

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

1.1

A bill for an act

1.2 relating to state government; establishing a budget for the Department of

1.3 Agriculture, the Board of Animal Health, the Agricultural Utilization Research

1.4 Institute, and the Office of Broadband Development; making policy and technical

1.5 changes to agriculture provisions; modifying livestock marketing agency and

1.6 dealer licensing provisions; modifying seed potato provisions; modifying food

1.7 handler licensing provisions; modifying the cottage foods licensing exemption;

1.8 transferring money; appropriating money; modifying and establishing fees;

1.9 requiring reports; amending Minnesota Statutes 2024, sections 17.1017; 17.1018;

1.10 17.117, subdivisions 1, 3; 17.118, subdivisions 1, 2, 3; 17.133, subdivision 1;

1.11 17A.03, subdivisions 8, 10, 11, by adding a subdivision; 17A.04, subdivisions 1,

1.12 2, 4, 6, 7, 8; 17A.06, subdivisions 2, 3; 17A.07; 17A.08; 17A.15; 18B.26,

1.13 subdivision 8; 18C.111, by adding a subdivision; 18J.01; 18J.02; 18J.03; 18J.04,

1.14 subdivisions 1, 2, 3, 4; 18J.05, subdivisions 1, 2, 6; 18J.06; 18J.07, subdivisions

1.15 3, 4, 5; 18J.09; 21.111; 21.112, by adding a subdivision; 21.113; 21.115; 21.117;

1.16 21.119; 21.1195; 21.1196, subdivision 2; 21.891, subdivision 2; 25.391,

1.17 subdivisions 1, 2; 28A.03, subdivision 7, by adding subdivisions; 28A.04; 28A.05;

1.18 28A.06; 28A.07; 28A.0753, subdivision 3; 28A.08; 28A.081, subdivision 1;

1.19 28A.085, subdivision 1; 28A.14; 28A.151, subdivision 2; 28A.152, subdivisions

1.20 1, 2, 3, 4, 5, by adding a subdivision; 28A.17; 32D.01, by adding a subdivision;

1.21 35.155, subdivision 12; 41A.09, subdivision 2a; 41A.16, subdivision 7; 41A.30,

1.22 subdivision 1; 41B.039, subdivision 2; 41B.0391, subdivisions 1, 2, 4, 6; 41B.04,

1.23 subdivision 8; 41B.042, subdivision 4; 41B.043, subdivision 1b; 41B.045,

1.24 subdivision 2; 41B.047, subdivision 3; 41B.056, subdivision 1; 41B.057,

1.25 subdivisions 1, 3; 223.17, subdivision 3; 232.22, subdivision 3; 239.761,

1.26 subdivisions 3, 4, 5, 6; 296A.01, subdivisions 20, 23, 24; Laws 2021, First Special

1.27 Session chapter 3, article 1, section 2, subdivision 4, as amended; Laws 2023,

1.28 chapter 43, article 1, section 2, subdivision 4, as amended; proposing coding for

1.29 new law in Minnesota Statutes, chapters 21; 32D; 343; repealing Minnesota Statutes

1.30 2024, sections 21.116; 21.118; 21.1196, subdivision 3; 21.121; 21.122; 35.68;

1.31 35.830; 239.77, subdivision 5; Minnesota Rules, parts 1510.2300; 1510.2305;

1.32 1510.2310; 1510.2315; 1510.2320; 1510.2325; 1510.2330; 1510.2335; 1510.2340;

1.33 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.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2026</u>	<u>2027</u>

Sec. 2. DEPARTMENT OF AGRICULTURE

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>53,083,000</u>	<u>\$</u>	<u>53,401,000</u>
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Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>52,684,000</u>	<u>53,002,000</u>
<u>Remediation</u>	<u>399,000</u>	<u>399,000</u>

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

Subd. 2. Protection Services

Appropriations by Fund

<u>General</u>	<u>19,454,000</u>	<u>20,008,000</u>
<u>Remediation</u>	<u>399,000</u>	<u>399,000</u>

(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

3.1 assistance program under Minnesota Statutes,
3.2 section 17.134. The commissioner may award
3.3 no more than \$50,000 of the appropriation
3.4 each year to a single recipient.
3.5 Notwithstanding Minnesota Statutes, section
3.6 16B.98, subdivision 14, the commissioner may
3.7 use up to 6.5 percent of this appropriation for
3.8 costs incurred to administer the program. Any
3.9 unencumbered balance does not cancel at the
3.10 end of the first year and is available in the
3.11 second year. Appropriations encumbered
3.12 under contract on or before June 30, 2027, for
3.13 soil health financial assistance grants are
3.14 available until June 30, 2029.

3.15 (c) \$225,000 the first year and \$225,000 the
3.16 second year are for compensation for livestock
3.17 destroyed or crippled by a wolf under
3.18 Minnesota Statutes, section 3.737. If the
3.19 amount in the first year is insufficient, the
3.20 amount in the second year is available in the
3.21 first year. The commissioner may use up to
3.22 \$5,000 each year to reimburse expenses
3.23 incurred by university extension educators to
3.24 provide fair market values of destroyed or
3.25 crippled livestock. If the commissioner
3.26 receives federal funding to pay claims for
3.27 destroyed or crippled livestock, an equivalent
3.28 amount of this appropriation may be used to
3.29 reimburse nonlethal prevention methods
3.30 performed by federal wildlife services staff.

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

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

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

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

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

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

5.6 Subd. 3. **Agricultural Marketing and**
5.7 **Development**

21,126,000

20,876,000

5.8 (a) \$634,000 the first year and \$634,000 the
5.9 second year are for the continuation of the
5.10 dairy development and profitability
5.11 enhancement program, including dairy
5.12 profitability teams and dairy business planning
5.13 grants under Minnesota Statutes, section
5.14 32D.30.

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

5.24 (c) \$75,000 the first year and \$75,000 the
5.25 second year are for mental health outreach and
5.26 support to farmers, ranchers, and others in the
5.27 agricultural community and for farm safety
5.28 grant and outreach programs under Minnesota
5.29 Statutes, section 17.1195. Mental health
5.30 outreach and support may include a 24-hour
5.31 hotline, stigma reduction, and education.
5.32 Notwithstanding Minnesota Statutes, section
5.33 16A.28, any unencumbered balance does not
5.34 cancel at the end of fiscal year 2026 and is
5.35 available until June 30, 2027. The base for this

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

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

6.9 (e) Except as provided in paragraph (f), the
6.10 commissioner may allocate the appropriation
6.11 in paragraph (d) each year among the
6.12 following areas: facilitating the startup,
6.13 modernization, improvement, or expansion of
6.14 livestock operations, including beginning and
6.15 transitioning livestock operations with
6.16 preference given to robotic dairy-milking
6.17 equipment; assisting value-added agricultural
6.18 businesses to begin or expand, to access new
6.19 markets, or to diversify, including aquaponics
6.20 systems, with preference given to hemp fiber
6.21 processing equipment; facilitating the startup,
6.22 modernization, or expansion of other
6.23 beginning and transitioning farms, including
6.24 by providing loans under Minnesota Statutes,
6.25 section 41B.056; sustainable agriculture
6.26 on-farm research and demonstration; the
6.27 development or expansion of food hubs and
6.28 other alternative community-based food
6.29 distribution systems; enhancing renewable
6.30 energy infrastructure and use; crop research,
6.31 including basic and applied turf seed research;
6.32 Farm Business Management tuition assistance;
6.33 and good agricultural practices and good
6.34 handling practices certification assistance.

6.35 Notwithstanding Minnesota Statutes, section

7.1 16B.98, subdivision 14, the commissioner may
7.2 use up to 6.5 percent of the appropriation in
7.3 paragraph (d) for costs incurred to administer
7.4 the program.

7.5 (f) Of the amount appropriated for the
7.6 agricultural growth, research, and innovation
7.7 program under Minnesota Statutes, section
7.8 41A.12:

7.9 (1) \$1,000,000 the first year and \$1,000,000
7.10 the second year are for distribution in equal
7.11 amounts to each of the state's county fairs to
7.12 preserve and promote Minnesota agriculture;

7.13 (2) \$2,750,000 the first year and \$2,750,000
7.14 the second year are for incentive payments
7.15 under Minnesota Statutes, sections 41A.16,
7.16 41A.17, 41A.18, and 41A.20. If this
7.17 appropriation exceeds the total amount for
7.18 which all producers are eligible in a fiscal
7.19 year, the balance of the appropriation is
7.20 available for other purposes under this
7.21 paragraph;

7.22 (3) \$2,750,000 the first year and \$2,750,000
7.23 the second year are for grants that enable retail
7.24 petroleum dispensers, fuel storage tanks, and
7.25 other equipment to dispense biofuels to the
7.26 public in accordance with the biofuel
7.27 replacement goals established under
7.28 Minnesota Statutes, section 239.7911. A retail
7.29 petroleum dispenser selling petroleum for use
7.30 in spark ignition engines for vehicle model
7.31 years after 2000 is eligible for grant money
7.32 under this clause if the retail petroleum
7.33 dispenser has no more than 20 retail petroleum
7.34 dispensing sites and each site is located in
7.35 Minnesota. The grant money must be used to

8.1 replace or upgrade equipment that does not
8.2 have the ability to be certified for E25. A grant
8.3 award must not exceed 65 percent of the cost
8.4 of the appropriate technology. A grant award
8.5 must not exceed \$200,000 per station. The
8.6 commissioner must cooperate with biofuel
8.7 stakeholders in the implementation of the grant
8.8 program. The commissioner, in cooperation
8.9 with any economic or community development
8.10 financial institution and any other entity with
8.11 which the commissioner contracts, must
8.12 submit a report on the biofuels infrastructure
8.13 financial assistance program by January 15
8.14 each year to the chairs and ranking minority
8.15 members of the legislative committees and
8.16 divisions with jurisdiction over agriculture
8.17 policy and finance. The annual report must
8.18 include but not be limited to a summary of the
8.19 following metrics: (i) the number and types
8.20 of projects financed; (ii) the amount of dollars
8.21 leveraged or matched per project; (iii) the
8.22 geographic distribution of financed projects;
8.23 (iv) any market expansion associated with
8.24 upgraded infrastructure; (v) the demographics
8.25 of the areas served; (vi) the costs of the
8.26 program; and (vii) the number of grants to
8.27 minority-owned or female-owned businesses;
8.28 (4) \$250,000 the first year and \$250,000 the
8.29 second year are for grants to facilitate the
8.30 startup, modernization, or expansion of meat,
8.31 poultry, egg, and milk processing facilities. A
8.32 grant award under this clause must not exceed
8.33 \$200,000;
8.34 (5) \$1,444,000 the first year and \$1,444,000
8.35 the second year are for providing more fruits,

9.1 vegetables, meat, poultry, grain, and dairy for
9.2 children in school and early childhood
9.3 education settings, including, at the
9.4 commissioner's discretion, providing grants
9.5 to reimburse schools and early childhood
9.6 education and child care providers for
9.7 purchasing equipment and agricultural
9.8 products. Of the amount appropriated,
9.9 \$150,000 each year is for a statewide
9.10 coordinator of farm-to-institution strategy and
9.11 programming. The coordinator must consult
9.12 with relevant stakeholders and provide
9.13 technical assistance and training for
9.14 participating farmers and eligible grant
9.15 recipients;

9.16 (6) \$1,075,000 the first year and \$1,075,000
9.17 the second year are for grants to facilitate the
9.18 development of urban agriculture, including
9.19 projects related to youth education, community
9.20 and economic development, value-added
9.21 processing, and vocational training. The base
9.22 for this appropriation is \$1,125,000 in fiscal
9.23 year 2028 and each year thereafter;

9.24 (7) \$1,000,000 the first year and \$1,000,000
9.25 the second year are for the food retail
9.26 improvement and development program under
9.27 Minnesota Statutes, section 17.1017;

9.28 (8) \$200,000 the first year and \$200,000 the
9.29 second year are for cooperative development
9.30 grants under Minnesota Statutes, section
9.31 17.1016; and

9.32 (9) \$250,000 the first year is for the protecting
9.33 livestock grant program for producers to
9.34 support the installation of measures to prevent
9.35 the transmission of avian influenza. For the

10.1 appropriation in this clause, a grant applicant
 10.2 must document a cost-share of 20 percent. An
 10.3 applicant's cost-share amount may be reduced
 10.4 up to \$2,000 to cover time and labor costs.

10.5 This is a onetime appropriation.

10.6 Notwithstanding Minnesota Statutes, section
 10.7 16A.28, this appropriation does not cancel at
 10.8 the end of the first year and is available in the
 10.9 second year.

10.10 (g) Notwithstanding Minnesota Statutes,
 10.11 section 16A.28, the appropriation in paragraph
 10.12 (d) does not cancel at the end of the second
 10.13 year and is available until June 30, 2029.

10.14 Appropriations encumbered under contract on
 10.15 or before June 30, 2029, for agricultural
 10.16 growth, research, and innovation grants are
 10.17 available until June 30, 2032.

10.18 **Subd. 4. Administration and Financial**
 10.19 **Assistance**

12,104,000

12,118,000

10.20 (a) \$474,000 the first year and \$474,000 the
 10.21 second year are for payments to county and
 10.22 district agricultural societies and associations
 10.23 under Minnesota Statutes, section 38.02,
 10.24 subdivision 1. Aid payments to county and
 10.25 district agricultural societies and associations
 10.26 must be disbursed no later than July 15 each
 10.27 year. These payments are the amount of aid
 10.28 from the state for an annual fair held in the
 10.29 previous calendar year.

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

- 11.1 (c) \$2,000 the first year is for a grant to the
11.2 Minnesota State Poultry Association to
11.3 promote youth poultry programs in Minnesota.
11.4 This is a onetime appropriation.
11.5 Notwithstanding Minnesota Statutes, section
11.6 16A.28, any unencumbered balance does not
11.7 cancel at the end of the first year and is
11.8 available in the second year.
- 11.9 (d) \$18,000 the first year and \$18,000 the
11.10 second year are for grants to the Minnesota
11.11 Livestock Breeders Association. This is a
11.12 onetime appropriation.
- 11.13 (e) \$30,000 the first year and \$30,000 the
11.14 second year are for grants to the Northern
11.15 Crops Institute that may be used to purchase
11.16 equipment. This is a onetime appropriation.
- 11.17 (f) \$35,000 the first year and \$35,000 the
11.18 second year are for grants to the Minnesota
11.19 State Horticultural Society. This is a onetime
11.20 appropriation.
- 11.21 (g) \$75,000 the first year and \$75,000 the
11.22 second year are for grants to the Center for
11.23 Rural Policy and Development. This is a
11.24 onetime appropriation.
- 11.25 (h) \$40,000 the first year and \$40,000 the
11.26 second year are appropriated from the general
11.27 fund to the commissioner of agriculture for
11.28 grants to the Minnesota Turf Seed Council for
11.29 basic and applied research on:
- 11.30 (1) the improved production of forage and turf
11.31 seed related to new and improved varieties;
11.32 and

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

12.4 The Minnesota Turf Seed Council may
12.5 subcontract with a qualified third party for
12.6 some or all of the basic or applied research.

12.7 Any unencumbered balance does not cancel
12.8 at the end of the first year and is available in
12.9 the second year. The Minnesota Turf Seed
12.10 Council must prepare a report outlining the
12.11 use of the grant money and related
12.12 accomplishments. No later than January 15,
12.13 2027, and January 15, 2028, the council must
12.14 submit the report to the chairs and ranking
12.15 minority members of the legislative
12.16 committees and divisions with jurisdiction
12.17 over agriculture finance and policy. This is a
12.18 onetime appropriation.

