |
|---|---|---|---|---|---|
| (m) Having $50,000,001 to $100,000,000 gross sales or service for the immediately previous license or fiscal year | High | $4,000 | $1,334 | $2,667 |
| | Medium | $3,925 | $1,309 | $2,617 |
| | Low | $3,850 | $1,284 | $2,567 |
| (n) Having $100,000,001 or more gross sales or service for the immediately previous license or fiscal year | High | $4,500 | $1,500 | $3,000 |
| | Medium | $4,425 | $1,475 | $2,950 |
| | Low | $4,350 | $1,450 | $2,900 |
| 3. ~~Food broker~~ Food handler operating under authority of this chapter solely as a special event food stand as defined in Minnesota Statutes, section 157.15 | | ~~$150~~ $75 | ~~$ 50~~ $25 | ~~$ 99~~ $50 |
| 4. ~~Wholesale food processor or manufacturer~~ | | | | |
| ~~(a) Having gross sales or service of less than $125,000 for the immediately previous license or fiscal year~~ | | ~~$169~~ | ~~$ 56~~ | ~~$112~~ |
| ~~(b) Having $125,001 to $250,000 gross sales or service for the immediately previous license or fiscal year~~ | | ~~$392~~ | ~~$129~~ | ~~$259~~ |
| ~~(c) Having $250,001 to $1,000,000 gross sales or service for the immediately previous license or fiscal year~~ | | ~~$590~~ | ~~$195~~ | ~~$389~~ |
| ~~(d) Having $1,000,001 to $5,000,000 gross sales or service for the immediately previous license or fiscal year~~ | | ~~$769~~ | ~~$254~~ | ~~$508~~ |
| ~~(e) Having $5,000,001 to $10,000,000 gross sales or service for the immediately previous license or fiscal year~~ | | ~~$920~~ | ~~$304~~ | ~~$607~~ |
| ~~(f) Having $10,000,001 to $15,000,000 gross sales or service for the immediately previous license or fiscal year~~ | | ~~$1,377~~ | ~~$454~~ | ~~$909~~ |
| ~~(g) Having $15,000,001 to $20,000,000 gross sales or service for the immediately previous license or fiscal year~~ | | ~~$1,608~~ | ~~$531~~ | ~~$1,061~~ |
| ~~(h) Having $20,000,001 to $25,000,000 gross sales or service for the immediately previous license or fiscal year~~ | | ~~$1,849~~ | ~~$610~~ | ~~$1,220~~ |
| ~~(i) Having $25,000,001 to $50,000,000 gross sales or service for the immediately previous license or fiscal year~~ | | ~~$2,090~~ | ~~$690~~ | ~~$1,379~~ |
| ~~(j) Having $50,000,001 to $100,000,000 gross sales or service for the immediately previous license or fiscal year~~ | | ~~$2,330~~ | ~~$769~~ | ~~$1,538~~ |
| ~~(k) Having $100,000,000 or more gross sales or service for the immediately previous license or fiscal year~~ | | ~~$2,571~~ | ~~$848~~ | ~~$1,697~~ |
| 5. ~~Wholesale food processor of~~ Meat or poultry ~~products~~ processing solely under supervision of the U.S. Department of Agriculture | | | | |

| | | | |
|---|---|---|---|
| (a) Having gross sales or service of less than $125,000 for the immediately previous license or fiscal year | ~~$112~~ $190 | ~~$ 37~~ $63 | ~~$ 74~~ $127 |
| (b) Having $125,001 to $250,000 gross sales or service for the immediately previous license or fiscal year | ~~$214~~ $365 | ~~$ 71~~ $122 | ~~$141~~ $243 |
| (c) Having $250,001 to ~~$1,000,000~~ $500,000 gross sales or service for the immediately previous license or fiscal year | ~~$333~~ $450 | ~~$110~~ $150 | ~~$220~~ $300 |
| (d) Having $500,001 to $1,000,000 gross sales or service for the immediately previous license or fiscal year | $565 | $188 | $377 |
| ~~(d)~~ (e) Having $1,000,001 to $5,000,000 gross sales or service for the immediately previous license or fiscal year | ~~$425~~ $725 | ~~$140~~ $241 | ~~$281~~ $483 |
| ~~(e)~~ (f) Having $5,000,001 to $10,000,000 gross sales or service for the immediately previous license or fiscal year | ~~$521~~ $885 | ~~$172~~ $295 | ~~$344~~ $590 |
| ~~(f)~~ (g) Having $10,000,001 to $15,000,000 gross sales or service for the immediately previous license or fiscal year | ~~$765~~ $1,305 | ~~$252~~ $435 | ~~$505~~ $807 |
| ~~(g)~~ (h) Having $15,000,001 to $20,000,000 gross sales or service for the immediately previous license or fiscal year | ~~$893~~ $1,515 | ~~$295~~ $505 | ~~$589~~ $1,010 |
| ~~(h)~~ (i) Having $20,000,001 to $25,000,000 gross sales or service for the immediately previous license or fiscal year | ~~$1,027~~ $1,745 | ~~$339~~ $582 | ~~$678~~ $1,163 |
| ~~(i)~~ (j) Having $25,000,001 to $50,000,000 gross sales or service for the immediately previous license or fiscal year | ~~$1,161~~ $1,975 | ~~$383~~ $658 | ~~$766~~ $1,317 |
| ~~(j)~~ (k) Having $50,000,001 to $100,000,000 gross sales or service for the immediately previous license or fiscal year | ~~$1,295~~ $2,215 | ~~$427~~ $738 | ~~$855~~ $1,477 |
| ~~(k)~~ (l) Having $100,000,001 or more gross sales or service for the immediately previous license or fiscal year | ~~$1,428~~ $2,465 | ~~$471~~ $822 | ~~$942~~ $1,643 |
| ~~6. Wholesale food processor or manufacturer operating only at the State Fair~~ | ~~$125~~ | ~~$ 40~~ | ~~$ 50~~ |
| ~~7. Wholesale food manufacturer having the permission of the commissioner to use the name Minnesota Farmstead cheese~~ | ~~$ 30~~ | ~~$ 10~~ | ~~$ 15~~ |
| ~~8. Wholesale food manufacturer processing less than 700,000 pounds per year of raw milk~~ | ~~$ 30~~ | ~~$ 10~~ | ~~$ 15~~ |
| ~~9. A milk marketing organization without facilities for processing or manufacturing that purchases milk from milk producers for delivery to a licensed wholesale food processor or manufacturer~~ | ~~$ 50~~ | ~~$ 15~~ | ~~$ 25~~ |

Subd. 4. **Food handler license account; appropriation.** A food handler license account is established in the agricultural fund. Fees paid under subdivision 3 and section 28A.04 must be deposited in this account. Money in the account, including interest, is appropriated to the commissioner for expenses relating to ~~licensing and inspecting~~ regulating food handlers under chapters 28 to 34A or rules adopted under one of those chapters.

Sec. 10. Minnesota Statutes 2024, section 28A.081, subdivision 1, is amended to read:

Subdivision 1. **Fee.** A fee of $125 for each certificate shall be charged to any person who requests a certificate issued by the Minnesota Department of Agriculture to facilitate the movement of Minnesota processed and manufactured foods destined for export from the state of Minnesota. Certificates include, but are not limited to, a certificate of free sale, certificate of export, certificate of sanitation, sanitary certificate, certificate of origin and/or free sale, certificate of health and/or free sale, sanitation, and purity, certificate of free trade, certificate of free sale, sanitation, purity, and origin, certificate of health, sanitation, purity, and free sale, and letter of plant certification.

The commissioner ~~shall~~ must receive payment with the request or bill the requesting person within seven days after issuing a certificate to the person. The requesting person must submit payment for a certificate at the time of receiving the request or within ten days of the billing date. If a certificate fee payment is not received within 15 days of the billing date, the commissioner may not issue any future certificates to the requesting person until previous fees due are paid in full. Fees paid under this section must be deposited in the food certificate account established under subdivision 2 or another account in the agricultural fund if the expenses for the certificate will be paid from that other account.

Sec. 11. Minnesota Statutes 2024, section 28A.085, subdivision 1, is amended to read:

Subdivision 1. **Violations; prohibited acts.** The commissioner may charge a reinspection fee for each reinspection of a food handler or custom exempt food handler that:

(1) is found with a major violation of requirements in chapter 28, 29, 30, 31, 31A, 32D, 33, or 34, or rules adopted under one of those chapters; or

(2) fails to correct equipment and facility deficiencies as required in rules adopted under chapter 28, 29, 30, 31, 31A, 32D, or 34.

The first reinspection of a firm with gross food sales under $1,000,000 must be assessed at ~~$150~~ $250. The fee for a firm with gross food sales over $1,000,000 is ~~$200~~ $300. The fee for a subsequent reinspection of a firm for the same violation is 50 percent of their

current license fee or ~~$300~~ $500, whichever is greater. The establishment must be issued written notice of violations with a reasonable date for compliance listed on the notice. An initial inspection relating to a complaint is not a reinspection.

Sec. 12. Minnesota Statutes 2024, section 28A.14, is amended to read:

**28A.14 TRANSFER OF BUSINESS.**

(a) Except as provided in paragraph (b), a transfer of a business or a discontinuance of its operation by the licensee at the address covered by the license voids the license and the license certificate shall be surrendered to the commissioner immediately by anyone in possession of the same.

(b) If a licensee discontinues operating at an additional location authorized under section 28A.06, the license is not void if the licensee has provided written notification to the commissioner.

Sec. 13. Minnesota Statutes 2024, section 28A.151, subdivision 2, is amended to read:

Subd. 2. **Food sampling and demonstration.** (a) Food used in sampling and demonstration must be obtained from sources that comply with Minnesota Food Law.

(b) Raw animal, raw poultry, and raw fish products must not be served as samples.

(c) Food product sampling or food product demonstrations~~, including~~ that contain cooked animal, poultry, or fish products~~,~~ must be prepared on site at the event.

(d) Animal or poultry products used for food product sampling or food product demonstrations must ~~be~~ originate from animals slaughtered under continuous inspection, either by the USDA or through Minnesota's "Equal-to" inspection program.

(e) The licensing provisions of sections 28A.01 to 28A.16 shall not apply to persons engaged in food product sampling or food product demonstrations.

Sec. 14. Minnesota Statutes 2024, section 28A.152, subdivision 1, is amended to read:

Subdivision 1. **Licensing provisions applicability.** (a) Except as provided in paragraph (d), the licensing provisions of sections 28A.01 to 28A.16 do not apply to the following:

(1) ~~an individual~~ a person who prepares and sells food that is not potentially hazardous food, as defined in Minnesota Rules, part 4626.0020, subpart 62, if the following requirements are met:

(i) the prepared food offered for sale under this clause is labeled to accurately reflect the name and the registration number or address of the ~~individual~~ person preparing and selling the food, the date on which the food was prepared, the ingredients and any possible allergens, and the statement "These products are homemade and not subject to state inspection."; and

(ii) the ~~individual~~ person displays at the point of sale a clearly legible sign or placard stating: "These products are homemade and not subject to state inspection."; and

(2) ~~an individual~~ a person who prepares and sells home-processed and home-canned food products if the following requirements are met:

(i) the products are pickles, vegetables, or fruits having an equilibrium pH value of 4.6 or lower or a water activity value of .85 or less;

(ii) the products are home-processed and home-canned in Minnesota;

(iii) the ~~individual~~ person displays at the point of sale a clearly legible sign or placard stating: "These products are homemade and not subject to state inspection."; and

(iv) each container of the product sold or offered for sale under this clause is accurately labeled to provide the name and the registration number or address of the individual who processed and canned the goods, the date on which the goods were processed and canned, ingredients and any possible allergens, and the statement "These products are homemade and not subject to state inspection."

(b) ~~An individual~~ A person who qualifies for an exemption under paragraph (a), clause (2), is also exempt from the provisions of sections 31.31 and 31.392.

(c) ~~An individual who qualifies~~ To qualify for an exemption under paragraph (a) ~~may organize the individual's cottage food business as a business entity recognized by state law~~, a person must be an individual, a sole proprietorship, a single-member limited liability company owned by one individual, or a limited liability company owned by two individuals residing at the same residence.

(d) A person cannot qualify for an exemption under paragraph (a) if the person holds a food handler license required under section 28A.04.

Sec. 15. Minnesota Statutes 2024, section 28A.152, subdivision 2, is amended to read:

Subd. 2. **Direct sales to consumers.** (a) ~~An individual~~ A person qualifying for an exemption under subdivision 1 may sell the exempt food:

(1) directly to the ultimate consumer at a community event or farmers' market;

(2) directly from the ~~individual's~~ person's home to the ultimate consumer, to the extent allowed by local ordinance; or

(3) through donation to a community event with the purpose of fundraising for an individual, or fundraising for an educational, charitable, or religious organization.

(b) ~~If~~ An exempt food product ~~will~~ may be delivered to the ultimate consumer upon sale of the food product~~,~~ by the ~~individual~~ person who prepared the food product ~~must be the person who delivers the food product to the ultimate consumer~~, or by mail or commercial delivery.

(c) Food products exempt under subdivision 1, paragraph (a), clause (2), may not be sold outside of Minnesota.

(d) Food products exempt under subdivision 1 may be sold over the Internet ~~but must be delivered directly to the ultimate consumer by the individual who prepared the food product~~. The statement "These products are homemade and not subject to state inspection." must be displayed on the website that offers the exempt foods for purchase.

Sec. 16. Minnesota Statutes 2024, section 28A.152, subdivision 3, is amended to read:

Subd. 3. **Limitation on sales.** ~~An individual~~ A person selling exempt foods under this section is limited to total sales with gross receipts of $78,000 or less in a calendar year.

Sec. 17. Minnesota Statutes 2024, section 28A.152, subdivision 4, is amended to read:

Subd. 4. **Registration.** ~~An individual~~ A person who prepares and sells exempt food under subdivision 1 must register annually with the commissioner. The commissioner shall register ~~an individual~~ a person within 30 days of submitting a complete registration to the commissioner. A registration shall be deemed accepted after 30 days following ~~an individual's~~ a person's complete registration to the commissioner. The annual registration fee is ~~$50~~ $30. ~~An individual with $5,000 or less in annual gross receipts from the sale of exempt food under this section is not required to pay the registration fee. By January 1, 2022, the commissioner shall adjust the gross receipts amount of this fee exemption based on the consumer price index using 2002 as the index year for the $5,000 gross receipts exemption.~~

Sec. 18. Minnesota Statutes 2024, section 28A.152, subdivision 5, is amended to read:

Subd. 5. **Training.** ~~(a) An individual~~ A person who sells exempt food under this section and is required to pay the registration fee in subdivision 4 must complete a safe food handling training course that is approved by the commissioner before registering under subdivision

4. The training shall not exceed eight hours and must be completed every three years while the ~~individual~~ person is registered under subdivision 4.