12.19 (i) \$50,000 the first year and \$50,000 the
12.20 second year are for grants to GreenSeam for
12.21 assistance to agriculture-related businesses to
12.22 support business retention and development,
12.23 business attraction and creation, talent
12.24 development and attraction, and regional
12.25 branding and promotion. These are onetime
12.26 appropriations. No later than December 1,
12.27 2026, and December 1, 2027, GreenSeam
12.28 must report to the chairs and ranking minority
12.29 members of the legislative committees with
12.30 jurisdiction over agriculture and rural
12.31 development with information on new and
12.32 existing businesses supported, number of new
12.33 jobs created in the region, new educational
12.34 partnerships and programs supported, and
12.35 regional branding and promotional efforts.

- 13.1 (j) \$1,000,000 the first year and \$1,000,000
13.2 the second year are to award and administer
13.3 farm down payment assistance grants under
13.4 Minnesota Statutes, section 17.133, with
13.5 priority given to eligible applicants with no
13.6 more than \$100,000 in annual gross farm
13.7 product sales and eligible applicants who are
13.8 producers of industrial hemp, cannabis, or one
13.9 or more of the following specialty crops as
13.10 defined by the United States Department of
13.11 Agriculture for purposes of the specialty crop
13.12 block grant program: fruits and vegetables,
13.13 tree nuts, dried fruits, medicinal plants,
13.14 culinary herbs and spices, horticulture crops,
13.15 floriculture crops, and nursery crops.
13.16 Notwithstanding Minnesota Statutes, section
13.17 16A.28, any unencumbered balance at the end
13.18 of the first year does not cancel and is
13.19 available in the second year and appropriations
13.20 encumbered under contract by June 30, 2027,
13.21 are available until December 31, 2027.
- 13.22 (k) \$1,700,000 the first year and \$1,700,000
13.23 the second year are for grants to Second
13.24 Harvest Heartland on behalf of Minnesota's
13.25 five Feeding America food banks for the
13.26 following purposes:
- 13.27 (1) at least \$850,000 each year must be
13.28 allocated to purchase milk for distribution to
13.29 Minnesota's food shelves and other charitable
13.30 organizations that are eligible to receive food
13.31 from the food banks. Milk purchased under
13.32 the grants must be acquired from Minnesota
13.33 milk processors and based on low-cost bids.
13.34 The milk must be allocated to each Feeding
13.35 America food bank serving Minnesota

14.1 according to the formula used in the
14.2 distribution of United States Department of
14.3 Agriculture commodities under The
14.4 Emergency Food Assistance Program. Second
14.5 Harvest Heartland may enter into contracts or
14.6 agreements with food banks for shared funding
14.7 or reimbursement of the direct purchase of
14.8 milk. Each food bank that receives funding
14.9 under this clause may use up to two percent
14.10 for administrative expenses. Notwithstanding
14.11 Minnesota Statutes, section 16A.28, any
14.12 unencumbered balance the first year does not
14.13 cancel and is available the second year;

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

14.28 (3) to purchase and distribute protein products,
14.29 including but not limited to pork, poultry, beef,
14.30 dry legumes, cheese, and eggs to Minnesota's
14.31 food shelves and other charitable organizations
14.32 that are eligible to receive food from the food
14.33 banks. Second Harvest Heartland may use up
14.34 to two percent of each grant awarded under
14.35 this clause for administrative expenses. Protein

- 15.1 products purchased under the grants must be
15.2 acquired from Minnesota processors and
15.3 producers; and
- 15.4 (4) up to \$500,000 each year is to purchase
15.5 produce from The Good Acre.
- 15.6 Second Harvest Heartland must submit
15.7 quarterly reports to the commissioner and the
15.8 chairs and ranking minority members of the
15.9 legislative committees with jurisdiction over
15.10 agriculture finance in the form prescribed by
15.11 the commissioner. The reports must include
15.12 but are not limited to information on the
15.13 expenditure of funds, the amount of milk or
15.14 other commodities purchased, and the
15.15 organizations to which this food was
15.16 distributed.
- 15.17 (l) \$260,000 the first year and \$260,000 the
15.18 second year are for a pass-through grant to
15.19 Region Five Development Commission to
15.20 provide, in collaboration with Farm Business
15.21 Management, statewide mental health
15.22 counseling support to Minnesota farm
15.23 operators, families, and employees, and
15.24 individuals who work with Minnesota farmers
15.25 in a professional capacity. Region Five
15.26 Development Commission may use up to 6.5
15.27 percent of the grant awarded under this
15.28 paragraph for administration.
- 15.29 (m) \$25,000 the first year and \$25,000 the
15.30 second year are for grants to the Southern
15.31 Minnesota Initiative Foundation to promote
15.32 local foods through an annual event that raises
15.33 public awareness of local foods and connects
15.34 local food producers and processors with
15.35 potential buyers.

- 16.1 (n) \$1,000,000 the first year and \$1,000,000
16.2 the second year are for the Emerging Farmers
16.3 Office to provide services to beginning and
16.4 emerging farmers to increase connections
16.5 between farmers and market opportunities
16.6 throughout the state. This appropriation may
16.7 be used for grants, translation services,
16.8 training programs, or other purposes in line
16.9 with the recommendations of the emerging
16.10 farmer working group established under
16.11 Minnesota Statutes, section 17.055,
16.12 subdivision 1.
- 16.13 (o) \$137,000 the first year and \$203,000 the
16.14 second year are to support current services.
- 16.15 (p) \$337,000 the first year and \$337,000 the
16.16 second year are for farm advocate services.
16.17 Of these amounts, \$50,000 the first year and
16.18 \$50,000 the second year are for the
16.19 continuation of the farmland transition
16.20 programs and may be used for grants to
16.21 farmland access teams to provide technical
16.22 assistance to potential beginning farmers.
16.23 Farmland access teams must assist existing
16.24 farmers and beginning farmers with
16.25 transitioning farm ownership and farm
16.26 operation. Services provided by teams may
16.27 include but are not limited to mediation
16.28 assistance, designing contracts, financial
16.29 planning, tax preparation, estate planning, and
16.30 housing assistance.
- 16.31 (q) \$250,000 the first year and \$250,000 the
16.32 second year are for the local food purchasing
16.33 assistance grant program under article 3,
16.34 section 42.

17.1 (r) \$50,000 the first year is to conduct a study
17.2 and develop recommendations for establishing
17.3 an incentive-based program to support and
17.4 encourage agricultural retailers in promoting
17.5 4R nutrient management practices. The 4R
17.6 nutrient management practices include: the
17.7 right source of nutrients, at the right rate and
17.8 right time, in the right place.

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

17.16 (2) The commissioner must submit a report
17.17 detailing its findings, including potential
17.18 funding sources and proposal outlines for
17.19 funding requests where appropriate. The
17.20 commissioner must submit the report to the
17.21 chairs and ranking minority members of the
17.22 legislative committees with jurisdiction over
17.23 agriculture and environment by December 15,
17.24 2025.

17.25 (s) The commissioner shall continue to
17.26 increase connections with ethnic minority and
17.27 immigrant farmers to farming opportunities
17.28 and farming programs throughout the state.

17.29 Sec. 3. **BOARD OF ANIMAL HEALTH** \$ 6,656,000 \$ 6,781,000
17.30 \$246,000 the first year and \$371,000 the
17.31 second year are to maintain the current level
17.32 of service delivery. The base for this
17.33 appropriation is \$371,000 in fiscal year 2028
17.34 and each year thereafter.

18.1 **Sec. 4. AGRICULTURAL UTILIZATION**

18.2 **RESEARCH INSTITUTE**

\$ 4,388,000 \$ 4,434,000

18.3 \$45,000 the first year and \$91,000 the second

18.4 year are to maintain the current level of service

18.5 delivery. The base for this appropriation is

18.6 \$91,000 in fiscal year 2028 and each year

18.7 thereafter.

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

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

18.15 **Sec. 6. TRANSFERS.**

18.16 (a) \$100,000 in fiscal year 2026 and \$100,000 in fiscal year 2027 are transferred from
 18.17 the general fund to the pollinator research account established under Minnesota Statutes,
 18.18 section 18B.051. This transfer is \$100,000 in fiscal year 2028 and each year thereafter.

18.19 (b) \$186,000 in fiscal year 2026 and \$186,000 in fiscal year 2027 are transferred from
 18.20 the general fund to the Minnesota grown account and may be used as grants for Minnesota
 18.21 Grown promotion under Minnesota Statutes, section 17.102. Notwithstanding Minnesota
 18.22 Statutes, section 16A.28, the appropriations encumbered under contract on or before June
 18.23 30, 2027, for Minnesota Grown grants in this paragraph are available until June 30, 2029.
 18.24 This transfer is \$186,000 in fiscal year 2028 and each year thereafter.

18.25 (c) \$10,552,000 in fiscal year 2026 and \$10,552,000 in fiscal year 2027 are transferred
 18.26 from the general fund to the agriculture research, education, extension, and technology
 18.27 transfer account under Minnesota Statutes, section 41A.14, subdivision 3, and the
 18.28 commissioner shall transfer funds each year to the Board of Regents of the University of
 18.29 Minnesota for purposes of Minnesota Statutes, section 41A.14, subdivision 1, clauses (1)
 18.30 and (2), and must supplement and not supplant existing sources and levels of funding. The
 18.31 commissioner may use up to one percent of this transfer for costs incurred to administer
 18.32 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.

The transfer for the agriculture research, education, extension, and technology transfer program is \$10,552,000 in fiscal year 2028 and each year thereafter.

(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

20.1

no-interest loans issued through the agriculture best management practices loan program

20.2

under Minnesota Statutes, section 17.117. This transfer is \$1,425,000 in fiscal year 2028

20.3

and each year thereafter.

20.4

Sec. 7. FISCAL YEAR 2025 TRANSFER.

20.5

\$1,500,000 in fiscal year 2025 is transferred from the general fund to the agricultural

20.6

emergency account established under Minnesota Statutes, section 17.041.

20.7

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

20.8

Sec. 8. CANCELLATIONS; FISCAL YEAR 2025.

20.9

(a) \$3,000,000 of the appropriation in fiscal year 2024 from the general fund for green

20.10

fertilizer production facilities under Laws 2023, chapter 60, article 10, section 4, is canceled

20.11

to the general fund by June 30, 2025.

20.12

(b) \$1,500,000 of the appropriation in fiscal year 2025 from the general fund for Dairy

20.13

Assistance, Investment, Relief Initiative (DAIRI) grants and other forms of financial

20.14

assistance to Minnesota dairy farms that enroll in coverage under a federal dairy risk

20.15

protection program and produced no more than 16,000,000 pounds of milk in 2022 under

20.16

Laws 2024, chapter 126, article 1, section 1, is canceled to the general fund by June 30,

20.17

2025.

20.18

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

20.19

Sec. 9. Laws 2021, First Special Session chapter 3, article 1, section 2, subdivision 4, as

20.20

amended by Laws 2022, chapter 95, article 1, section 1, subdivision 4, is amended to read:

20.21

Subd. 4. **Agriculture, Bioenergy, and Bioproduct**

20.22

Advancement

25,343,000

27,257,000

20.23

(a) \$9,300,000 the first year and \$9,300,000

20.24

the second year are for transfer to the

20.25

agriculture research, education, extension, and

20.26

technology transfer account under Minnesota

20.27

Statutes, section 41A.14, subdivision 3. Of

20.28

these amounts: at least \$600,000 the first year

20.29

and \$600,000 the second year are for the

20.30

Minnesota Agricultural Experiment Station's

20.31

agriculture rapid response fund under

20.32

Minnesota Statutes, section 41A.14,

21.1 subdivision 1, clause (2); \$2,000,000 the first
21.2 year and \$2,000,000 the second year are for
21.3 grants to the Minnesota Agriculture Education
21.4 Leadership Council to enhance agricultural
21.5 education with priority given to Farm Business
21.6 Management challenge grants; \$350,000 the
21.7 first year and \$350,000 the second year are
21.8 for potato breeding; and \$450,000 the first
21.9 year and \$450,000 the second year are for the
21.10 cultivated wild rice breeding project at the
21.11 North Central Research and Outreach Center
21.12 to include a tenure track/research associate
21.13 plant breeder. The commissioner shall transfer
21.14 the remaining funds in this appropriation each
21.15 year to the Board of Regents of the University
21.16 of Minnesota for purposes of Minnesota
21.17 Statutes, section 41A.14. Of the amount
21.18 transferred to the Board of Regents, up to
21.19 \$1,000,000 each year is for research on avian
21.20 influenza, salmonella, and other turkey-related
21.21 diseases. By January 15, 2023, entities
21.22 receiving grants for potato breeding and wild
21.23 rice breeding are requested to report to the
21.24 chairs and ranking minority members of the
21.25 legislative committees with jurisdiction over
21.26 agriculture and higher education regarding the
21.27 use of the grant money and to provide an
21.28 update on the status of research and related
21.29 accomplishments.

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

22.1 (b) \$16,028,000 the first year and \$17,928,000
22.2 the second year are for the agricultural growth,
22.3 research, and innovation program under
22.4 Minnesota Statutes, section 41A.12. Except
22.5 as provided below, the commissioner may
22.6 allocate the appropriation each year among
22.7 the following areas: facilitating the start-up,
22.8 modernization, improvement, or expansion of
22.9 livestock operations including beginning and
22.10 transitioning livestock operations with
22.11 preference given to robotic dairy-milking
22.12 equipment; providing funding not to exceed
22.13 \$800,000 each year to develop and enhance
22.14 farm-to-school markets for Minnesota farmers
22.15 by providing more fruits, vegetables, meat,
22.16 grain, and dairy for Minnesota children in
22.17 school and child care settings including, at the
22.18 commissioner's discretion, reimbursing
22.19 schools for purchases from local farmers;
22.20 assisting value-added agricultural businesses
22.21 to begin or expand, to access new markets, or
22.22 to diversify, including aquaponics systems;
22.23 providing funding not to exceed \$600,000
22.24 each year for urban youth agricultural
22.25 education or urban agriculture community
22.26 development of which \$10,000 each year is
22.27 for transfer to the emerging farmer account
22.28 under Minnesota Statutes, section 17.055,
22.29 subdivision 1a; providing funding not to
22.30 exceed \$450,000 each year for the good food
22.31 access program under Minnesota Statutes,
22.32 section 17.1017; facilitating the start-up,
22.33 modernization, or expansion of other
22.34 beginning and transitioning farms including
22.35 by providing loans under Minnesota Statutes,
22.36 section 41B.056; sustainable agriculture

23.1 on-farm research and demonstration;
23.2 development or expansion of food hubs and
23.3 other alternative community-based food
23.4 distribution systems; enhancing renewable
23.5 energy infrastructure and use; crop research;
23.6 Farm Business Management tuition assistance;
23.7 and good agricultural practices and good
23.8 handling practices certification assistance. The
23.9 commissioner may use up to 6.5 percent of
23.10 this appropriation for costs incurred to
23.11 administer the program.