~~(b) An individual who sells exempt food under this section and is exempt from paying the registration fee in subdivision 4 must satisfactorily complete an online course and exam as approved by the commissioner before registering under subdivision 4. The commissioner shall offer the online course and exam under this paragraph at no cost to the individual.~~

Sec. 19. Minnesota Statutes 2024, section 28A.152, is amended by adding a subdivision to read:

Subd. 8. **Adjustments.** The commissioner must adjust the limitation on sales in subdivision 3 every two years to the inflation level established in the United States Bureau of Labor and Statistics Consumer Price Index, using July 2025 as the base month and year.

Sec. 20. Minnesota Statutes 2024, section 28A.17, is amended to read:

**28A.17 LICENSE RENEWAL.**

Licenses for food ~~processors or manufacturers or food brokers~~ handlers shall be renewed annually ~~on January 1. Licenses for retail and wholesale food handlers shall be renewed annually on July 1. Licenses for mobile food concessions and for retail mobile units shall be renewed annually on April 1~~ prior to the end of the licensing period. Approval of license renewal is contingent upon conditions described in section 28A.07 and payment of license fees identified in section 28A.08.

Sec. 21. **EFFECTIVE DATE.**

This article is effective August 1, 2025.

APPENDIX
Article locations for S2458-2


| | | |
|---|---|---|
| ARTICLE 1 | APPROPRIATIONS | Page.Ln 2.2 |
| ARTICLE 2 | BROADBAND | Page.Ln 39.22 |
| ARTICLE 3 | POLICY PROVISIONS | Page.Ln 40.5 |
| ARTICLE 4 | LIVESTOCK MARKET AGENCY AND DEALER LICENSING PROVISIONS | Page.Ln 74.23 |
| ARTICLE 5 | SEED POTATO PROVISIONS | Page.Ln 80.3 |
| ARTICLE 6 | FOOD HANDLER LICENSING PROVISIONS | Page.Ln 109.21 |

**21.116 EXPENSES.**

All necessary expenses incurred in carrying out the provisions of sections 21.111 to 21.122 and the compensation of officers, inspectors, and employees appointed, designated, or employed by the commissioner, as provided in such sections, together with their necessary traveling expenses, together with the traveling expenses of the members of the advisory seed potato certification committee, and other expenses necessary in attending committee meetings, shall be paid from, and only from, the seed potato inspection account, on order of the commissioner and commissioner of management and budget.

**21.118 RULES.**

It shall be the duty of the commissioner to promulgate reasonable rules for carrying out the purposes and enforcing the provisions of sections 21.111 to 21.122.

**21.1196 RESTRICTED SEED POTATO GROWING AREA.**

Subd. 3. **Penalty.** A potato grower who violates subdivision 2, paragraph (a), is subject to a penalty of $100 per acre of potatoes grown and not certified.

**21.121 VIOLATIONS; REPORTS, PROSECUTIONS.**

It shall be the duty of every prosecuting officer, to whom the commissioner shall report any violation of sections 21.111 to 21.122, to cause appropriate proceedings to be commenced and prosecuted in the proper courts without delay for the enforcement of the penalties in such case as provided in such sections.

**21.122 PENALTIES.**

Any person violating any provision of sections 21.111 to 21.121 or any rule promulgated by the commissioner thereunder shall be guilty of a misdemeanor; and upon conviction for a first offense shall be punished by a fine of not less than $25 nor more than $1,000 or by imprisonment for not less than 10 days nor more than 90 days; and for each second and subsequent offense such persons shall be guilty of a gross misdemeanor and shall be punished by a fine of not less than $50 nor more than $3,000 or by imprisonment for not less than 30 days nor more than six months. Upon conviction for such second offense the commissioner shall refuse the violator the privilege of handling in any way certified seed potatoes during the season in which such second offense was committed.

**35.68 RABIES PROCLAMATION.**

If a community health board as defined in section 145A.02, subdivision 5, investigates and finds that rabies does exist in a town or city the community health board shall make and file a proclamation of the investigation and determination which prohibits the owner or custodian of any dog from allowing the dog to be at large within the town or city unless the dog is effectively muzzled so that it cannot bite any other animal or person.

If the executive director of the Board of Animal Health, after investigation, has determined that rabies exists in any territory in the state, similar proclamations must be issued in all towns and cities within the territory or area in which it is necessary to control the outbreak and prevent the spread of the disease. The proclamation must prohibit the owner or custodian of any dog within the designated territory from permitting or allowing the dog to be at large within the territory unless the dog is effectively muzzled so that it cannot bite any other animal or person.

All local peace officers and community health boards shall enforce sections 35.67 to 35.69.

A proclamation issued by the community health board must be filed with the clerk of the political subdivision responsible for the community health board. One issued by the executive director of the Board of Animal Health must be filed with the clerk of each town and city within the territory it covers.

Each officer with whom the proclamation is filed shall publish a copy of it in one issue of a legal newspaper published in the clerk's town or city if one is published there. If no newspaper is published there, the clerk must post a copy of the proclamation in three public places. Publication is at the expense of the municipality.

Proof of publication must be by affidavit of the publisher and proof of posting must be by the person doing the posting. The affidavit must be filed with the proclamation. The proclamation is effective five days after the publication or posting and remains effective for the period of time not exceeding six months specified in it by the community health board making the proclamation.

**35.830 SALE OF BRANDED LIVESTOCK; WRITTEN BILL OF SALE.**

Persons selling animals marked or branded with their mark or brand recorded in a current state brand book or its supplement or registered with the board shall execute to the purchaser a written bill of sale bearing the signature and residence of the seller, the name and address of the purchaser, the total number of animals sold, a description of each animal sold as to sex and kind, and all registered brands. The bill of sale must be kept by the purchaser for two years and for as long afterwards as the purchaser owns any of the animals described in the bill of sale. A copy of the bill of sale must be given to each hauler of the animals, other than railroads, and must accompany the shipment of animals while in transit. The bill of sale or a copy must be shown by the possessor on demand to any peace officer or compliance representative of the board. The bill of sale is prima facie evidence of the sale of the animals described by the bill of sale.

**239.77 BIODIESEL CONTENT MANDATE.**

Subd. 5. **Annual report.** (a) Beginning in 2009, the commissioner of agriculture must report by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance regarding the implementation of the minimum content requirements in subdivision 2, including information about the price and supply of biodiesel fuel. The report shall include information about the impacts of the biodiesel mandate on the development of biodiesel production capacity in the state, and on the use of feedstock grown or raised in the state for biodiesel production. The report must include any written comments received from members of the biodiesel fuel task force by January 1 of that year designated by them for inclusion in the report.

(b) The commissioner of agriculture, in consultation with the commissioner of commerce and the Biodiesel Fuel Task Force, shall study the need to continue the exceptions in subdivision 3. The 2013 report under paragraph (a) shall include recommendations for studies and other research needs to make a determination on the need for the exceptions, including any recommendations for use of the agricultural growth, research, and innovation program funding to conduct the research. The 2014 report under paragraph (a) shall contain the commissioner of agriculture's recommendations on whether to continue any of the exceptions in subdivision 3.