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

23.15 (1) \$1,000,000 the first year and \$1,000,000
23.16 the second year are for distribution in equal
23.17 amounts to each of the state's county fairs to
23.18 preserve and promote Minnesota agriculture;

23.19 (2) \$4,500,000 the first year and \$5,750,000
23.20 the second year are for incentive payments
23.21 under Minnesota Statutes, sections 41A.16,
23.22 41A.17, 41A.18, and 41A.20. Notwithstanding
23.23 Minnesota Statutes, section 16A.28, the first
23.24 year appropriation is available until June 30,
23.25 2023, and the second year appropriation is
23.26 available until June 30, 2024. If this
23.27 appropriation exceeds the total amount for
23.28 which all producers are eligible in a fiscal
23.29 year, the balance of the appropriation is
23.30 available for other purposes under this
23.31 paragraph. The base appropriation under this
23.32 clause is \$5,750,000 in fiscal year 2024 and
23.33 thereafter;

23.34 (3) \$3,000,000 the first year and \$3,000,000
23.35 the second year are for grants that enable retail

24.1 petroleum dispensers, fuel storage tanks, and
24.2 other equipment to dispense biofuels to the
24.3 public in accordance with the biofuel
24.4 replacement goals established under
24.5 Minnesota Statutes, section 239.7911. A retail
24.6 petroleum dispenser selling petroleum for use
24.7 in spark ignition engines for vehicle model
24.8 years after 2000 is eligible for grant money
24.9 under this clause if the retail petroleum
24.10 dispenser has no more than 10 retail petroleum
24.11 dispensing sites and each site is located in
24.12 Minnesota. The grant money must be used to
24.13 replace or upgrade equipment that does not
24.14 have the ability to be certified for E25. A grant
24.15 award must not exceed 65 percent of the cost
24.16 of the appropriate technology. A grant award
24.17 must not exceed \$200,000 per station. The
24.18 commissioner must cooperate with biofuel
24.19 stakeholders in the implementation of the grant
24.20 program. The commissioner, in cooperation
24.21 with any economic or community development
24.22 financial institution and any other entity with
24.23 which it contracts, must submit a report on the
24.24 biofuels infrastructure financial assistance
24.25 program by January 15 of each year to the
24.26 chairs and ranking minority members of the
24.27 legislative committees and divisions with
24.28 jurisdiction over agriculture policy and
24.29 finance. The annual report must include but
24.30 not be limited to a summary of the following
24.31 metrics: (i) the number and types of projects
24.32 financed; (ii) the amount of dollars leveraged
24.33 or matched per project; (iii) the geographic
24.34 distribution of financed projects; (iv) any
24.35 market expansion associated with upgraded
24.36 infrastructure; (v) the demographics of the

25.1 areas served; (vi) the costs of the program;
25.2 and (vii) the number of grants to
25.3 minority-owned or female-owned businesses;
25.4 (4) \$750,000 the first year and \$1,400,000 the
25.5 second year are for grants to facilitate the
25.6 start-up, modernization, or expansion of meat,
25.7 poultry, egg, and milk processing facilities. A
25.8 grant award under this clause must not exceed
25.9 \$200,000. Any unencumbered balance at the
25.10 end of the second year does not cancel until
25.11 June 30, 2024, and may be used for other
25.12 purposes under this paragraph. The base
25.13 appropriation under this clause is \$250,000 in
25.14 fiscal year 2024 and thereafter; and
25.15 (5) \$1,400,000 the first year and \$1,400,000
25.16 the second year are for livestock investment
25.17 grants under Minnesota Statutes, section
25.18 17.118. Any unencumbered balance at the end
25.19 of the second year does not cancel until June
25.20 30, 2024, and may be used for other purposes
25.21 under this paragraph. The appropriations under
25.22 this clause are onetime.
25.23 Notwithstanding Minnesota Statutes, section
25.24 16A.28, ~~any unencumbered balance does not~~
25.25 ~~cancel at the end of the first year and is~~
25.26 ~~available for the second year, and this~~
25.27 appropriation does not cancel at the end of the
25.28 second year and is available until June 30,
25.29 2029. Appropriations encumbered under
25.30 contract on or before June 30, ~~2023~~ 2029, for
25.31 agricultural growth, research, and innovation
25.32 grants are available until June 30, ~~2026~~ 2032.
25.33 The base amount for the agricultural growth,
25.34 research, and innovation program is
25.35 \$17,553,000 in fiscal year 2024 and

26.1 \$17,553,000 in fiscal year 2025, and includes
26.2 funding for incentive payments under
26.3 Minnesota Statutes, sections 41A.16, 41A.17,
26.4 41A.18, and 41A.20.

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

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

26.9 Sec. 10. Laws 2023, chapter 43, article 1, section 2, subdivision 4, as amended by Laws
26.10 2024, chapter 126, article 1, section 1, subdivision 4, is amended to read:

26.11	Subd. 4. Agriculture, Bioenergy, and Bioproduct	34,034,000	38,159,000
26.12	Advancement		

26.13 (a) \$10,702,000 the first year and \$10,702,000
26.14 the second year are for the agriculture
26.15 research, education, extension, and technology
26.16 transfer program under Minnesota Statutes,
26.17 section 41A.14. Except as provided below,
26.18 the appropriation each year is for transfer to
26.19 the agriculture research, education, extension,
26.20 and technology transfer account under
26.21 Minnesota Statutes, section 41A.14,
26.22 subdivision 3, and the commissioner shall
26.23 transfer funds each year to the Board of
26.24 Regents of the University of Minnesota for
26.25 purposes of Minnesota Statutes, section
26.26 41A.14. To the extent practicable, money
26.27 expended under Minnesota Statutes, section
26.28 41A.14, subdivision 1, clauses (1) and (2),
26.29 must supplement and not supplant existing
26.30 sources and levels of funding. The
26.31 commissioner may use up to one percent of
26.32 this appropriation for costs incurred to
26.33 administer the program.

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

27.5 (1) \$600,000 the first year and \$600,000 the
27.6 second year are for the Minnesota Agricultural
27.7 Experiment Station's agriculture rapid
27.8 response fund under Minnesota Statutes,
27.9 section 41A.14, subdivision 1, clause (2);

27.10 (2) up to \$1,000,000 the first year and up to
27.11 \$1,000,000 the second year are for research
27.12 on avian influenza, salmonella, and other
27.13 turkey-related diseases and disease prevention
27.14 measures;

27.15 (3) \$2,250,000 the first year and \$2,250,000
27.16 the second year are for grants to the Minnesota
27.17 Agricultural Education Leadership Council to
27.18 enhance agricultural education with priority
27.19 given to Farm Business Management
27.20 challenge grants;

27.21 (4) \$450,000 the first year is for the cultivated
27.22 wild rice breeding project at the North Central
27.23 Research and Outreach Center to include a
27.24 tenure track/research associate plant breeder;

27.25 (5) \$350,000 the first year and \$350,000 the
27.26 second year are for potato breeding;

27.27 (6) \$802,000 the first year and \$802,000 the
27.28 second year are to fund the Forever Green
27.29 Initiative and protect the state's natural
27.30 resources while increasing the efficiency,
27.31 profitability, and productivity of Minnesota
27.32 farmers by incorporating perennial and
27.33 winter-annual crops into existing agricultural
27.34 practices. The base for the allocation under

28.1 this clause is \$802,000 in fiscal year 2026 and
28.2 each year thereafter. By February 1 each year,
28.3 the dean of the College of Food, Agricultural
28.4 and Natural Resource Sciences must submit
28.5 a report to the chairs and ranking minority
28.6 members of the legislative committees with
28.7 jurisdiction over agriculture finance and policy
28.8 and higher education detailing uses of the
28.9 funds in this paragraph, including
28.10 administrative costs, and the achievements
28.11 these funds contributed to;

28.12 (7) \$350,000 each year is for farm-scale winter
28.13 greenhouse research and development
28.14 coordinated by University of Minnesota
28.15 Extension Regional Sustainable Development
28.16 Partnerships. The allocation in this clause is
28.17 onetime;

28.18 (8) \$200,000 the second year is for research
28.19 on natural stands of wild rice; and

28.20 (9) \$250,000 the second year is for the
28.21 cultivated wild rice forward selection project
28.22 at the North Central Research and Outreach
28.23 Center, including a tenure track or research
28.24 associate plant scientist.

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

28.29 (c) \$23,332,000 the first year is for the
28.30 agricultural growth, research, and innovation
28.31 program under Minnesota Statutes, section
28.32 41A.12. Except as provided below, the
28.33 commissioner may allocate this appropriation
28.34 among the following areas: facilitating the

29.1 start-up, modernization, improvement, or
29.2 expansion of livestock operations, including
29.3 beginning and transitioning livestock
29.4 operations with preference given to robotic
29.5 dairy-milking equipment; assisting
29.6 value-added agricultural businesses to begin
29.7 or expand, to access new markets, or to
29.8 diversify, including aquaponics systems, with
29.9 preference given to hemp fiber processing
29.10 equipment; facilitating the start-up,
29.11 modernization, or expansion of other
29.12 beginning and transitioning farms, including
29.13 by providing loans under Minnesota Statutes,
29.14 section 41B.056; sustainable agriculture
29.15 on-farm research and demonstration; the
29.16 development or expansion of food hubs and
29.17 other alternative community-based food
29.18 distribution systems; enhancing renewable
29.19 energy infrastructure and use; crop research,
29.20 including basic and applied turf seed research;
29.21 Farm Business Management tuition assistance;
29.22 and good agricultural practices and good
29.23 handling practices certification assistance. The
29.24 commissioner may use up to 6.5 percent of
29.25 this appropriation for costs incurred to
29.26 administer the program.

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

29.30 (1) \$1,000,000 the first year is for distribution
29.31 in equal amounts to each of the state's county
29.32 fairs to preserve and promote Minnesota
29.33 agriculture;

29.34 (2) \$5,750,000 the first year is for incentive
29.35 payments under Minnesota Statutes, sections

30.1 41A.16, 41A.17, 41A.18, and 41A.20.

30.2 Notwithstanding Minnesota Statutes, section

30.3 16A.28, the first year appropriation is

30.4 available until June 30, 2025. If this

30.5 appropriation exceeds the total amount for

30.6 which all producers are eligible in a fiscal

30.7 year, the balance of the appropriation is

30.8 available for other purposes under this

30.9 paragraph;

30.10 (3) \$3,375,000 the first year is for grants that

30.11 enable retail petroleum dispensers, fuel storage

30.12 tanks, and other equipment to dispense

30.13 biofuels to the public in accordance with the

30.14 biofuel replacement goals established under

30.15 Minnesota Statutes, section 239.7911. A retail

30.16 petroleum dispenser selling petroleum for use

30.17 in spark ignition engines for vehicle model

30.18 years after 2000 is eligible for grant money

30.19 under this clause if the retail petroleum

30.20 dispenser has no more than 10 retail petroleum

30.21 dispensing sites and each site is located in

30.22 Minnesota. The grant money must be used to

30.23 replace or upgrade equipment that does not

30.24 have the ability to be certified for E25. A grant

30.25 award must not exceed 65 percent of the cost

30.26 of the appropriate technology. A grant award

30.27 must not exceed \$200,000 per station. The

30.28 commissioner must cooperate with biofuel

30.29 stakeholders in the implementation of the grant

30.30 program. The commissioner, in cooperation

30.31 with any economic or community development

30.32 financial institution and any other entity with

30.33 which the commissioner contracts, must

30.34 submit a report on the biofuels infrastructure

30.35 financial assistance program by January 15 of

30.36 each year to the chairs and ranking minority

31.1 members of the legislative committees and
31.2 divisions with jurisdiction over agriculture
31.3 policy and finance. The annual report must
31.4 include but not be limited to a summary of the
31.5 following metrics: (i) the number and types
31.6 of projects financed; (ii) the amount of dollars
31.7 leveraged or matched per project; (iii) the
31.8 geographic distribution of financed projects;
31.9 (iv) any market expansion associated with
31.10 upgraded infrastructure; (v) the demographics
31.11 of the areas served; (vi) the costs of the
31.12 program; and (vii) the number of grants to
31.13 minority-owned or female-owned businesses;

31.14 (4) \$1,250,000 the first year is for grants to
31.15 facilitate the start-up, modernization, or
31.16 expansion of meat, poultry, egg, and milk
31.17 processing facilities. A grant award under this
31.18 clause must not exceed \$200,000. Any
31.19 unencumbered balance at the end of the second
31.20 year does not cancel until June 30, 2026, and
31.21 may be used for other purposes under this
31.22 paragraph;

31.23 (5) \$1,150,000 the first year is for providing
31.24 more fruits, vegetables, meat, poultry, grain,
31.25 and dairy for children in school and early
31.26 childhood education settings, including, at the
31.27 commissioner's discretion, providing grants
31.28 to reimburse schools and early childhood
31.29 education and child care providers for
31.30 purchasing equipment and agricultural
31.31 products. Organizations must participate in
31.32 the National School Lunch Program or the
31.33 Child and Adult Care Food Program to be
31.34 eligible. Of the amount appropriated, \$150,000
31.35 is for a statewide coordinator of

32.1 farm-to-institution strategy and programming.

32.2 The coordinator must consult with relevant

32.3 stakeholders and provide technical assistance

32.4 and training for participating farmers and

32.5 eligible grant recipients;

32.6 (6) \$2,000,000 the first year is for urban youth

32.7 agricultural education or urban agriculture

32.8 community development;

32.9 (7) \$1,000,000 the first year is for the good

32.10 food access program under Minnesota

32.11 Statutes, section 17.1017; and

32.12 (8) \$225,000 the first year is to provide grants

32.13 to secondary career and technical education

32.14 programs for the purpose of offering

32.15 instruction in meat cutting and butchery.

32.16 Notwithstanding Minnesota Statutes, section

32.17 16B.98, subdivision 14, the commissioner may

32.18 use up to 6.5 percent of this appropriation for

32.19 administrative costs. This is a onetime

32.20 appropriation. Grants may be used for costs,

32.21 including but not limited to:

32.22 (i) equipment required for a meat cutting

32.23 program;

32.24 (ii) facility renovation to accommodate meat

32.25 cutting; and

32.26 (iii) training faculty to teach the fundamentals

32.27 of meat processing.

32.28 A grant recipient may be awarded a grant of

32.29 up to \$75,000 and may use up to ten percent

32.30 of the grant for faculty training. Priority may

32.31 be given to applicants who are coordinating

32.32 with meat cutting and butchery programs at

32.33 Minnesota State Colleges and Universities

32.34 institutions or with local industry partners.

33.1 By January 15, 2025, the commissioner must
33.2 report to the chairs and ranking minority
33.3 members of the legislative committees with
33.4 jurisdiction over agriculture finance and
33.5 education finance by listing the grants made
33.6 under this paragraph by county and noting the
33.7 number and amount of grant requests not
33.8 fulfilled. The report may include additional
33.9 information as determined by the
33.10 commissioner, including but not limited to
33.11 information regarding the outcomes produced
33.12 by these grants. If additional grants are
33.13 awarded under this paragraph that were not
33.14 covered in the report due by January 15, 2025,
33.15 the commissioner must submit an additional
33.16 report to the chairs and ranking minority
33.17 members of the legislative committees with
33.18 jurisdiction over agriculture finance and
33.19 education finance regarding all grants issued
33.20 under this paragraph by November 1, 2025.

33.21 Notwithstanding Minnesota Statutes, section
33.22 16A.28, any unencumbered balance does not
33.23 cancel at the end of the first year and is
33.24 available for the second year, and
33.25 appropriations encumbered under contract on
33.26 or before June 30, 2025, for agricultural
33.27 growth, research, and innovation grants are
33.28 available until June 30, 2028.

33.29 (d) \$27,457,000 the second year is for the
33.30 agricultural growth, research, and innovation
33.31 program under Minnesota Statutes, section
33.32 41A.12. Except as provided below, the
33.33 commissioner may allocate this appropriation
33.34 among the following areas: facilitating the
33.35 start-up, modernization, improvement, or

34.1 expansion of livestock operations, including
34.2 beginning and transitioning livestock
34.3 operations with preference given to robotic
34.4 dairy-milking equipment; assisting
34.5 value-added agricultural businesses to begin
34.6 or expand, to access new markets, or to
34.7 diversify, including aquaponics systems, with
34.8 preference given to hemp fiber processing
34.9 equipment; facilitating the start-up,
34.10 modernization, or expansion of other
34.11 beginning and transitioning farms, including
34.12 by providing loans under Minnesota Statutes,
34.13 section 41B.056; sustainable agriculture
34.14 on-farm research and demonstration; the
34.15 development or expansion of food hubs and
34.16 other alternative community-based food
34.17 distribution systems; enhancing renewable
34.18 energy infrastructure and use; crop research,
34.19 including basic and applied turf seed research;
34.20 Farm Business Management tuition assistance;
34.21 and good agricultural practices and good
34.22 handling practices certification assistance. The
34.23 commissioner may use up to 6.5 percent of
34.24 this appropriation for costs incurred to
34.25 administer the program.

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

34.29 (1) \$1,000,000 the second year is for
34.30 distribution in equal amounts to each of the
34.31 state's county fairs to preserve and promote
34.32 Minnesota agriculture;

34.33 (2) \$5,750,000 the second year is for incentive
34.34 payments under Minnesota Statutes, sections
34.35 41A.16, 41A.17, 41A.18, and 41A.20.

35.1 Notwithstanding Minnesota Statutes, section
35.2 16A.28, this appropriation is available until
35.3 June 30, 2027. If this appropriation exceeds
35.4 the total amount for which all producers are
35.5 eligible in a fiscal year, the balance of the
35.6 appropriation is available for other purposes
35.7 under this paragraph. The base under this
35.8 clause is \$3,000,000 in fiscal year 2026 and
35.9 each year thereafter;

35.10 (3) \$3,375,000 the second year is for grants
35.11 that enable retail petroleum dispensers, fuel
35.12 storage tanks, and other equipment to dispense
35.13 biofuels to the public in accordance with the
35.14 biofuel replacement goals established under
35.15 Minnesota Statutes, section 239.7911. A retail
35.16 petroleum dispenser selling petroleum for use
35.17 in spark ignition engines for vehicle model
35.18 years after 2000 is eligible for grant money
35.19 under this clause if the retail petroleum
35.20 dispenser has no more than ten retail
35.21 petroleum dispensing sites and each site is
35.22 located in Minnesota. The grant money must
35.23 be used to replace or upgrade equipment that
35.24 does not have the ability to be certified for
35.25 E25. A grant award must not exceed 65
35.26 percent of the cost of the appropriate
35.27 technology. A grant award must not exceed
35.28 \$200,000 per station. The commissioner must
35.29 cooperate with biofuel stakeholders in the
35.30 implementation of the grant program. The
35.31 commissioner, in cooperation with any
35.32 economic or community development
35.33 financial institution and any other entity with
35.34 which the commissioner contracts, must
35.35 submit a report on the biofuels infrastructure
35.36 financial assistance program by January 15 of

36.1 each year to the chairs and ranking minority
36.2 members of the legislative committees and
36.3 divisions with jurisdiction over agriculture
36.4 policy and finance. The annual report must
36.5 include but not be limited to a summary of the
36.6 following metrics: (i) the number and types
36.7 of projects financed; (ii) the amount of money
36.8 leveraged or matched per project; (iii) the
36.9 geographic distribution of financed projects;
36.10 (iv) any market expansion associated with
36.11 upgraded infrastructure; (v) the demographics
36.12 of the areas served; (vi) the costs of the
36.13 program; and (vii) the number of grants to
36.14 minority-owned or female-owned businesses.
36.15 The base under this clause is \$3,000,000 for
36.16 fiscal year 2026 and each year thereafter;

36.17 (4) \$1,250,000 the second year is for grants
36.18 to facilitate the start-up, modernization, or
36.19 expansion of meat, poultry, egg, and milk
36.20 processing facilities. A grant award under this
36.21 clause must not exceed \$200,000. Any
36.22 unencumbered balance at the end of the second
36.23 year does not cancel until June 30, 2027, and
36.24 may be used for other purposes under this
36.25 paragraph. The base under this clause is
36.26 \$250,000 in fiscal year 2026 and each year
36.27 thereafter;

36.28 (5) \$1,275,000 the second year is for providing
36.29 more fruits, vegetables, meat, poultry, grain,
36.30 and dairy for children in school and early
36.31 childhood education settings, including, at the
36.32 commissioner's discretion, providing grants
36.33 to reimburse schools and early childhood
36.34 education and child care providers for
36.35 purchasing equipment and agricultural

37.1 products. Organizations must participate in
37.2 the National School Lunch Program or the
37.3 Child and Adult Care Food Program to be
37.4 eligible. Of the amount appropriated, \$150,000
37.5 is for a statewide coordinator of
37.6 farm-to-institution strategy and programming.
37.7 The coordinator must consult with relevant
37.8 stakeholders and provide technical assistance
37.9 and training for participating farmers and
37.10 eligible grant recipients. The base under this
37.11 clause is \$1,294,000 in fiscal year 2026 and
37.12 each year thereafter;

37.13 (6) \$4,000,000 the second year is for Dairy
37.14 Assistance, Investment, Relief Initiative
37.15 (DAIRI) grants and other forms of financial
37.16 assistance to Minnesota dairy farms that enroll
37.17 in coverage under a federal dairy risk
37.18 protection program and produced no more
37.19 than 16,000,000 pounds of milk in 2022. The
37.20 commissioner must make DAIRI payments
37.21 based on the amount of milk produced in
37.22 2022, up to 5,000,000 pounds per participating
37.23 farm, at a rate determined by the commissioner
37.24 within the limits of available funding. Any
37.25 unencumbered balance on June 30, 2026, may
37.26 be used for other purposes under this
37.27 paragraph. The allocation in this clause is
37.28 onetime;

37.29 (7) \$2,000,000 the second year is for urban
37.30 youth agricultural education or urban
37.31 agriculture community development;

37.32 (8) \$1,000,000 the second year is for the good
37.33 food access program under Minnesota
37.34 Statutes, section 17.1017; and

38.1 (9) \$225,000 the second year is for the
38.2 protecting livestock grant program for
38.3 producers to support the installation of
38.4 measures to prevent the transmission of avian
38.5 influenza. For the appropriation in this
38.6 paragraph, a grant applicant must document
38.7 a cost-share of 20 percent. An applicant's
38.8 cost-share amount may be reduced up to
38.9 \$2,000 to cover time and labor costs.

38.10 Notwithstanding Minnesota Statutes, section
38.11 16B.98, subdivision 14, the commissioner may
38.12 use up to 6.5 percent of this appropriation for
38.13 administrative costs. This appropriation is
38.14 available until June 30, 2027. This is a onetime
38.15 appropriation.

38.16 (e) Notwithstanding Minnesota Statutes,
38.17 section 16A.28, ~~this~~ the appropriation in
38.18 paragraph (d) does not cancel at the end of the
38.19 second year and is available until June 30,
38.20 2027. Appropriations encumbered under
38.21 contract on or before June 30, 2027, for
38.22 agricultural growth, research, and innovation
38.23 grants are available until June 30, 2030.

38.24 ~~(e)~~ (f) The base for the agricultural growth,
38.25 research, and innovation program is
38.26 \$17,582,000 in fiscal year 2026 and each year
38.27 thereafter and includes \$200,000 each year for
38.28 cooperative development grants.

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

38.30 **ARTICLE 2**

38.31 **BROADBAND**

38.32 Section 1. **BROADBAND DEVELOPMENT APPROPRIATIONS.**

38.33 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
38.34 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.

		<u>APPROPRIATIONS</u>	
		<u>Available for the Year</u>	
		<u>Ending June 30</u>	
		<u>2026</u>	<u>2027</u>
Sec. 2. DEPARTMENT OF EMPLOYMENT			
AND ECONOMIC DEVELOPMENT	\$	<u>1,001,000</u>	\$ <u>1,001,000</u>
\$1,001,000 each year is for the Office of			
<u>Broadband Development.</u>			

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

45.1 residents ~~from low-income and moderate-income areas~~ that reflect area demographics,
45.2 including Indigenous communities and communities of color;

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

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

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

45.11 (1) site acquisition and preparation;

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

45.14 (3) construction and build-out costs;

45.15 (4) equipment and furnishings;

45.16 (5) workforce or retailer training; and

45.17 (6) working capital.

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

45.24 (1) the number and types of projects financed;

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

45.26 (3) the geographic distribution of financed projects;

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

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

45.29 ~~(6)~~ (5) the demographics of the areas served;

45.30 ~~(7)~~ (6) the costs of the program;

46.1 ~~(8)~~ (7) the number of SNAP ~~and WIC~~ dollars spent;

46.2 ~~(9)~~ (8) any increase in retail square footage;

46.3 ~~(10)~~ (9) the number of loans or grants to ~~minority-owned or female-owned businesses~~
46.4 businesses owned by women and Black, Indigenous, or Persons of Color; and

46.5 ~~(11)~~ (10) measurable economic and health outcomes, including, but not limited to,
46.6 increases in sales and consumption of locally sourced and other fresh fruits and vegetables,
46.7 the number of construction and retail jobs retained or created, and any health initiatives
46.8 associated with the program.

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

46.10 **17.1018 ~~GOOD FOOD ACCESS~~ RETAIL IMPROVEMENT AND**
46.11 **DEVELOPMENT PROGRAM ADVISORY COMMITTEE.**

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

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

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

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

46.19 (1) the commissioners of health;₂ employment and economic development;₂ and ~~human~~
46.20 ~~services~~ children, youth, and families, or their respective designees;

46.21 (2) one person representing the grocery industry;

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

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

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

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

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

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

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

- 47.1 (10) one person representing public health experts;
- 47.2 (11) one person representing philanthropic foundations;
- 47.3 (12) one person representing economic or community development financial institutions;
- 47.4 (13) one person representing the University of Minnesota Regional Sustainable
47.5 Development Partnerships;
- 47.6 (14) two people representing organizations engaged in addressing food security, one
47.7 representative from a statewide hunger relief organization and one from a community-based
47.8 organization;
- 47.9 (15) one person representing immigrant farmer-led organizations;
- 47.10 (16) one person representing small business technical assistance with experience in food
47.11 retail; and
- 47.12 (17) up to four additional members with economic development, health equity, financial,
47.13 or other relevant expertise.
- 47.14 At least half of the members must reside in or their organizations must serve rural
47.15 Minnesota. The commissioner may remove members and fill vacancies as provided in
47.16 section 15.059, subdivision 4.
- 47.17 Subd. 3. **Duties.** The advisory committee must advise the commissioner of agriculture
47.18 on managing the program, establishing program criteria, establishing project eligibility
47.19 guidelines, establishing application processes and additional selection criteria, establishing
47.20 annual monitoring and accountability mechanisms, facilitating leveraging of additional
47.21 public and private investments, and promoting the program statewide.
- 47.22 Subd. 4. **Meetings.** The commissioner must convene the advisory committee at least
47.23 two times per year to achieve the committee's duties.
- 47.24 Subd. 5. **Administrative support.** The commissioner of agriculture must provide staffing,
47.25 meeting space, and administrative services for the advisory committee.
- 47.26 Subd. 6. **Chair.** The commissioner of agriculture or the commissioner's designee shall
47.27 serve as chair of the committee.
- 47.28 Subd. 7. **Compensation.** The public members of the advisory committee serve without
47.29 compensation or payment of expenses.
- 47.30 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~~ 25 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:

- 49.1 (i) lanes used by livestock that connect pastures to a central location;
- 49.2 (ii) watering systems for livestock on pasture including water lines, booster pumps, and
- 49.3 well installations;
- 49.4 (iii) livestock stream crossing stabilization; and
- 49.5 (iv) fences; or
- 49.6 (3) the acquisition of equipment for livestock housing, confinement, feeding, and waste
- 49.7 management including, but not limited to, the following:
- 49.8 (i) freestall barns;
- 49.9 (ii) watering facilities;
- 49.10 (iii) feed storage and handling equipment;
- 49.11 (iv) milking parlors;
- 49.12 (v) robotic equipment;
- 49.13 (vi) scales;
- 49.14 (vii) milk storage and cooling facilities;
- 49.15 (viii) bulk tanks;
- 49.16 (ix) computer hardware and software and associated equipment used to monitor the
- 49.17 productivity and feeding of livestock;
- 49.18 (x) manure pumping and storage facilities;
- 49.19 (xi) swine farrowing facilities;
- 49.20 (xii) swine and cattle finishing barns;
- 49.21 (xiii) calving facilities;
- 49.22 (xiv) digesters;
- 49.23 (xv) equipment used to produce energy;
- 49.24 (xvi) on-farm processing facilities equipment;
- 49.25 (xvii) fences, including but not limited to farmed Cervidae perimeter fences required
- 49.26 under section 35.155, subdivision 4; and
- 49.27 (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:

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

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

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

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

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

51.14 (f) "Limited market access" means the individual has gross sales of no more than
51.15 \$100,000 per year from the sale of farm products.

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

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

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

51.24 Sec. 10. Minnesota Statutes 2024, section 18C.111, is amended by adding a subdivision
51.25 to read:

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

52.1 Sec. 11. Minnesota Statutes 2024, section 25.391, subdivision 1, is amended to read:

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

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

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

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

52.11 ~~(2)~~ (4) the pet treats are not potentially hazardous food, as defined in Minnesota Rules,
52.12 part 4626.0020, subpart 62, that is safe for human consumption and for consumption by the
52.13 intended species;

52.14 ~~(3)~~ (5) the pet treats are baked or dehydrated;

52.15 ~~(4)~~ (6) the individual person displays at the point of sale a clearly legible sign or placard
52.16 stating, "These products are homemade and not subject to state inspection."; and

52.17 ~~(5)~~ (7) each individual pet treat package is labeled with the following: (i) the name and
52.18 registration number or address of the individual preparing the pet treat; (ii) the date on which
52.19 the pet treat was prepared; (iii) the ingredients listed; and (iv) the statement "These products
52.20 are homemade and not subject to state inspection."

52.21 Sec. 12. Minnesota Statutes 2024, section 25.391, subdivision 2, is amended to read:

52.22 Subd. 2. **Direct sales to consumers.** ~~An individual~~ A person qualifying for the exemption
52.23 under subdivision 1 may sell the exempt pet treats to consumers in accordance with section
52.24 28A.152, except that pet treats may also be delivered by mail or commercial delivery.

52.25 Sec. 13. Minnesota Statutes 2024, section 32D.01, is amended by adding a subdivision to
52.26 read:

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

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

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

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

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

53.8 Sec. 14. **[32D.31] MILK MARKETING LICENSE.**

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

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

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

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

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

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

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

53.27 (1) \$100 for an initial license; and

53.28 (2) \$250 annually for a license renewal.