## 1510.2300 AUTHORITY.

Parts 1510.2300 to 1510.2355 provide standards for the inspection, certification, production, and marketing of certified seed potatoes in the state of Minnesota. The authority to adopt these rules is contained in Minnesota Statutes, section 21.118.

## 1510.2305 DEFINITIONS.

Subpart 1. **General.** As used in parts 1510.2300 to 1510.2355, the following definitions apply unless the context clearly indicates otherwise.

Subp. 2. **Certified.** "Certified" has the meaning given it in Minnesota Statutes, section 21.111, subdivision 3.

Subp. 3. **Certified seed potatoes.** "Certified seed potatoes" means potatoes which have been produced, graded, sacked or placed in bulk, and inspected and certified in accordance with parts 1510.2300 to 1510.2355.

Subp. 3a. **Class.** "Class" means the seed quality level as it relates to compliance with the specified tolerances for diseases and varietal purity.

Subp. 3b. **Clone.** "Clone" means a unit of seed potatoes, being the progeny of one plant, which has been tested to become eligible to produce Primary Foundation 1 seed potatoes.

Subp. 4. **Commissioner.** "Commissioner" means the commissioner of agriculture or the commissioner's authorized representative.

Subp. 5. **Crop.** "Crop" means all lots produced on a farm in one year.

Subp. 6. **Department.** "Department" means the Department of Agriculture.

Subp. 6a. **Explant.** "Explant" means an in vitro potato plant or plantlet produced by rooting an excised tip of a tuber sprout or an axillary bud from a growing plant which serves as a parent for a whole clone or accession of micropropagated plants or plantlets.

Subp. 7. **Farm.** "Farm" means a seed potato enterprise. It includes all land, equipment, storage facilities, and laborers used to produce certified seed potatoes.

Subp. 8. **Field.** "Field" means a plot of land on a farm on which potatoes are grown for certification. The potatoes shall be of one variety from one certified seed potato growing operation and shall be grown in physical separation from other fields.

Subp. 9. **Inspected.** "Inspected" has the meaning given it in Minnesota Statutes, section 21.111, subdivision 2.

Subp. 10. **Lot.** "Lot" means a group of seed potatoes entered for certification that have passed the field inspection requirements. For the purposes of parts 1510.2300 to 1510.2355, a lot of potatoes also means that the group is of one variety, from one or more fields, grown on the same farm, and stored in physical separation from other lots.

Subp. 10a. **Material in maintenance.** "Material in maintenance" means propagative material, plantlets, or tubers that are maintained, not multiplied under controlled laboratory conditions.

Subp. 10b. **Physical separation.** "Physical separation" means separated by at least the width of one row, or markings such as flags that are at every corner of the lot or at least 100 yards apart, whichever is less. The markings must be visible to the inspector from anywhere on the separation.

Subp. 11. **Rejected.** "Rejected" means that a field or lot fails to meet the standards provided for in parts 1510.2300 to 1510.2355.

Subp. 12. **Seed potato certification inspector.** "Seed potato certification inspector" means an employee of the department authorized by the commissioner to inspect seed potato plants and tubers entered for certification.

Subp. 13. **Seed potatoes.** "Seed potatoes" has the meaning given it in Minnesota Statutes, section 21.111, subdivision 5.

Subp. 14. **Tolerance.** "Tolerance" means a specified allowance for variation from the standards provided for diseases and physical defects, as provided in parts 1510.2300 to 1510.2355.

Subp. 15. **Tuber unit.** "Tuber unit" means the separate pieces of one tuber that are planted consecutively in two or more hills in a row.

**1510.2310 GENERAL GUIDANCE.**

Subpart 1. **Scope.** The provisions of this part govern the production of potatoes for use as certified seed potatoes.

Subp. 2. **Seed potato certification.** In order to produce certified seed potatoes, a grower must comply with the following procedures:

A. Potatoes entered for certification shall be inspected while growing in the field and again after harvest at the time of shipment. Certification shall be based upon visual inspection by the commissioner of sample plants and tubers from each field and lot, or for varieties that do not express visible symptoms of a specific pathogen, seed potatoes must be subjected to laboratory tests to determine the level of the pathogen in a seed lot. This testing may occur during the growing season, storage season, or winter testing. Certificates shall be issued to show the varietal purity, freedom from disease, and physical defects of the potatoes at the time of inspection.

B. Participation in the certified seed potato program shall be voluntary. The applicant may withdraw at any time. Farming and sanitation practices are the responsibility of the applicant. Certification and inspection under parts 1510.2300 to 1510.2355 shall be conducted by the commissioner. Failure of the applicant to comply with the requirements of parts 1510.2300 to 1510.2355 shall be cause for rejection of any field or lot. Potatoes from rejected fields or lots cannot be sold as certified seed potatoes.

Subp. 3. **Winter testing.** In order to detect certain virus diseases, samples from all classes as defined in parts 1510.2325 and 1510.2330 shall be winter tested. In the event of serious malfunctions of the winter test, classification of lots in the certified classes must be based on the previous summer field readings.

Subp. 4. **Certified seed potato classes.** Seed potato certification classes are differentiated by their compliance level with disease tolerances and varietal purity. The origin of the seed also determines the class. The classes, according to their origin, in the generation system in descending order are: Prenuclear (PN), Generation 1 (G1), Generation 2 (G2), Generation 3 (G3), Generation 4 (G4), Generation 5 (G5), and Generation 6 (G6). Equivalent to this in the clonal system in descending order are: Primary Foundation 1 (PF1), Primary Foundation 2 (PF2), Foundation 1 (F1), Foundation 2 (F2), and Certified (C).

Subp. 5. **Certified seed potato grades.** Grades of certified seed potatoes are established according to the physical defects of the tubers. There are three grades used for shipping Minnesota certified seed potatoes.

A. The blue tag certified seed potato grade, the first grade, has tolerances for physical defects of the tubers stricter than the other grades. This grade may be used by growers of Primary Foundation certified, Foundation certified, Generation certified, and Certified seed potatoes. The blue tag grade may be used for intrastate and interstate shipments of certified seed potatoes.

B. The yellow tag certified seed potato grade is the second grade. This grade allows more physical defects of the tubers than the blue tag certified seed potato grade. It may be used by growers of Primary Foundation certified, Foundation certified, Generation certified, and Certified seed potatoes. The yellow tag grade may also be used for intrastate and interstate shipments of certified seed potatoes.

C. The white tag certified seed potato grade is the third grade. The tolerances for physical defects of the tubers are determined by agreement between purchaser and seller of the certified seed potatoes. It may only be used for intrastate and interstate shipments of certified seed potatoes.

Subp. 6. **Zero tolerance for bacterial ring rot and potato spindle tuber viroid.** Certification rules make provisions to allow the presence of certain diseases at levels sufficiently low as to preclude significant effects on certified seed potato value. For bacterial ring rot and potato spindle tuber viroid, there is a zero tolerance, and the discovery of a single plant in the field or a tuber in storage infected with one of these diseases shall cause the rejection of the field or lot. The absence of a finding shall not be construed to mean that the field or lot inspected is free from the disease.