53.29 (b) The fee must be paid to the commissioner before the commissioner issues an initial
53.30 or renewal license. If a person has not applied for a milk marketing license renewal before
53.31 January 1, a late fee of \$100 must be imposed. After January 1, 2026, any person who

54.1 requires a milk marketing license and conducts activities subject to licensing within 365
54.2 days prior to obtaining a milk marketing license must pay a penalty of \$250 to receive the
54.3 person's initial license.

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

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

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

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

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

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

54.13 (6) satisfy all contractual payments and agreements made with any Minnesota dairy
54.14 producer that maintains a permit or certification as required under section 32D.05 or 32D.07.

54.15 A person's failure to pay dairy producers in accordance with contracts may result in the
54.16 revocation or suspension of the person's milk marketing license.

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

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

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

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

54.29 Sec. 15. Minnesota Statutes 2024, section 35.155, subdivision 12, is amended to read:

54.30 Subd. 12. **Importation.** (a) A person must not import live Cervidae into the state from
54.31 a state or province where chronic wasting disease has been detected in the farmed or wild

55.1 cervid population in the last five years unless the animal has tested not detected for chronic
55.2 wasting disease with a validated live-animal test.

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

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

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

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

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

55.18 (1) in the United States Department of Agriculture Herd Certification Program; or
55.19 (2) subject to similar equivalent disease surveillance at the discretion of the state
55.20 veterinarian.

55.21 Sec. 16. Minnesota Statutes 2024, section 41A.09, subdivision 2a, is amended to read:

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

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

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

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

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

55.31 (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. 17. 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.

57.1 Sec. 18. Minnesota Statutes 2024, section 41A.30, subdivision 1, is amended to read:

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

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

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

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

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

57.8 (f) "Qualifying taxpayer" means a taxpayer, as defined in section 290.01, subdivision
57.9 6, that is engaged in the business of:

57.10 (1) producing sustainable aviation fuel; or

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

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

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

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

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

57.19 (i) that the fuel production pathway achieves at least a 50 percent life cycle greenhouse
57.20 gas emissions reduction in comparison with petroleum-based aviation gasoline, aviation
57.21 turbine fuel, and jet fuel utilizing the most recent version of Argonne National Laboratory's
57.22 Greenhouse Gases, Regulated Emissions, and Energy Use in Technologies (GREET) model
57.23 that accounts for reduced emissions throughout the fuel production process; or

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

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

58.1 Sec. 19. Minnesota Statutes 2024, section 41B.039, subdivision 2, is amended to read:

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

58.8 Sec. 20. Minnesota Statutes 2024, section 41B.0391, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

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

58.29 (ii) ~~provides~~ provide the majority of the day-to-day physical labor and management of
58.30 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. 21. 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.

61.1 Applications for credits allowed under paragraph (a), clauses (2) and (3), are due by July
61.2 1, 2025, and each year thereafter.

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

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

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

61.23 (1) the owner of the agricultural land; or

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

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

61.27 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
61.28 31, 2024.

61.29 Sec. 22. Minnesota Statutes 2024, section 41B.0391, subdivision 4, is amended to read:

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

61.31 (1) approve and certify or recertify beginning farmers as eligible for the program under
61.32 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.

63.1 Sec. 23. Minnesota Statutes 2024, section 41B.0391, subdivision 6, is amended to read:

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

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

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

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

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

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

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

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

63.20 (6) data on the number of beginning farmers by geographic region ~~in calendar years~~
63.21 ~~2017 through 2023~~, including:

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

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

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

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

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

63.30 (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.

Sec. 24. 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. 25. 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. 26. 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.

65.1 Sec. 27. Minnesota Statutes 2024, section 41B.045, subdivision 2, is amended to read:

65.2 Subd. 2. **Loan participation.** The authority may participate in a livestock expansion
65.3 and modernization loan with an eligible lender to a livestock farmer who meets the
65.4 requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively
65.5 engaged in a livestock operation. A prospective borrower must have a total net worth,
65.6 including assets and liabilities of the borrower's spouse and dependents, of less than
65.7 \$1,700,000 in 2017 and an amount in subsequent years which is adjusted for inflation by
65.8 multiplying that amount by the cumulative inflation rate as determined by the United States
65.9 All-Items Consumer Price Index.

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

65.14 Sec. 28. Minnesota Statutes 2024, section 41B.047, subdivision 3, is amended to read:

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

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

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

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

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

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

65.27 Sec. 29. Minnesota Statutes 2024, section 41B.056, subdivision 1, is amended to read:

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

Sec. 30. 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. 31. 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. 32. 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. A licensed location with no grain bin capacity must be charged a \$350 examination fee.

~~(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

(b) Examination fees must be calculated based on bushel capacity of each licensed location with a charge of \$0.0035 per bushel of capacity.

(c) Examination fees must not be less than \$350 and must not exceed \$4,000.

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

~~(d)~~ (e) 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)~~ (f) 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)~~ (g) 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

68.1 interest, is appropriated to the commissioner for the administration and enforcement of
68.2 sections 223.15 to 223.23.

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

68.4 Sec. 33. Minnesota Statutes 2024, section 232.22, subdivision 3, is amended to read:

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

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

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

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

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

	Bushel Capacity	Examination
		Fee
68.22	Less than 150,001	\$ 300
68.23		
68.24	150,001 to 250,000	\$ 425
68.25		
68.26	250,001 to 500,000	\$ 545
68.27		
68.28	500,001 to 750,000	\$ 700
68.29		
68.30	750,001 to 1,000,000	\$ 865
68.31		
68.32	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

69.1 ~~(3)~~ (2) the fee for supplemental examinations required by the commissioner under section
69.2 232.24 is ~~\$55~~ \$110 per hour per examiner.

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

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

69.6 Sec. 34. Minnesota Statutes 2024, section 239.761, subdivision 3, is amended to read:

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

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

69.13 (1) may blend the gasoline with agriculturally derived ethanol as provided in subdivision
69.14 4;

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

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

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

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

69.23 Sec. 35. Minnesota Statutes 2024, section 239.761, subdivision 4, is amended to read:

69.24 Subd. 4. **Gasoline blended with ethanol; general.** (a) Gasoline may be blended with
69.25 agriculturally derived, denatured ethanol that complies with the requirements of subdivision
69.26 5.

69.27 (b) A gasoline-ethanol blend must:

69.28 (1) comply with the volatility requirements in Code of Federal Regulations, title 40, part
69.29 1090;

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

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

70.7 Sec. 36. Minnesota Statutes 2024, section 239.761, subdivision 5, is amended to read:

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

70.12 Sec. 37. Minnesota Statutes 2024, section 239.761, subdivision 6, is amended to read:

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

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

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

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

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

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

70.23 (3) tertiary amyl methyl ether.

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

70.28 Sec. 38. Minnesota Statutes 2024, section 296A.01, subdivision 20, is amended to read:

70.29 Subd. 20. **Ethanol, denatured.** "Ethanol, denatured" means ethanol that is to be blended
70.30 with gasoline, has been agriculturally derived, and complies with ASTM specification

71.1 ~~D4806-11a~~ D4806-21a. This includes the requirement that ethanol may be denatured only
71.2 as specified in Code of Federal Regulations, title 27, parts 20 and 21.

71.3 Sec. 39. Minnesota Statutes 2024, section 296A.01, subdivision 23, is amended to read:

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

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

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

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

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

71.19 (1) may blend the gasoline with agriculturally derived ethanol, as provided in subdivision
71.20 24;

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

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

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

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

72.1 Sec. 40. Minnesota Statutes 2024, section 296A.01, subdivision 24, is amended to read:

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

72.8 Sec. 41. **[343.256] ELECTIVE DECLAWING PROHIBITED.**

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

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

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

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

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

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

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

72.28 Sec. 42. **LOCAL FOOD PURCHASING ASSISTANCE GRANT PROGRAM.**

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

73.1 (1) source 100 percent of food from Minnesota;

73.2 (2) source at least 70 percent of food from farmers who are experiencing limited land
 73.3 access or limited market access as defined in Minnesota Statutes, section 17.133, subdivision
 73.4 1; and

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

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

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

73.12 Sec. 43. **REPEALER.**

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

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

73.15 Sec. 44. **EFFECTIVE DATE.**

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

73.17 **ARTICLE 4**

73.18 **LIVESTOCK MARKET AGENCY AND DEALER LICENSING PROVISIONS**

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

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

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

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

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

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

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

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

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

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

74.18 (b) Licenses shall be required for livestock dealers ~~and their agents~~, livestock dealer
74.19 agents, meat packing companies, and meat packing company agents for the period beginning
74.20 July 1 each year and ending June 30. A license issued under this subdivision is renewable
74.21 annually thereafter. The license issued to a livestock dealer ~~or the agent of a~~, livestock dealer
74.22 agent, meat packing company, or meat packing company agent shall be carried by the person
74.23 ~~so~~ who is licensed. ~~The~~ A livestock dealer or meat packing company shall be responsible
74.24 for the acts of the ~~dealer's agents~~ livestock dealer agent or meat packing company agent.
74.25 Licensed livestock market agencies, public stockyards, and livestock dealers shall be
74.26 responsible for the faithful performance of duty of the public livestock weighers at their
74.27 places of business. The license issued to a livestock market agency, public stockyard ~~or~~,
74.28 meat packing company, meat packing company agent, livestock dealer, or agent of a livestock
74.29 dealer agent is not transferable. The operation of livestock market agencies, livestock dealers,
74.30 agents, ~~and packers~~ meat packing companies at a public stockyard are exempt from sections
74.31 17A.01 to 17A.09 and 17A.12 to 17A.17.

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

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

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

75.7 Subd. 4. **Surety bonds required.** Each livestock market agency and livestock dealer
75.8 applying for a license ~~under Laws 1974, chapter 347~~ shall file with the commissioner a
75.9 valid and effective bond issued by a surety company licensed to do business in this state,
75.10 or meeting the requirements of section 17A.05, in the form and amount set forth in section
75.11 17A.05. No bond shall be required of a public stockyard or any agent of a bonded livestock
75.12 dealer. The commissioner may at any time raise or lower bond requirements if it appears
75.13 that a modification of such bond requirements is justified and will protect the public. The
75.14 bonds of livestock market agencies and dealers whose residence or principal place of business
75.15 is within the state of Minnesota shall name the commissioner as the trustee. ~~Any A~~ license
75.16 ~~issued under Laws 1974, chapter 347~~ shall automatically become void upon the termination
75.17 of the surety bond covering the licensed operations.

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

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

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

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

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

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

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

76.29 Subd. 2. **Hearing on claims.** In case of default by the licensee, the commissioner shall
76.30 have the power to have the matter heard as a contested case pursuant to procedures outlined
76.31 in chapter 14. ~~No hearing shall be required if all affected parties to a bond claim proceeding~~
76.32 ~~waive their right to a hearing and agree to accept the commissioner's determination as to~~
76.33 ~~the validity of the claim and the allocation of the proceeds of the bond. The commissioner~~

77.1 must first determine whether a claim is valid. If the commissioner determines that a claim
77.2 is valid, the commissioner must notify the licensee of the determination and that the licensee
77.3 has 15 days to either pay the claim or appeal the determination. If the licensee does not
77.4 respond within 15 days, the determination must be considered a final order by the
77.5 commissioner. If the commissioner determines that a claim is not valid, the commissioner
77.6 must notify the claimant of the determination and that the claimant has 15 days to appeal
77.7 the determination. If the claimant does not respond within 15 days, the determination must
77.8 be considered a final order by the commissioner.

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

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

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

77.23 **17A.07 PROHIBITED CONDUCT.**

77.24 It shall be unlawful for any person to: (1) carry on the business of a livestock market
77.25 agency, livestock dealer, livestock dealer agent, meat packing company, meat packing
77.26 company agent, or public stockyard without a valid and effective license issued by the
77.27 commissioner under the provisions of section 17A.04; (2) carry on the business of a livestock
77.28 market agency, meat packing company, or livestock dealer without filing and maintaining
77.29 a valid and effective surety bond in conformity with sections 17A.04 and 17A.05; (3) carry
77.30 on the business of a livestock market agency, meat packing company, or livestock dealer
77.31 if the person cannot pay debts as they become due or ceases to pay debts in the ordinary
77.32 course of business as they become due; (4) use or allow to be used any livestock scale or
77.33 monorail scale which has not been certified and approved for official use or has been found

78.1 to be inaccurate; (5) fail to maintain and operate livestock or monorail scales in a manner
78.2 to ensure accurate and correct weights; (6) weigh livestock or carcasses at other than true
78.3 and correct weights or issue accounts and records on the basis of inaccurate or incorrect
78.4 weights; (7) engage in or use any unfair or deceptive practice or device in connection with
78.5 marketing of livestock; (8) willfully make or cause to be made any false entry or statement
78.6 of fact in any application, financial statement or report filed with the department under this
78.7 chapter.

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

78.9 **17A.08 RECORD KEEPING.**

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

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

78.21 **17A.15 POWERS AND DUTIES OF COMMISSIONER.**

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

78.30 Sec. 16. **EFFECTIVE DATE.**

78.31 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.

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

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

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

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

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

81.16 Subdivision 1. **Enforcement required.** (a) A violation of chapter 18G, 18H, 18K, 27,
81.17 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or an associated rule is a
81.18 violation of this chapter.

81.19 (b) Upon the request of the commissioner, county attorneys, sheriffs, and other officers
81.20 having authority in the enforcement of the general criminal laws must take action to the
81.21 extent of their authority necessary or proper for the enforcement of chapter 18G, 18H, 18K,
81.22 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules or
81.23 valid orders, standards, stipulations, and agreements of the commissioner.

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

81.25 Subd. 2. **Commissioner's discretion.** If minor violations of chapter 18G, 18H, 18K,
81.26 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules occur
81.27 or the commissioner believes the public interest will be best served by a suitable notice of
81.28 warning in writing, this section does not require the commissioner to:

81.29 (1) report the violation for prosecution;

81.30 (2) institute seizure proceedings; or

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

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

82.2 Subd. 6. **Agent for service of process.** All persons licensed, permitted, registered, or
82.3 certified under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or
82.4 21.80 to 21.92; or associated rules must appoint the commissioner as the agent upon whom
82.5 all legal process may be served and service upon the commissioner is deemed to be service
82.6 on the licensee, permittee, registrant, or certified person.

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

82.8 **18J.06 FALSE STATEMENT OR RECORD.**

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

82.11 (1) an application for registration, license, certification, or permit under chapter 18G,
82.12 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated
82.13 rules;

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

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

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

82.19 Subd. 3. **Cancellation of registration, permit, license, certification.** The commissioner
82.20 may cancel or revoke a registration, permit, license, or certification provided for under
82.21 chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92;
82.22 or associated rules or refuse to register, permit, license, or certify under provisions of chapter
82.23 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or
82.24 associated rules if the registrant, permittee, licensee, or certified person has used fraudulent
82.25 or deceptive practices in the evasion or attempted evasion of a provision of chapter 18G,
82.26 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated
82.27 rules.

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

82.29 Subd. 4. **Service of order or notice.** (a) If a person is not available for service of an
82.30 order, the commissioner may attach the order to the facility, site, seed or seed container,
82.31 plant or other living or nonliving object regulated under chapter 18G, 18H, 18K, 27, 223,

83.1 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules and notify the
83.2 owner, custodian, other responsible party, or registrant.

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

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

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

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

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

83.16 **18J.09 CREDITING OF PENALTIES, FEES, AND COSTS.**

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

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

83.23 **21.111 DEFINITIONS.**

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

83.26 Subd. 2. ~~**Inspected.** "Inspected" means that the potato plants are examined in the field~~
83.27 ~~and that the harvested potatoes produced by the potato plants are examined by or under the~~
83.28 ~~authority of the commissioner. For seed potatoes produced in a lab, inspected means that~~
83.29 ~~the lab's records, including records related to the lab's procedures and protocols, as well as~~
83.30 ~~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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

86.23 **21.113 SHIPPING POINT CERTIFICATES OF INSPECTION; CERTIFICATES**
86.24 **OF ORIGIN; AND BULK CERTIFICATES.**

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

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

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

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

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

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

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

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

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

87.24 **21.115 FEES; SEED POTATO INSPECTION ACCOUNT.**

87.25 The commissioner shall fix the fees for all inspections and certifications in such amounts
87.26 as from time to time may be found necessary to pay the expenses of carrying out and
87.27 enforcing the purposes of sections 21.111 to ~~21.122~~ 21.125, with a reasonable reserve, and
87.28 shall require the same to be paid before such inspections or certifications are made. All
87.29 moneys collected as fees or as penalties for violations of any of the provisions of such
87.30 sections shall be paid into the agricultural fund and credited to the seed potato inspection
87.31 account of the commissioner, which account is hereby created and appropriated for carrying
87.32 out the purposes of sections 21.111 to ~~21.122~~ 21.125. Interest, if any, received on deposits
87.33 of these moneys shall be credited to the account, and there shall be paid into this fund any

88.1 sum provided by the legislature for the purpose of carrying out the provisions of such
88.2 sections.

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

88.4 **21.117 APPLICATIONS FOR INSPECTIONS; WITHDRAWALS;**
88.5 **AMENDMENTS.**

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

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

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

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

88.20 **21.119 USE OF CERTAIN TERMS FORBIDDEN; EXCEPTIONS.**

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

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

88.28 **21.1195 MINIMUM STANDARDS FOR PLANTING.**

88.29 (a) Seed ~~Seed~~ Potatoes may not be planted in the state in lots of ten or more acres unless the
88.30 seed meets the minimum disease standards prescribed by the commissioner. ~~Seed~~ Potatoes
88.31 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

90.1 province that, in the judgment of the commissioner, provides equivalent assurances of seed
90.2 potato quality;

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

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

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

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

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

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

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

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

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

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

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

90.25 (4) a grower must submit an application for certification before June 16 each year on
90.26 forms provided by the commissioner. The commissioner must charge a ten percent late
90.27 registration fee to a grower who submitted an application postmarked after June 15 and
90.28 before July 1. The commissioner may extend the deadline due to special circumstances,
90.29 such as a natural disaster, that make it impractical or impossible for planting to be completed
90.30 by the deadline and that affect an area or large number of growers. A grower must make a
90.31 request for an extension in writing before June 16;

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

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

91.7 (7) a grower must comply with sections 21.111 to 21.125. A grower's violation of sections
91.8 21.111 to 21.125 is cause for the commissioner to reject the grower's field or lot. A grower
91.9 must not sell or label potatoes as certified seed potatoes when the potatoes were grown in
91.10 a rejected field or lot.

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

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

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

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

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

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

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

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

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

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

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

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

92.32 Subd. 5. **Seed potato certification classes.** Seed potato certification classes must be
92.33 differentiated by the potatoes' compliance with disease tolerances, varietal purity, and seed

93.1 origin. Seed potato certification classes are: Prenuclear, Generation 1, Generation 2,
93.2 Generation 3, Generation 4, Generation 5, Generation 6, and Certified.

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

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

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

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

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

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

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

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

93.32 (3) the commissioner must inspect a field or lot for bacterial ring rot. The commissioner
93.33 must reject a field or lot if the commissioner finds the presence of bacterial ring rot. If

94.1 bacterial ring rot is present in a field or lot, the remaining crop is not eligible for certification
94.2 planting;

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

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

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

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

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

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

94.26 Subd. 9. **Roguing.** If any of the diseases listed in section 21.124, subdivision 1, are
94.27 present in a field in amounts greater than the maximum disease tolerance level, the grower
94.28 must rogue the field and remove the infected plants before the final inspection by the
94.29 commissioner. If a grower has completed roguing a field after tubers have formed, the
94.30 grower must remove and destroy all tubers from rogued plants.

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

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

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

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

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

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

95.27 Subd. 11. **Tags; bulk certificates.** (a) Once the commissioner has informed a grower
95.28 that the grower's potatoes meet the certification requirements in sections 21.111 to 21.125,
95.29 a grower may tag the potatoes using an approved tag indicating the grade of potatoes as
95.30 blue-tag-certified seed potato grade, yellow-tag-certified seed potato grade, or
95.31 white-tag-certified seed potato grade. A grower's name, the city where the farm is located,
95.32 the potato variety, and the crop year must be printed on a tag under this subdivision.

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

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

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

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

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

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

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

96.25 (3) the white-tag-certified seed potato grade is the third grade of certified seed potatoes.
96.26 The number of physical defects that the white-tag-certified seed potato grade allows is
96.27 determined by an agreement between the purchaser and seller of the certified seed potatoes.
96.28 A grower may use the white-tag-certified seed potato grade for intrastate and interstate
96.29 shipments of certified seed potatoes.

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

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

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

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

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

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

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

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

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

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

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

97.20 (1) *Clavibacter michiganensis* ssp. *sepedonicus* (ring rot);

97.21 (2) *Pectobacterium atrosepticum* ssp. *Atrosepticum*, *carotovora* (blackleg);

97.22 (3) potato virus X;

97.23 (4) potato virus S;

97.24 (5) potato virus A;

97.25 (6) potato virus M;

97.26 (7) potato virus Y;

97.27 (8) potato spindle tuber viroid; and

97.28 (9) potato leafroll virus.

97.29 (b) When growing prenuclear class seed potatoes, a grower must ensure that each explant
 97.30 or tuber is tested for organisms for which testing is required by the state or province of

98.1 destination. A grower must ensure that material in maintenance is tested during the year of
98.2 producing prenuclear class seed potatoes.

98.3 (c) A grower must produce prenuclear class seed potatoes in a greenhouse or screenhouse
98.4 under sanitary conditions, free from insects and weeds that can harbor or transmit potato
98.5 diseases or other conditions that would allow possible disease contamination. A grower
98.6 must ensure that a facility used for growing prenuclear seed potatoes is sufficiently insulated
98.7 from insects by screens and double doors. The commissioner may inspect any facility or
98.8 equipment used for growing, handling, and storing prenuclear class seed potatoes to verify
98.9 that the facility or equipment complies with this paragraph.

98.10 (d) A grower must ensure that one percent of each lot or ten plants or tubers from each
98.11 lot, whichever is greater, is tested during the growing season to verify that the crop is free
98.12 from potato virus X, potato virus Y, potato leafroll virus, *C. michiganensis*, and *P.*
98.13 *atrosepticum*.

98.14 (e) Prenuclear tubers may originate from greenhouse tubers for one year only if the
98.15 greenhouse tubers have remained at the same growing operation and have remained isolated
98.16 from field-grown tubers.

98.17 (f) Prenuclear class certified seed potatoes must not contain more than the allowable
98.18 tolerances for disease and varietal mixture in subdivision 9.

98.19 Subd. 2. **Generation 1 class certified seed potatoes.** (a) Generation 1 class seed potatoes
98.20 must meet the following requirements:

98.21 (1) the seed source must be either prenuclear tubers, clones, or plantlets; and

98.22 (2) tubers or plantlets must be planted in identifiable family units.

98.23 (b) Lots in Generation 1 class may be exempt from winter testing requirements if leaves
98.24 collected during the growing season are laboratory tested and shown to be within the
98.25 allowable tolerance of potato virus X, potato virus Y, and other pathogens identified by the
98.26 commissioner.

98.27 (c) Each lot must be stored in an individual identifiable unit.

98.28 (d) Generation 1 seed potatoes must not contain more than the allowable tolerances for
98.29 disease and varietal mixture for seed potatoes in subdivision 9.

98.30 Subd. 3. **Generation 2 class certified seed potatoes.** Generation 2 class seed potatoes
98.31 must originate from Generation 1 class seed potatoes. Generation 2 class seed potatoes must

99.1 not contain more than the allowable tolerances of disease and varietal mixture in subdivision

99.2 9.

99.3 Subd. 4. **Generation 3 class certified seed potatoes.** Generation 3 class seed potatoes

99.4 must originate from Generation 2 class seed potatoes. Generation 3 class seed potatoes must

99.5 not contain more than the allowable tolerances of disease and varietal mixture in subdivision

99.6 9.

99.7 Subd. 5. **Generation 4 class certified seed potatoes.** Generation 4 class seed potatoes

99.8 must originate from Generation 3 class seed potatoes. Generation 4 class seed potatoes must

99.9 not contain more than the allowable tolerances for disease and varietal mixture in subdivision

99.10 9.

99.11 Subd. 6. **Generation 5 class certified seed potatoes.** Generation 5 class seed potatoes

99.12 must originate from Generation 4 class seed potatoes. Generation 5 class seed potatoes must

99.13 not contain more than the allowable tolerances for disease and varietal mixture in subdivision

99.14 9.

99.15 Subd. 7. **Generation 6 class certified seed potatoes.** Generation 6 class seed potatoes

99.16 must originate from Generation 5 class seed potatoes. Generation 6 class seed potatoes must

99.17 not contain more than the allowable tolerances for disease and varietal mixture in subdivision

99.18 9.

99.19 Subd. 8. **Certified class certified seed potatoes.** Certified class seed potatoes must

99.20 originate from generation classes of seed potatoes. Certified class seed potatoes must not

99.21 contain more than the allowable tolerances for disease and varietal mixture in subdivision

99.22 9.

99.23 Subd. 9. **Allowable tolerances for diseases and varietal mixture by generation**

99.24 **class.** The numbers represent the percentage of potatoes that may be affected out of an

99.25 individual lot.

99.26		<u>PN</u>	<u>G1</u>	<u>G2</u>	<u>G3</u>	<u>G4</u>	<u>G5</u>	<u>G6</u>	<u>C</u>
99.27	<u>Tolerances:</u>								
99.28	<u>Severe Mosaic from</u>								
99.29	<u>potato virus Y, A, M,</u>								
99.30	<u>X, and/or S</u>	<u>0</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>1</u>
99.31	<u>Leafroll</u>	<u>0</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>1</u>
99.32	<u>Total</u>	<u>0</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>1</u>
99.33	<u>Other viruses</u>	<u>0</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
99.34	<u>Mycoplasmas (haywire,</u>								
99.35	<u>witches broom, yellow</u>								
99.36	<u>dwarf)</u>	<u>0</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>

100.1	<u>Total</u>	<u>0</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
100.2	<u>Blackleg</u>	<u>0</u>	<u>0</u>	<u>0.2</u>	<u>0.5</u>	<u>1</u>	<u>exc.</u>	<u>exc.</u>	<u>exc.</u>
100.3	<u>Varietal mixture</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.2</u>	<u>0.2</u>
100.4	<u>Ring Rot and Spindle</u>								
100.5	<u>Tuber</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
100.6	<u>Winter Test:</u>								
100.7	<u>Virus or expressing</u>								
100.8	<u>symptoms of chemical</u>								
100.9	<u>damage</u>	<u>-</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>

100.10

100.11

Sec. 26. [21.125] MINNESOTA CERTIFIED SEED POTATO GRADES AND TOLERANCES.

100.12

100.13

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.

100.14

100.15

Subd. 2. Definitions. (a) For the purposes of this section, the following terms have the meanings given.

100.16

100.17

100.18

(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.

100.19

100.20

(c) "Diameter" means the greatest dimension at right angles to the longitudinal axis. Diameter means the long axis.

100.21

(d) "Dry rot" means decaying tissue that is dry.

100.22

100.23

(e) "Fairly clean" means that the individual potato is reasonably free from dirt, staining, or other foreign matter.

100.24

100.25

(f) "Fairly well-shaped" means that the individual potato is not materially pointed, dumbbell-shaped, or otherwise ill-formed.

100.26

100.27

(g) "Mature" means that the outer skin does not loosen or feather readily during the ordinary methods of handling.

100.28

100.29

100.30

100.31

(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.

100.32

100.33

(i) "Slightly dirty" means the appearance is not materially affected by dirt, staining, or other foreign matter.

101.1 (j) "Soft rot" or "wet breakdown" means any soft, mushy, or leaky condition of potato
101.2 tissues.

101.3 (k) "Well-shaped" means the normal shape for a variety.

101.4 Subd. 3. **Damage.** The commissioner must find that one or more of the following defects
101.5 constitutes damage:

101.6 (1) a russet scab that materially detracts from the appearance of a potato;

101.7 (2) second growth or growth cracks that materially affect the appearance of an individual
101.8 potato;

101.9 (3) air cracks when removal of the air cracks causes a loss of more than five percent of
101.10 the total weight of a potato;

101.11 (4) a potato that is more than moderately shriveled, spongy, or flabby;

101.12 (5) an individual potato that has sprouts over one inch in length;

101.13 (6) a surface scab, powdery scab, or pitted scab that covers more than five percent of
101.14 the surface of a potato or a surface scab, powdery scab, or pitted scab that, when removed,
101.15 causes a potato to lose more than five percent of the potato's total weight, including peel
101.16 covering a defective area of the potato; or

101.17 (7) more than 50 percent of a potato's surface contains scattered, lightly caked soil or
101.18 more than 15 percent of a potato's surface is badly caked with soil.

101.19 Subd. 4. **Serious damage.** The commissioner must find that one or more of the following
101.20 defects constitutes serious damage:

101.21 (1) a russet scab that seriously detracts from the appearance of a potato;

101.22 (2) the appearance of a potato is seriously affected by caked or smeared dirt or other
101.23 foreign matter;

101.24 (3) both ends of a potato are cut or clipped, more than an estimated one-fourth of a potato
101.25 is cut away from one end, or a remaining portion of a clipped potato weighs less than six
101.26 ounces;

101.27 (4) one or more cuts that seriously affect the appearance of a potato or that cannot be
101.28 removed without the loss of more than ten percent of a potato's total weight, including peel
101.29 covering the defective area;

101.30 (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

- 103.1 that do not meet the maximum and minimum size specifications as Minnesota
103.2 blue-tag-certified seed potatoes if the buyer agrees to accept potatoes of alternate size
103.3 specifications from the grower and the specifications are listed on the affixed tag or
103.4 accompanying bulk certificate issued by the department.
- 103.5 (b) To allow for variations incident to proper grading and handling, the following lot
103.6 tolerances are permitted:
- 103.7 (1) for defects:
- 103.8 (i) up to ten percent of a lot may be seriously damaged by hollow heart, unless labeled
103.9 "hollow heart exempt" on the affixed tag or accompanying certificate;
- 103.10 (ii) up to five percent of a lot may be seriously damaged by internal discoloration due
103.11 to causes other than hollow heart;
- 103.12 (iii) up to ten percent of a lot may be damaged by soil or other foreign matter;
- 103.13 (iv) up to 20 percent of a lot may be damaged by sprouts;
- 103.14 (v) up to ten percent of a lot may be seriously damaged by wireworm;
- 103.15 (vi) for potatoes that fail to meet the remaining requirements of the potatoes' grade, a
103.16 lot may contain up to a total of six percent of the following defects combined and must not
103.17 contain more than the following percentage of defects:
- 103.18 (A) soft rot, frozen, or wet breakdown, 0.5 percent;
- 103.19 (B) damage by surface scab, powdery scab, or pitted scab, 2.0 percent;
- 103.20 (C) damage by dry rot, 2.0 percent, of which not more than 1.0 percent is late blight
103.21 tuber rot;
- 103.22 (D) bacterial ring rot, 0.0 percent; and
- 103.23 (E) late blight tuber rot, 1.0 percent; and
- 103.24 (vii) the presence of the following does not affect seed quality and must not be scored
103.25 against the potatoes' grade:
- 103.26 (A) brown discoloration following skinning;
- 103.27 (B) dried stems;
- 103.28 (C) flattened or depressed areas showing no underlying flesh discoloration;
- 103.29 (D) greening;
- 103.30 (E) sunburn;

104.1 (F) skin checks; and

104.2 (G) silver scurf; and

104.3 (2) for off size:

104.4 (i) up to five percent of potatoes may fail to meet the required or specified minimum
104.5 size; and

104.6 (ii) up to ten percent of potatoes may fail to meet the required maximum size.