Subp. 7. **Warranty.** A certification does not represent a warranty of any kind, express or implied, including merchantability, as to the quality of the crop produced from the certified seed potatoes. A certification represents only that the seed potatoes were produced, graded, sacked or placed in bulk, and inspected in accordance with parts 1510.2300 to 1510.2355.

**1510.2315 APPLICATION FOR INSPECTION.**

Subpart 1. **Eligibility; procedure.** All potatoes planted on a farm must be entered for certification. Application for inspection must be made before June 16 each year on forms furnished by the commissioner. Applications postmarked after June 15 but before July 1 must be charged a 50 cents per acre late registration fee. No applications may be accepted that are postmarked later than June 30. The commissioner may extend the deadline due to special circumstances, such as natural disasters, which make it impractical or impossible for planting to be completed by the deadline and which affect an area or large number of growers.

Subp. 2. **Shipping point inspection certificates, bulk seed certificates, or certificates of origin.** An application for the inspection of a field planted with purchased certified seed potatoes must include copies of either the shipping point inspection certificates, bulk seed certificates, or certificates of origin for the total amount of purchased certified seed potatoes planted. Use of certificates of origin requires approval of both the seller and the purchaser and is restricted to intrastate shipments between certified seed potato producers. The certificate of origin must contain information considered necessary by the commissioner and must at a minimum identify seed potatoes as to the producer, variety, classification, and lot. The limitation of warranty in part 1510.2310, subpart 7, must be further limited to exclude any representation as to condition of the potatoes at the time of shipment.

Subp. 3. **Separate application.** A separate application must be completed for each field planted.

Subp. 4. **Sufficient acreage.** No application for inspection may be accepted from a grower in a community or county in which there is not sufficient acreage for the total inspection fee charges to cover the cost of wages and expenses of the inspectors providing the inspection service. Determination of sufficient acreage must be made by the commissioner.

**1510.2320 SEED POTATOES ELIGIBLE FOR MINNESOTA CERTIFICATION PLANTING.**

Subpart 1. **Authorization.** A field may not be inspected for certification unless both the seed potato variety and the particular lot planted have the authorization of the commissioner. In considering seed potato varieties for authorization for certification planting,

the commissioner shall consider scientific evidence and expert opinion. To be eligible for certification planting, seed potatoes must meet the requirements of subpart 2 or 3.

Subp. 2. **Minnesota grown seed potatoes.** The following classes of seed potatoes grown in Minnesota are eligible for planting: Prenuclear, Generation 1, Generation 2, Generation 3, Generation 4, Generation 5, Primary Foundation 1, Primary Foundation 2, Foundation 1, Foundation 2, and experimental status seed potatoes. The commissioner shall authorize the planting of Certified class or Generation 6 class seed potatoes if there is no source of higher classes than Certified class or Generation 6 class seed potatoes available to the grower, the lot has been winter tested, and the seed does not pose a serious disease threat.

Subp. 3. **Non-Minnesota grown seed potatoes.** Seed potatoes grown outside of the state approved for certification planting by the certifying agency in another state or a Canadian province may be planted if requirements for certification meet Minnesota requirements for certified seed potatoes of classes higher than Certified class or Generation 6 class, as indicated on an import affidavit.

Subp. 4. **Experimental status.** Seedlings or numbered selections may be accepted for entrance into the certification system in an experimental status. The applicant shall submit a written statement with the certification application from the breeder, originator, or originator's designee that the applicant has full and unrestricted rights to introduce the seedling or numbered selection into the commercial market, and that the seedling or numbered selection must be named within five years from acceptance of the application. If the seedling or numbered selection is not named within five years from acceptance of the application, a two-year waiting period must pass before the seedling or numbered selection may be reentered into the certification program. Seedlings or numbered selections in experimental status must be designated as a class and conform to the requirements of that class. The word "EXPERIMENTAL" must be added on the tag. Lots from a breeder's seed that have not gone through the testing and, when necessary, virus-freeing, are considered either Foundation class 1 or 2, "EXPERIMENTAL."

Subp. 5. **Protected varieties.** Before a seed potato variety protected under the Plant Variety Protection Act Amendments of 1994 may be entered into the certification system, the applicant must submit a written statement with the certification application from the breeder, originator, or originator's designee that the applicant has full and unrestricted rights to introduce the protected variety into the commercial market.

## 1510.2325 REQUIREMENTS FOR CERTIFIED SEED POTATO PRODUCTION.

Subpart 1. **Requirements.** The standards in this part and part 1510.2330 must be met before potatoes may be classified as certified seed potatoes.

Subp. 2. **Field inspection and laboratory testing.** Certification must be based upon information regarding the following: stand, general vigor, varietal purity, disease tolerances, and factors affecting field inspection. At least two field inspections must be made of each field during the growing season. A final inspection must be made for bacterial ring rot, when symptom expression is optimal. If a final inspection cannot be carried out, because of management practices of the grower, or for reasons out of the grower's control, a laboratory test is necessary to maintain eligibility for certification. Additional inspections and laboratory tests may be made if necessary to meet phytosanitary requirements in established markets such as other states and Canadian provinces.

A. Stand. A field shall be rejected if there are a large number of plants missing due to disease.

B. General vigor. A field shall be rejected if it contains a large number of weak plants.

C. Ring rot. If bacterial ring rot is found in any field or lot, the remaining crop is not eligible for certification planting.

D. Varietal purity. A field must be rejected if it contains more than the tolerances acceptable for a specific class as listed in Tables 1 and 2 in part 1510.2330, subparts 11 and 12.

E. Disease tolerances (percentage of infected plants). A field must be rejected if it contains percentages of diseased plants in excess of those acceptable for a specific class as listed in Tables 1 and 2 in part 1510.2330, subparts 11 and 12.

F. Factors affecting field inspection. A field shall be rejected if any of the following are present to such an extent that satisfactory inspection for diseases cannot be made: early or late blight; blackleg or wilt of any kind; weeds; insect injury; chemical damage.

A field shall be rejected if any other conditions are present to such an extent that satisfactory inspection for diseases cannot be made. A field is ineligible for certification if there are cull piles in such close vicinity to the field that contamination of the field can be expected.

Subp. 3. **Roguing.** If any of the diseases listed in part 1510.2330 are present in a field in amounts less than the maximum disease tolerance level, the field must be rogued and the infected plants removed before the final inspection. If roguing is done after tubers form, the tubers from the rogued plants shall also be removed and destroyed.

Subp. 4. **Storage.** Lots shall not be stored in any warehouse where other potatoes are stored, nor shall they be stored under conditions of possible disease contamination. If more than one grower stores lots in the same warehouse, each grower's lots shall be properly identified by labeling the bin with the grower's name and address, variety, and amount in the bin. If the lots are to be stored in a public warehouse or storage unit not directly under the control of the grower, a complete record giving location of the storage unit, number of the bin, variety, and the quantity stored shall be sent to the commissioner when the lots are put into storage. If it is available, a copy of the warehouse receipt shall also be sent to the commissioner.

Equipment used for grading and handling lots shall not be used for any other potatoes. If any equipment is used on other potatoes, the lots shall be rejected.

Any firm handling lots on contract shall label all bins containing lots with the name of the grower whose lots are being stored. Responsibility for proper labeling and subsequent handling rests with the firm. No certification tags or bulk certificates shall be issued until this is done.

Each grower shall submit a completed storage and yield report on each lot on forms furnished by the commissioner. Certification tags shall not be issued to growers who have not submitted the report.

Subp. 5. **Tags and bulk certificates.** Official blue, yellow, or white tags, bearing the grower's name and address, the potato variety, and the crop year shall be issued when the potatoes meet the certification requirements described in parts 1510.2310 to 1510.2330. Tags shall be fastened onto sacks so as to constitute a seal at the time the lots are prepared for shipment. Bulk certificates must also show the date of issuance, the class, the grade, and the approximate weight of the load.

Tags shall be issued only to growers, except when lots are stored in a public warehouse or in a storage unit not under direct control of the grower. They shall be issued to the owner or manager of the storage unit upon receipt of written authorization from the grower.

Responsibility for ordering tags shall rest entirely with each grower.

Subp. 6. **Grading.** All lots shall be inspected at the loading point whenever possible. If inspection at the loading point is impossible, request for grading inspection in transit shall be made. Every bagged lot or shipment offered for sale and bearing official certification tags shall be in new even-weight sacks. Bulk shipments shall be identified with a bulk certificate. Both bagged and bulk lots or shipments must meet grade standards specified in

part 1510.2355. Lots or shipments that fail to meet grade standards when inspected shall be reconditioned, or:

A. if the lot or shipment is in sacks, the tags shall be removed under the supervision of a state or federal/state inspector before the lot or shipment is allowed to proceed to its destination; and

B. if the shipment is in bulk, no bulk certificate shall be issued.

All costs of reconditioning to meet grade shall be borne by the shipper.

**1510.2330 REQUIREMENTS FOR PRODUCTION OF DIFFERENT CLASSES OF CERTIFIED SEED POTATOES.**

Subpart 1. **Prenuclear class certified seed potatoes (PN).**

A. A lot grown as and intended to be Prenuclear must be grown from plants tested and shown to be free from the following pathogens:

(1) *Clavibacter michiganensis ssp. sepedonicus* (ring rot);

(2) *Pectobacterium atrosepticum ssp. Atrosepticum, carotovora* (blackleg);

(3) potato virus X;

(4) potato virus S;

(5) potato virus A;

(6) potato virus M;

(7) potato virus Y;

(8) potato spindle tuber viroid; and

(9) potato leaf roll virus.

Each initial explant or tuber must also have been tested for any other organisms for which testing is required by the phytosanitary requirements in another state or Canadian province. Material in maintenance must have been tested during the year of the production of prenuclear class.

B. Prenuclear class seed potatoes must be produced in a greenhouse or screenhouse under sanitary conditions, free from insects and weeds that can harbor or transmit potato diseases or other conditions of possible disease contamination. All facilities must be sufficiently insulated from insects by screens and double doors. The facilities and the equipment are subject to inspection to verify freedom from possible disease contamination.

C. One percent of each lot or ten plants or tubers from each lot, whichever is greater, must be tested during the growing season to verify that the crop is free from potato virus X, potato virus Y, potato leaf roll virus, *C. michiganensis*, and *P. atrosepticum*.

D. Prenuclear tubers may originate from greenhouse tubers for one year only if the greenhouse tubers have remained at the same growing operation and have remained isolated from field-grown tubers.

E. A lot must be rejected if it contains any diseased plants at any inspection, or varietal mixture at final inspection.

F. The allowable tolerances for disease and varietal mixture for seed potatoes classified as prenuclear are in Table 1 in subpart 11 under column PN.

Subp. 2. **Generation 1 class certified seed potatoes (G1).** Generation 1 class seed potatoes must meet the following requirements:

A. The seed source must be either Prenuclear tubers or plantlets.

B. Tubers or plantlets must be planted in identifiable family units.

C. Each field must be tested during the growing season for potato virus X. For a lot to be tagged "virus tested (VT)," no more than one percent of the plants tested may be infected with potato virus X.

D. Each lot must be stored in an individual identifiable unit.

E. The allowable tolerances for disease and varietal mixture for seed potatoes classified as Generation 1 are in Table 1 in subpart 11 under column G1.

Subp. 3. **Generation 2 class certified seed potatoes (G2).** Generation 2 class seed potatoes must originate from Generation 1 class seed potatoes. Each field may be tested during the growing season for potato virus X at grower's request. For a lot to be tagged "virus tested (VT)," no more than three percent of the plants tested may be infected with potato virus X. The allowable tolerances for disease and varietal mixture are in Table 1 in subpart 11 under column G2.

Subp. 4. **Generation 3 class certified seed potatoes (G3).** Generation 3 class seed potatoes must originate from Generation 2 class seed potatoes. The allowable tolerances for disease and varietal mixture are in Table 1 in subpart 11 under column G3.

Subp. 5. **Generation 4 class certified seed potatoes (G4).** Generation 4 class seed potatoes must originate from Generation 3 class seed potatoes. The allowable tolerances for disease and varietal mixture are in Table 1 in subpart 11 under column G4.

Subp. 6. **Generation 5 class certified seed potatoes (G5).** Generation 5 class seed potatoes must originate from Generation 4 class seed potatoes. The allowable tolerances for disease and varietal mixture are in Table 1 in subpart 11 under column G5.

Subp. 7. **Generation 6 class certified seed potatoes (G6).** Generation 6 class seed potatoes must originate from Generation 5 class seed potatoes. The allowable tolerances for disease and varietal mixture are in Table 1 in subpart 11 under column G6.

Subp. 8. **Primary Foundation classes (PF).**

A. A lot grown as and intended to be Primary Foundation certified seed potatoes must originate from clonal selection, with all clones laboratory tested and be proven free from the following pathogens:

(1) *Clavibacter michiganensis ssp. sepedonicus* (ring rot);

(2) potato virus A;

(3) potato virus M;

(4) potato virus Y;

(5) potato spindle tuber viroid; and

(6) potato leaf roll virus.

B. A lot must be kept under direct control of the grower and must not be stored in any warehouse in which other potatoes are stored.

C. The two classes of Primary Foundation seed potatoes are PF1 and PF2.

(1) PF1 class certified seed potatoes must originate from clonal multiplication where all clones have been laboratory-tested. PF1 class seed potatoes are tuber united. Crops must be free of bacterial ring rot for a minimum of two years to be eligible to be PF1 class seed potatoes. The allowable tolerances for disease and variety mixture are in Table 2 in subpart 12 under column PF1.

(2) PF2 class certified seed potatoes must originate from PF1 class seed potatoes and originate from the same farm operation. They must be grown from potatoes produced on a tuber unit seed plot. Crops must be free of bacterial ring rot for a minimum of two years to be eligible to be PF2 class seed potatoes. The allowable tolerances for disease and varietal mixture are in Table 2 in subpart 12 under column PF2.

Subp. 9. **Foundation classes (F).** The two classes of Foundation class seed potatoes are F1 and F2.

A. F1 class certified seed potatoes must originate from Primary Foundation class seed potatoes. The allowable tolerances for disease and varietal mixture are in Table 2 in subpart 12 under column F1.

B. F2 class certified seed potatoes must originate from F1 class seed potatoes. The allowable tolerances for disease and varietal mixture are in Table 2 in subpart 12 under column F2.

Subp. 10. **Certified class certified seed potatoes.** Certified class seed potatoes must originate from Foundation or Generation classes of seed potatoes. The allowable tolerances for disease and varietal mixture are in subpart 11, Table 2, under column C.