104.7 Subd. 8. **Minnesota yellow-tag-certified seed potato grade.** (a) To be graded as
104.8 Minnesota yellow-tag-certified seed potatoes, potatoes must meet the following requirements:

104.9 (1) at the time of the shipping point inspection, the potatoes must be of one variety;
104.10 unwashed; fairly well-shaped; free from bacterial ring rot, late blight, freezing, black heart,
104.11 and soft rot or wet breakdown; free from damage caused by second growth, air cracks, cuts,
104.12 shriveling, pitted scabs, surface scabs, powdery scabs, dry rot, other diseases, insects or
104.13 worms, or mechanical means or other means; and free from serious damage caused by soil
104.14 or other foreign matter, hollow heart, wireworm, growth cracks, russet scabs, or internal
104.15 discoloration other than hollow heart. Sunburn and silver scurf must not be considered
104.16 factors that affect the grading of potatoes. This clause does not apply to hollow heart if
104.17 labeled "hollow heart exempt" on the affixed tag or accompanying certificate; and

104.18 (2) for all varieties, the maximum potato size is 14 ounces (396.9 grams) and the
104.19 minimum size is 1-1/2 inch (38.1 millimeter) in diameter. For all varieties, the minimum
104.20 diameter for size "B" must not be less than 1-1/2 inches (38.1 millimeters) and the maximum
104.21 diameter must not be more than 2-1/4 inches (57.1 millimeters). The department may grade
104.22 potatoes that do not meet the maximum and minimum size specifications as Minnesota
104.23 yellow-tag-certified seed potatoes if the buyer agrees to accept potatoes with alternate size
104.24 specifications from the grower and the size specifications are listed on the affixed tag or
104.25 accompanying bulk certificate issued by the department.

104.26 (b) To allow for variations incident to proper grading and handling, the following lot
104.27 tolerances are permitted:

104.28 (1) for defects:

104.29 (i) up to 20 percent of potatoes may be seriously damaged by hollow heart, unless labeled
104.30 "hollow heart exempt" on the affixed tag or accompanying certificate;

104.31 (ii) up to five percent of potatoes may be seriously damaged by internal discoloration
104.32 due to a cause other than hollow heart;

- 105.1 (iii) up to ten percent of potatoes may be seriously damaged by soil or other foreign
105.2 matter;
- 105.3 (iv) up to ten percent of potatoes may be seriously damaged by wireworm;
- 105.4 (v) up to 20 percent of a lot may have defects if the potatoes fail to meet the remaining
105.5 requirements of the grade. Of the 20 percent of defects allowed, a lot may contain a total
105.6 of six percent of the following defects combined and must not contain more than the
105.7 following percentage of defects:
- 105.8 (A) soft rot, frozen, or wet breakdown, 0.5 percent;
- 105.9 (B) damage by surface scab, powdery scab, or pitted scab, 5.0 percent;
- 105.10 (C) damage by dry rot, 2.0 percent, of which not more than 1.0 percent is late blight
105.11 tuber rot;
- 105.12 (D) bacterial ring rot, 0.0 percent; and
- 105.13 (E) late blight tuber rot, 1.0 percent; and
- 105.14 (vi) the presence of the following does not affect seed quality and must not be scored
105.15 against the grade:
- 105.16 (A) brown discoloration following skinning;
- 105.17 (B) dried stems;
- 105.18 (C) flattened or depressed areas showing no underlying flesh discoloration;
- 105.19 (D) greening;
- 105.20 (E) sunburn;
- 105.21 (F) skin checks;
- 105.22 (G) silver scurf; and
- 105.23 (H) sprouts; and
- 105.24 (2) for off size:
- 105.25 (i) five percent for potatoes that fail to meet the required or specified minimum size;
105.26 and
- 105.27 (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.

107.1 Under this permit category, the fees for the following kinds of agricultural seed sold either
107.2 in bulk or containers are:

107.3 (1) oats, wheat, and barley, 9 cents per hundredweight;

107.4 (2) rye, field beans, buckwheat, and flax, 12 cents per hundredweight;

107.5 (3) field corn, 17 cents per 80,000 seed unit;

107.6 (4) forage, hemp, lawn and turf grasses, and legumes, 69 cents per hundredweight;

107.7 (5) sunflower, \$1.96 per hundredweight;

107.8 (6) sugar beet, 12 cents per 100,000 seed unit;

107.9 (7) soybeans, 7.5 cents per 140,000 seed unit;

107.10 (8) for any agricultural seed not listed in clauses (1) to (7), the fee for the crop most
107.11 closely resembling it in normal planting rate applies; and

107.12 (9) for native grasses and wildflower seed, \$1 per hundredweight.

107.13 (e) If, for reasons beyond the control and knowledge of the labeler, seed is shipped into
107.14 Minnesota by a person other than the labeler, the responsibility for the seed fees are
107.15 transferred to the shipper. An application for a transfer of this responsibility must be made
107.16 to the commissioner. Upon approval by the commissioner of the transfer, the shipper is
107.17 responsible for payment of the seed permit fees.

107.18 (f) Seed permit fees may be included in the cost of the seed either as a hidden cost or as
107.19 a line item cost on each invoice for seed sold. To identify the fee on an invoice, the words
107.20 "Minnesota seed permit fees" must be used.

107.21 (g) All seed fee permit holders must file semiannual reports with the commissioner,
107.22 even if no seed was sold during the reporting period. Each semiannual report must be
107.23 submitted within 30 days of the end of each reporting period. The reporting periods ~~are~~
107.24 ~~October 1 to March 31 and April 1 to September 30 of each year or July 1 to December 31~~
107.25 ~~and January 1 to June 30 of each year~~ must be determined by the commissioner and
107.26 communicated annually to permit holders. Permit holders may change their reporting periods
107.27 with the approval of the commissioner.

107.28 (h) The holder of a seed fee permit must pay fees on all seed for which the permit holder
107.29 is the labeler and which are covered by sections 21.80 to 21.92 and sold during the reporting
107.30 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

110.1 (3) a license for a food handler operating only at the State Fair must be issued for the
110.2 period of July 1 to June 30 and must be renewed thereafter by the licensee on or before July
110.3 1 of each year.

110.4 (d) A penalty for late renewal under paragraph (b) must be assessed in accordance with
110.5 section 28A.08.

110.6 ~~(e)~~ (e) A custom exempt food handler license shall be issued for the period July 1 to
110.7 June 30 ~~following and shall~~ must be renewed thereafter by the licensee on or before July 1
110.8 each year. The custom exempt food handler license is for businesses that only conduct
110.9 custom exempt operations and mark all products as "Not For Sale." Food handlers that
110.10 conduct retail exempt operations or other operations other than custom exempt processing
110.11 or slaughter are not eligible for this license.

110.12 ~~(d) A license for a food broker or for a food processor or manufacturer shall be issued~~
110.13 ~~for the period January 1 to December 31 following and shall be renewed thereafter by the~~
110.14 ~~licensee on or before January 1 of each year, except that a license for a wholesale food~~
110.15 ~~processor or manufacturer operating only at the state fair shall be issued for the period July~~
110.16 ~~1 to June 30 following and shall be renewed thereafter by the licensee on or before July 1~~
110.17 ~~of each year. A penalty for a late renewal shall be assessed in accordance with section~~
110.18 ~~28A.08.~~

110.19 ~~(e)~~ (f) On a quarterly basis during the licensing period, the commissioner must prorate
110.20 the fee for an initial license issued under this chapter, except that a person applying for a
110.21 new license up to 14 calendar days before the effective date of the new license period under
110.22 paragraph (b) must be issued a license for the 14 days and the next license year as a single
110.23 license and pay a single license fee as if the 14 days were part of the upcoming license
110.24 period.

110.25 Subd. 2. **Custom processing or Minnesota Meat and Poultry Inspection Act permit.** In
110.26 addition to the license requirements set forth in subdivision 1, every custom exempt processor
110.27 or establishment operating under the Minnesota Meat and Poultry Inspection Act as defined
110.28 in section 31A.31, shall obtain a custom processing permit or Minnesota Meat and Poultry
110.29 Grant of Inspection permit. Application for a permit shall be made on forms provided by
110.30 the commissioner. The commissioner shall cause the ~~eustom~~ processor's place of business
110.31 to be inspected and if the commissioner finds that the applicant's place of business complies
110.32 with state standards relating to meat processing plants, a ~~eustom processing~~ permit under
110.33 this subdivision shall be issued to the applicant. ~~No~~ An additional fee ~~shall~~ of up to \$500
110.34 may be charged for a eustom processing permit under this subdivision.

111.1 Sec. 5. Minnesota Statutes 2024, section 28A.05, is amended to read:

111.2 **28A.05 CLASSIFICATION FOOD HANDLER CLASSES.**

111.3 All persons required to have a license under section 28A.04 shall be classified into one
111.4 of the following classes of food handlers, according to their principal mode of business.

111.5 (a) ~~Retail~~ Food handlers are persons who:

111.6 (1) sell or process and sell food directly to the ultimate consumer or who custom process
111.7 meat or poultry. The term includes a person who sells food directly to the ultimate consumer
111.8 through the use of vending machines, and a person who sells food for consumption on site
111.9 or off site if the sale is conducted on the premises that are part of a grocery or convenience
111.10 store operation;

111.11 ~~(b) Wholesale food handlers are persons who~~ (2) sell to others other business entities or
111.12 establishments for resale, including a person who handles food in job lots (jobbers) is
111.13 ~~included in this classification; or~~

111.14 ~~(c) Wholesale food processors or manufacturers are persons who~~ (3) process or
111.15 manufacture raw materials and other food ingredients into food items, or who reprocess
111.16 food items, or who package food for sale to others other business entities or establishments
111.17 for resale, or who commercially slaughter animals or poultry. Included herein are persons
111.18 who can, extract, ferment, distill, pickle, bake, freeze, dry, smoke, grind, mix, stuff, pack,
111.19 bottle, recondition, or otherwise treat or preserve food for sale to others other business
111.20 entities or establishments for resale, cold storage warehouse operators as defined in section
111.21 28.01, subdivision 3, salvage food processors as defined in section 31.495, subdivision 1,
111.22 and dairy plants as defined in section 32D.01, subdivision 6.

111.23 ~~(d)~~ (b) Custom exempt food handlers are persons who only conduct custom exempt
111.24 processing as defined in section 31A.02, subdivision 5. A retail or wholesale transaction
111.25 may not take place in a facility operated by a person with a custom exempt food handler
111.26 license.

111.27 ~~(e) A food broker is a person who buys and sells food and who negotiates between a~~
111.28 ~~buyer and a seller of food, but who at no time has custody of the food being bought and~~
111.29 ~~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.

114.1 Subd. 3. Fees effective ~~July 1, 2003~~ August 1, 2025.

		Penalties			
	Type of food handler	<u>Risk</u> <u>Category</u>	License Fee Effective July 1, 2003	Late Renewal	No License
114.8	1. Retail food handler or Custom exempt food				
114.9	handler				
114.10	(a) Having gross sales of only prepackaged				
114.11	nonperishable food of less than \$15,000				
114.12	for the immediately previous license or				
114.13	fiscal year and filing a statement with the				
114.14	commissioner		<u>\$ 50</u>	<u>\$ 17</u>	<u>\$ 33</u>
114.15	(b) (a) Having under \$15,000 gross sales				
114.16	or service including food preparation or				
114.17	having \$15,000 to \$50,000 or less gross				
114.18	sales or service for the immediately		<u>\$ 77</u>	<u>\$ 25</u>	<u>\$ 51</u>
114.19	previous license or fiscal year		<u>\$135</u>	<u>\$45</u>	<u>\$90</u>
114.20	(c) (b) Having \$50,001 to \$250,000				
114.21	\$125,000 gross sales or service for the		<u>\$155</u>	<u>\$ 51</u>	<u>\$102</u>
114.22	immediately previous license or fiscal year		<u>\$200</u>	<u>\$67</u>	<u>\$133</u>
114.23	(d) (c) Having \$250,001 \$125,001 to				
114.24	\$1,000,000 \$500,000 gross sales or service				
114.25	for the immediately previous license or		<u>\$276</u>	<u>\$ 91</u>	<u>\$182</u>
114.26	fiscal year		<u>\$370</u>	<u>\$123</u>	<u>\$247</u>
114.27	(e) (d) Having \$1,000,001 \$500,001 to				
114.28	\$5,000,000 \$1,000,000 gross sales or				
114.29	service for the immediately previous		<u>\$799</u>	<u>\$264</u>	<u>\$527</u>
114.30	license or fiscal year		<u>\$475</u>	<u>\$158</u>	<u>\$317</u>
114.31	(f) (e) Having \$5,000,001 \$1,000,001 to				
114.32	\$10,000,000 \$5,000,000 gross sales or				
114.33	service for the immediately previous		<u>\$1,162</u>	<u>\$383</u>	<u>\$767</u>
114.34	license or fiscal year		<u>\$1,350</u>	<u>\$450</u>	<u>\$900</u>
114.35	<u>(f) Having \$5,000,001 to \$10,000,000 gross</u>				
114.36	<u>sales or service for the immediately</u>				
114.37	<u>previous license or fiscal year</u>		<u>\$1,750</u>	<u>\$583</u>	<u>\$1,167</u>
114.38	(g) Having \$10,000,001 to \$15,000,000				
114.39	gross sales or service for the immediately		<u>\$1,376</u>	<u>\$454</u>	<u>\$908</u>
114.40	previous license or fiscal year		<u>\$2,150</u>	<u>\$717</u>	<u>\$1,433</u>
114.41	(h) Having \$15,000,001 to \$20,000,000				
114.42	gross sales or service for the immediately		<u>\$1,607</u>	<u>\$530</u>	<u>\$1,061</u>
114.43	previous license or fiscal year		<u>\$2,550</u>	<u>\$849</u>	<u>\$1,700</u>
114.44	(i) Having \$20,000,001 to \$25,000,000				
114.45	gross sales or service for the immediately		<u>\$1,847</u>	<u>\$610</u>	<u>\$1,219</u>
114.46	previous license or fiscal year		<u>\$2,950</u>	<u>\$984</u>	<u>\$1,967</u>
114.47	(j) Having over \$25,000,001 gross sales or				
114.48	service for the immediately previous		<u>\$2,001</u>	<u>\$660</u>	<u>\$1,321</u>
114.49	license or fiscal year		<u>\$3,350</u>	<u>\$1,117</u>	<u>\$2,233</u>