Subp. 11. **Table 1.**

TABLE 1

TOLERANCES FOR DISEASES AND VARIETAL MIXTURE FOR GENERATION CLASSES

| | CLASSES | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | PN | G1 | G2 | G3 | G4 | G5 | G6 | C |
| **Tolerances:** | | | | | | | | |
| Severe Mosaic | 0 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 1 |
| Leaf Roll | 0 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 1 |
| **Total** | **0** | **0.5** | **0.5** | **0.5** | **0.5** | **0.5** | **0.5** | **1** |
| Other viruses (S and X excluded) | 0 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Mycoplasms | 0 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| **Total** | **0** | **0.5** | **0.5** | **0.5** | **0.5** | **0.5** | **0.5** | **0.5** |
| Mild Mosaic (S) | 0 | | | | | | | |
| Mild Mosaic (X) | 0 | VT:1 | VT:3 | VT:3 | VT:3 | VT:3 | VT:3 | VT:3 |
| Blackleg | 0 | 0 | 0.2 | 0.5 | 1 | exc. | exc. | exc. |
| Varietal mixture | 0 | 0 | 0 | 0 | 0.1 | 0.1 | 0.2 | 0.2 |
| Ring Rot and Spindle Tuber | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Winter Test:** | | | | | | | | |
| **Virus, Ch. Dam.** | | **0.5** | **0.5** | **0.5** | **0.5** | **0.5** | **0.5** | **0.5** |
| BRR, PSTV | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Summer Test:** | | | | | | | | |
| PVX, VT* virus | 0 | 1 | 3 | 3 | 3 | 3 | 3 | |
| BRR, PSTV | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Numbers represent percentages

VT means Virus Tested

Mycoplasms: Haywire, Witches Broom, Yellow Dwarf

Severe Mosaic: PVY, PVA, PVM

BRR means Bacterial Ring Rot

PSTV means Potato Spindle Tuber Viroid

Ch. Dam. means Expressing symptoms of chemical damage

* For the classes G2 and lower, the summer test for PVX is done on request of the grower only. The lot may be labeled "Virus Tested," if the tolerance of one percent for G1 and three percent for the lower classes is met.

Subp. 12. **Table 2.**

TABLE 2

TOLERANCES FOR DISEASES AND VARIETAL MIXTURE FOR CLASSES ORIGINATING FROM CLONAL MULTIPLICATION

| | | CLASSES | | | | |
|---|---|---|---|---|---|---|
| | CLONE | PF1 | PF2 | F1 | F2 | C |
| Severe Mosaic | 0 | 0.5 | 0.5 | 0.5 | 0.5 | 1.00 |
| Leaf roll | 0 | 0.5 | 0.5 | 0.5 | 0.5 | 1.00 |
| Total | 0 | 0.5 | 0.5 | 0.5 | 0.5 | 1.00 |
| Total other viruses (S and X excluded) | 0 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Mycoplasms | 0 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Total | 0 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Mild Mosaic (S) | | | | | | |
| Mild Mosaic (X) | | | | | | |
| Blackleg | | 0.1 | 0.2 | exc. | exc. | exc. |
| Varietal Mixture | | | | 0.1 | 0.2 | 0.2 |
| Ring Rot and Spindle Tuber | 0 | 0 | 0 | 0 | 0 | 0 |
| **Winter Test:** | | | | | | |
| Virus, Ch. Dam. | | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| BRR, PSTV | | 0 | 0 | 0 | 0 | 0 |
| **Summer Lab Test:** | | | | | | |
| Virus | 0 | | | | | |
| BRR | 0 | | | | | |
| PSTV | 0 | | | | | |

Numbers represent percentages

VT means Virus Tested

Mycoplasms: Haywire, Witches Broom, Yellow Dwarf

Severe Mosaic: PVY, PVA, PVM

BRR means Bacterial Ring Rot

PSTV means Potato Spindle Tuber Viroid

Ch. Dam. means Expressing symptoms of chemical damage.

**1510.2335 FEES.**

Fees shall be set by the commissioner in amounts necessary to carry out the seed potato certification service. Fees shall be reviewed annually and notice of the current fee schedule sent to growers from time to time.

**1510.2340 FIELD INSPECTION FEES.**

Field inspection fees shall be paid at time of application for entry into the certification program.

**1510.2345 WINTER-TESTING FEES.**

Winter-testing fees shall be paid before results are sent to the grower.

**1510.2350 FEES FOR OTHER DISEASE TESTING.**

Fees for other disease testing shall be paid before results are listed in the Minnesota Seed Potato Certification Directory.

**1510.2355 MINNESOTA CERTIFIED SEED POTATO GRADES AND TOLERANCES.**

Subpart 1. **Minnesota certified seed potato grades.** Before potatoes are eligible for grading as certified seed potatoes, the requirements of parts 1510.2315 to 1510.2330 must be met.

Subp. 2. **Minnesota blue tag certified seed potato grade.** To be graded as Minnesota blue tag certified seed potatoes, the potatoes must meet the requirements in items A to C.

A. Condition. The potatoes must be, at the time of final inspection, of one variety, unwashed, fairly well-shaped, free from bacterial ring rot, late blight, freezing, black heart, and soft rot or wet breakdown, and free from damage caused by soil or other foreign matter, second growth, air cracks, cuts, shriveling, sprouts, pitted scab, surface scab, powdery scab, russet scab, dry rot, other diseases, insects or worms, mechanical or other means, flattened or depressed areas with underlying flesh discoloration, and from serious damage caused by hollow heart, wire worm, growth cracks, or internal discoloration other than hollow heart. Sunburn and silver scurf are not factors. This item does not apply to hollow heart if labeled "hollow heart exempt," on the tag or certificate.

B. Size. For round or intermediate shaped varieties, the maximum size is 12 ounces (340.2 grams) and, unless otherwise specified, the minimum size shall be not less than 1-1/2 inches (38.1 millimeters) in diameter. For long varieties, the maximum size is 14 ounces (396.9 grams) and, unless otherwise specified, the minimum size shall be not less than 1-1/2 inches (38.1 millimeters) in diameter. For all varieties, size "B," the minimum diameter shall be not less than 1-1/2 inches (38.1 millimeters) and the maximum size shall be not more than 2-1/4 inches (57.1 millimeters) in diameter. The department may grade potatoes that do not meet the maximum and minimum size specifications as Minnesota blue tag certified seed potatoes if the buyer agrees to accept potatoes of alternate size specifications from the grower and these specifications are listed on the tag or bulk certificate issued by the department.

C. Lot tolerances. In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, are provided:

(1) For defects:

(a) ten percent for potatoes seriously damaged by hollow heart, unless labeled "hollow heart exempt" on the tag or certificate;

(b) five percent for potatoes seriously damaged by internal discoloration (other than hollow heart);

(c) ten percent for potatoes damaged by soil or other foreign matter;

(d) 20 percent for potatoes damaged by sprouts;

(e) ten percent for potatoes seriously damaged by wireworm; and

(f) six percent for potatoes which fail to meet the remaining requirements of the grade, provided that included in that amount not more than the following percentages are allowed for the following defects:

i. soft rot, frozen, or wet breakdown, 0.5 percent;

ii. damage by surface, powdery, or pitted scab, 2.0 percent;

iii. damage by dry rot, 2.0 percent, of which not more than 1.0 percent late blight tuber rot;

iv. bacterial ring rot, 0.0 percent; and

v. late blight tuber rot, 1.0 percent; and

(g) the following do not affect seed quality and must not be scored against the grade:

i. brown discoloration following skinning;

ii. dried stems;

iii. flattened or depressed areas showing no underlying flesh discoloration;

iv. greening;

v. sunburn;

vi. skin checks; and

vii. silver scurf.

(2) For offsize:

(a) five percent for potatoes which fail to meet the required or specified minimum size; and

(b) ten percent for potatoes which fail to meet the required maximum size.

Subp. 3a. **Minnesota yellow tag certified seed potato grade.** To be graded as Minnesota yellow tag certified seed potatoes, the potatoes must meet the requirements in items A to D.

A. Condition. At the time of final inspection, the potatoes must be of one variety, unwashed, fairly well-shaped, free from bacterial ring rot, late blight, freezing, black heart, and soft rot or wet breakdown, and free from damage caused by second growth, air cracks, cuts, shriveling, pitted scab, surface scab, powdery scab, dry rot, other diseases, insects or worms, mechanical means or other means, and from serious damage caused by soil or other foreign matter, hollow heart, wireworm, growth cracks, russet scab, or internal discoloration other than hollow heart. Sunburn and silver scurf are not factors. This item does not apply to hollow heart if labeled "hollow heart exempt," on the tag or certificate.

B. Size. For all varieties, the maximum size is 14 ounces (396.9 grams) and the minimum size is 1-1/2 inch (38.1 mm) in diameter. For all varieties, the minimum diameter for size "B" shall not be less than 1-1/2 inches (38.1 millimeters) and the maximum diameter shall not be more than 2-1/4 inches (57.1 millimeters). The department may grade potatoes that do not meet the maximum and minimum size specifications as Minnesota yellow tag certified seed potatoes if the buyer agrees to accept potatoes of alternate size specifications

from the grower and these specifications are listed on the tag or bulk inspection certificate issued by the department.

C. Lot tolerances. In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, are provided:

(1) for defects:

(a) 20 percent for potatoes seriously damaged by hollow heart, unless labeled "hollow heart exempt" on the tag or certificate;

(b) five percent for potatoes seriously damaged by internal discoloration (other than hollow heart);

(c) ten percent for potatoes seriously damaged by soil or other foreign matter;

(d) ten percent for potatoes seriously damaged by wireworm;

(e) 20 percent for potatoes that fail to meet the remaining requirements of the grade with not more than six percent serious damage provided that included in that amount not more than the following percentages are allowed for the following defects:

i. soft rot, frozen, or wet breakdown, 0.5 percent;

ii. damaged by surface, powdery, or pitted scab, 5.0 percent;

iii. damaged by dry rot, 2.0 percent, of which not more than 1.0 percent is late blight tuber rot;

iv. bacterial ring rot, 0.0 percent; and

v. late blight tuber rot, 1.0 percent; and

(f) the following do not affect seed quality and must not be scored against the grade:

i. brown discoloration following skinning;

ii. dried stems;

iii. flattened or depressed areas with or without underlying flesh discoloration;

iv. greening;

v. sunburn;

vi. skin checks;

vii. silver scurf; and

viii. sprouts; and

(2) for offsize:

(a) five percent for potatoes that fail to meet the required or specified minimum size; and

(b) ten percent for potatoes that fail to meet the required maximum size.

D. Shape. The potatoes must be fairly well shaped, with an exception for long varieties when specified as "except for shape." In that case the tubers may be misshapen.

Subp. 4. **Minnesota white tag certified seed potato grade.** Minnesota white tag certified seed potato grade consists of certified seed potatoes that are graded according to agreement between the seller and the purchaser as to size and defects, except that not more than one-half percent of soft rot, frozen, or wet breakdown and two percent dry rot, of which not more than one percent late blight tuber rot is allowed.

Subp. 5. **Application of tolerance.** The contents of individual containers, other than bulk conveyances, in the lot are subject to the following limitations provided that the averages for the entire lot are within the tolerances specified for the grade. An individual container in any lot may contain not more than double the tolerance specified except for sprouts and except that at least one defective specimen, other than bacterial ring rot, and one offsize specimen may be permitted in any container.

Subp. 6. **Condition after transit.** Deterioration developing in transit shall be considered as affecting condition and not grade.

Subp. 7. **Definitions.** For the purpose of this part, the terms in items A to J have the meanings given them unless the context clearly indicates otherwise.

A. "Mature" means that the outer skin (epidermis) does not loosen or "feather" readily during the ordinary methods of handling.

B. "Well-shaped" means the normal shape for the variety.

C. "Fairly well-shaped" means that the individual potato is not materially pointed, dumbbell-shaped, or otherwise ill-formed.

D. "Fairly clean" means that the individual potato is reasonably free from dirt, staining, or other foreign matter.

E. "Slightly dirty" means that the appearance of the individual potato is not materially affected by dirt, staining, or other foreign matter.

F. "Diameter" means the greatest dimension at right angles to the longitudinal axis. The long axis shall be used without regard to the position of the stem (stolon).

G. "Soft rot or wet breakdown" means any soft, mushy, or leaky condition of the tissues.

H. "Dry rot" means decaying tissue that is dry.

I. "Damage" means any defect or combination of defects which materially affects the appearance of the individual potato or which cannot be removed without a loss of more than five percent of the total weight of the potato including the peel covering the defective area. Any one of the following defects or any combination of defects, the seriousness of which exceeds the maximum allowed for any one defect, shall be considered as damage:

(1) russet scab when it materially detracts from the appearance of the individual potato;

(2) second growth or growth cracks which have developed to such an extent as to materially affect the appearance of the individual potato;

(3) air cracks when removal causes a loss of more than five percent of the total weight of the potato;

(4) shriveling when the potato is more than moderately shriveled, spongy, or flabby;

(5) sprouting when the individual potato has sprouts over one inch in length;

(6) surface, powdery, or pitted scab, individually or in combination, which covers an area of more than five percent of the surface of the potato in the aggregate, or causes a loss of more than five percent of the total weight of the potato including peel covering defective area;

(7) soil if the individual potato has more than 50 percent of its surface affected by lightly caked soil which is scattered, or more than 15 percent of its surface badly caked with soil.

J. "Serious damage" means any defect or combination of defects which seriously affects the appearance of the individual potato or which cannot be removed without a loss

of more than ten percent of the total weight of the potato including the peel covering the defective area. Any one of the following defects or any combination of defects, the seriousness of which exceeds the maximum allowed for any one defect shall be considered as serious damage:

(1) russet scab when it seriously detracts from the appearance of the potato;

(2) dirt when the appearance of the individual potato is seriously affected by caked or smeared dirt or other foreign matter;

(3) cuts when both ends are clipped or when more than an estimated one-fourth of the potato is cut away from one end or when the remaining portion of the clipped potato weighs less than six ounces;

(4) other cuts which seriously affect the appearance of the individual potato or which cannot be removed without a loss of more than ten percent of the total weight of the potato including peel covering defective area;

(5) shriveling when the potato is excessively shriveled, spongy, or flabby;

(6) surface, powdery, or pitted scab, individually or in combination, which covers an area of more than 25 percent of the surface of the potato in the aggregate, or causes a loss of more than ten percent of the total weight of the potato including peel covering defective area;

(7) wireworm and air cracks when removal causes a loss of more than ten percent of the total weight of the potato.