115.1	2. Wholesale Food handler			
115.2	(a) Having gross sales of only prepackaged			
115.3	<u>nonperishable food of less than \$30,000</u>			
115.4	<u>for the immediately previous license or</u>			
115.5	<u>fiscal year and filing a statement with the</u>			
115.6	<u>commissioner</u>		<u>\$90</u>	<u>\$30</u> <u>\$60</u>
115.7			<u>\$ 57</u>	<u>\$ 19</u> <u>\$ 38</u>
115.8	(a) (b) Having gross sales or service of less	<u>High</u>	<u>\$285</u>	<u>\$95</u> <u>\$190</u>
115.9	than \$25,000 \$50,000 for the immediately	<u>Medium</u>	<u>\$195</u>	<u>\$65</u> <u>\$130</u>
115.10	previous license or fiscal year	<u>Low</u>	<u>\$135</u>	<u>\$45</u> <u>\$90</u>
115.11	(b) (c) Having \$25,001 <u>\$50,001</u> to		<u>\$284</u>	<u>\$ 94</u> <u>\$187</u>
115.12	<u>\$250,000</u> <u>\$125,000</u> gross sales or service	<u>High</u>	<u>\$350</u>	<u>\$117</u> <u>\$233</u>
115.13	for the immediately previous license or	<u>Medium</u>	<u>\$260</u>	<u>\$87</u> <u>\$173</u>
115.14	fiscal year	<u>Low</u>	<u>\$200</u>	<u>\$67</u> <u>\$133</u>
115.15	(e) (d) Having \$250,001 <u>\$125,001</u> to			
115.16	<u>\$1,000,000</u> <u>\$250,000</u> gross sales or service		<u>\$444</u>	<u>\$147</u> <u>\$293</u>
115.17	from a mobile unit without a separate food	<u>High</u>	<u>\$415</u>	<u>\$138</u> <u>\$277</u>
115.18	facility for the immediately previous	<u>Medium</u>	<u>\$350</u>	<u>\$117</u> <u>\$233</u>
115.19	license or fiscal year	<u>Low</u>	<u>\$265</u>	<u>\$ 88</u> <u>\$177</u>
115.20	(d) (e) Having <u>\$250,001</u> to \$1,000,000		<u>\$590</u>	<u>\$195</u> <u>\$389</u>
115.21	<u>\$500,000</u> gross sales or service not covered	<u>High</u>	<u>\$520</u>	<u>\$173</u> <u>\$347</u>
115.22	under paragraph (e) for the immediately	<u>Medium</u>	<u>\$430</u>	<u>\$143</u> <u>\$287</u>
115.23	previous license or fiscal year	<u>Low</u>	<u>\$370</u>	<u>\$123</u> <u>\$247</u>
115.24	(e) (f) Having \$1,000,001 <u>\$500,001</u> to		<u>\$769</u>	<u>\$254</u> <u>\$508</u>
115.25	<u>\$5,000,000</u> <u>\$1,000,000</u> gross sales or	<u>High</u>	<u>\$625</u>	<u>\$208</u> <u>\$417</u>
115.26	service for the immediately previous	<u>Medium</u>	<u>\$535</u>	<u>\$178</u> <u>\$357</u>
115.27	license or fiscal year	<u>Low</u>	<u>\$475</u>	<u>\$158</u> <u>\$317</u>
115.28	(f) (g) Having \$5,000,001 <u>\$1,000,001</u> to		<u>\$920</u>	<u>\$304</u> <u>\$607</u>
115.29	<u>\$10,000,000</u> <u>\$5,000,000</u> gross sales or	<u>High</u>	<u>\$1,500</u>	<u>\$500</u> <u>\$1,000</u>
115.30	service for the immediately previous	<u>Medium</u>	<u>\$1,425</u>	<u>\$475</u> <u>\$950</u>
115.31	license or fiscal year	<u>Low</u>	<u>\$1,350</u>	<u>\$450</u> <u>\$900</u>
115.32	(h) Having <u>\$5,000,001</u> to <u>\$10,000,000</u>	<u>High</u>	<u>\$1,900</u>	<u>\$633</u> <u>\$1,267</u>
115.33	<u>gross sales or service for the immediately</u>	<u>Medium</u>	<u>\$1,825</u>	<u>\$608</u> <u>\$1,217</u>
115.34	<u>previous license or fiscal year</u>	<u>Low</u>	<u>\$1,750</u>	<u>\$583</u> <u>\$1,167</u>
115.35			<u>\$990</u>	<u>\$327</u> <u>\$653</u>
115.36	(g) (i) Having <u>\$10,000,001</u> to <u>\$15,000,000</u>	<u>High</u>	<u>\$2,300</u>	<u>\$767</u> <u>\$1,533</u>
115.37	gross sales or service for the immediately	<u>Medium</u>	<u>\$2,225</u>	<u>\$742</u> <u>\$1,483</u>
115.38	previous license or fiscal year	<u>Low</u>	<u>\$2,150</u>	<u>\$717</u> <u>\$1,433</u>
115.39			<u>\$1,156</u>	<u>\$381</u> <u>\$763</u>
115.40	(h) (j) Having <u>\$15,000,001</u> to <u>\$20,000,000</u>	<u>High</u>	<u>\$2,700</u>	<u>\$900</u> <u>\$1,800</u>
115.41	gross sales or service for the immediately	<u>Medium</u>	<u>\$2,625</u>	<u>\$875</u> <u>\$1,750</u>
115.42	previous license or fiscal year	<u>Low</u>	<u>\$2,550</u>	<u>\$849</u> <u>\$1,700</u>
115.43			<u>\$1,329</u>	<u>\$439</u> <u>\$877</u>
115.44	(i) (k) Having <u>\$20,000,001</u> to <u>\$25,000,000</u>	<u>High</u>	<u>\$3,100</u>	<u>\$1,033</u> <u>\$2,067</u>
115.45	gross sales or service for the immediately	<u>Medium</u>	<u>\$3,025</u>	<u>\$1,008</u> <u>\$2,017</u>
115.46	previous license or fiscal year	<u>Low</u>	<u>\$2,950</u>	<u>\$984</u> <u>\$1,967</u>
115.47			<u>\$1,502</u>	<u>\$496</u> <u>\$994</u>
115.48	(j) (l) Having over <u>\$25,000,001</u> or more to	<u>High</u>	<u>\$3,500</u>	<u>\$1,167</u> <u>\$2,333</u>
115.49	<u>\$50,000,000</u> gross sales or service for the	<u>Medium</u>	<u>\$3,425</u>	<u>\$1,142</u> <u>\$2,283</u>
115.50	immediately previous license or fiscal year	<u>Low</u>	<u>\$3,350</u>	<u>\$1,117</u> <u>\$2,233</u>

116.1	(m) Having \$50,000,001 to \$100,000,000	High	\$4,000	\$1,334	\$2,667
116.2	<u>gross sales or service for the immediately</u>	Medium	\$3,925	\$1,309	\$2,617
116.3	<u>previous license or fiscal year</u>	Low	\$3,850	\$1,284	\$2,567
116.4	(n) Having \$100,000,001 or more gross	High	\$4,500	\$1,500	\$3,000
116.5	<u>sales or service for the immediately</u>	Medium	\$4,425	\$1,475	\$2,950
116.6	<u>previous license or fiscal year</u>	Low	\$4,350	\$1,450	\$2,900
116.7	3. Food broker Food handler operating under				
116.8	<u>authority of this chapter solely as a special</u>				
116.9	<u>event food stand as defined in Minnesota</u>		\$150	\$50	\$99
116.10	<u>Statutes, section 157.15</u>		\$75	\$25	\$50
116.11	4. Wholesale food processor or manufacturer				
116.12	(a) Having gross sales or service of less				
116.13	than \$125,000 for the immediately previous				
116.14	license or fiscal year		\$169	\$56	\$112
116.15	(b) Having \$125,001 to \$250,000 gross				
116.16	sales or service for the immediately				
116.17	previous license or fiscal year		\$392	\$129	\$259
116.18	(c) Having \$250,001 to \$1,000,000 gross				
116.19	sales or service for the immediately				
116.20	previous license or fiscal year		\$590	\$195	\$389
116.21	(d) Having \$1,000,001 to \$5,000,000 gross				
116.22	sales or service for the immediately				
116.23	previous license or fiscal year		\$769	\$254	\$508
116.24	(e) Having \$5,000,001 to \$10,000,000				
116.25	gross sales or service for the immediately				
116.26	previous license or fiscal year		\$920	\$304	\$607
116.27	(f) Having \$10,000,001 to \$15,000,000				
116.28	gross sales or service for the immediately				
116.29	previous license or fiscal year		\$1,377	\$454	\$909
116.30	(g) Having \$15,000,001 to \$20,000,000				
116.31	gross sales or service for the immediately				
116.32	previous license or fiscal year		\$1,608	\$531	\$1,061
116.33	(h) Having \$20,000,001 to \$25,000,000				
116.34	gross sales or service for the immediately				
116.35	previous license or fiscal year		\$1,849	\$610	\$1,220
116.36	(i) Having \$25,000,001 to \$50,000,000				
116.37	gross sales or service for the immediately				
116.38	previous license or fiscal year		\$2,090	\$690	\$1,379
116.39	(j) Having \$50,000,001 to \$100,000,000				
116.40	gross sales or service for the immediately				
116.41	previous license or fiscal year		\$2,330	\$769	\$1,538
116.42	(k) Having \$100,000,000 or more gross				
116.43	sales or service for the immediately				
116.44	previous license or fiscal year		\$2,571	\$848	\$1,697
116.45	5. Wholesale food processor of Meat or				
116.46	poultry products <u>processing solely under</u>				
116.47	<u>supervision of the U.S. Department of</u>				
116.48	<u>Agriculture</u>				

117.1	(a) Having gross sales or service of less			
117.2	than \$125,000 for the immediately previous	\$112	\$37	\$74
117.3	license or fiscal year	<u>\$190</u>	<u>\$63</u>	<u>\$127</u>
117.4	(b) Having \$125,001 to \$250,000 gross			
117.5	sales or service for the immediately	\$214	\$71	\$141
117.6	previous license or fiscal year	<u>\$365</u>	<u>\$122</u>	<u>\$243</u>
117.7	(c) Having \$250,001 to \$1,000,000			
117.8	<u>\$500,000</u> gross sales or service for the	\$333	\$110	\$220
117.9	immediately previous license or fiscal year	<u>\$450</u>	<u>\$150</u>	<u>\$300</u>
117.10	(d) Having \$500,001 to \$1,000,000 gross			
117.11	sales or service for the immediately			
117.12	<u>previous license or fiscal year</u>	<u>\$565</u>	<u>\$188</u>	<u>\$377</u>
117.13	(d) (e) Having \$1,000,001 to \$5,000,000			
117.14	gross sales or service for the immediately	\$425	\$140	\$281
117.15	previous license or fiscal year	<u>\$725</u>	<u>\$241</u>	<u>\$483</u>
117.16	(e) (f) Having \$5,000,001 to \$10,000,000			
117.17	gross sales or service for the immediately	\$521	\$172	\$344
117.18	previous license or fiscal year	<u>\$885</u>	<u>\$295</u>	<u>\$590</u>
117.19	(f) (g) Having \$10,000,001 to \$15,000,000			
117.20	gross sales or service for the immediately	\$765	\$252	\$505
117.21	previous license or fiscal year	<u>\$1,305</u>	<u>\$435</u>	<u>\$807</u>
117.22	(g) (h) Having \$15,000,001 to \$20,000,000			
117.23	gross sales or service for the immediately	\$893	\$295	\$589
117.24	previous license or fiscal year	<u>\$1,515</u>	<u>\$505</u>	<u>\$1,010</u>
117.25	(h) (i) Having \$20,000,001 to \$25,000,000			
117.26	gross sales or service for the immediately	\$1,027	\$339	\$678
117.27	previous license or fiscal year	<u>\$1,745</u>	<u>\$582</u>	<u>\$1,163</u>
117.28	(i) (j) Having \$25,000,001 to \$50,000,000			
117.29	gross sales or service for the immediately	\$1,161	\$383	\$766
117.30	previous license or fiscal year	<u>\$1,975</u>	<u>\$658</u>	<u>\$1,317</u>
117.31	(j) (k) Having \$50,000,001 to \$100,000,000			
117.32	gross sales or service for the immediately	\$1,295	\$427	\$855
117.33	previous license or fiscal year	<u>\$2,215</u>	<u>\$738</u>	<u>\$1,477</u>
117.34	(k) (l) Having \$100,000,001 or more gross			
117.35	sales or service for the immediately	\$1,428	\$471	\$942
117.36	previous license or fiscal year	<u>\$2,465</u>	<u>\$822</u>	<u>\$1,643</u>
117.37	6. Wholesale food processor or manufacturer			
117.38	operating only at the State Fair	\$125	\$40	\$50
117.39	7. Wholesale food manufacturer having the			
117.40	permission of the commissioner to use the			
117.41	name Minnesota Farmstead cheese	\$30	\$10	\$15
117.42	8. Wholesale food manufacturer processing			
117.43	less than 700,000 pounds per year of raw			
117.44	milk	\$30	\$10	\$15
117.45	9. A milk marketing organization without			
117.46	facilities for processing or manufacturing			
117.47	that purchases milk from milk producers			
117.48	for delivery to a licensed wholesale food			
117.49	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

119.1 current license fee or ~~\$300~~ \$500, whichever is greater. The establishment must be issued
119.2 written notice of violations with a reasonable date for compliance listed on the notice. An
119.3 initial inspection relating to a complaint is not a reinspection.

119.4 Sec. 12. Minnesota Statutes 2024, section 28A.14, is amended to read:

119.5 **28A.14 TRANSFER OF BUSINESS.**

119.6 (a) Except as provided in paragraph (b), a transfer of a business or a discontinuance of
119.7 its operation by the licensee at the address covered by the license voids the license and the
119.8 license certificate shall be surrendered to the commissioner immediately by anyone in
119.9 possession of the same.

119.10 (b) If a licensee discontinues operating at an additional location authorized under section
119.11 28A.06, the license is not void if the licensee has provided written notification to the
119.12 commissioner.

119.13 Sec. 13. Minnesota Statutes 2024, section 28A.151, subdivision 2, is amended to read:

119.14 Subd. 2. **Food sampling and demonstration.** (a) Food used in sampling and
119.15 demonstration must be obtained from sources that comply with Minnesota Food Law.

119.16 (b) Raw animal, raw poultry, and raw fish products must not be served as samples.

119.17 (c) Food product sampling or food product demonstrations, ~~including that contain~~ that contain cooked
119.18 animal, poultry, or fish products; must be prepared on site at the event.

119.19 (d) Animal or poultry products used for food product sampling or food product
119.20 demonstrations must ~~be~~ originate from animals slaughtered under continuous inspection,
119.21 either by the USDA or through Minnesota's "Equal-to" inspection program.

119.22 (e) The licensing provisions of sections 28A.01 to 28A.16 shall not apply to persons
119.23 engaged in food product sampling or food product demonstrations.

119.24 Sec. 14. Minnesota Statutes 2024, section 28A.152, subdivision 1, is amended to read:

119.25 Subdivision 1. **Licensing provisions applicability.** (a) Except as provided in paragraph
119.26 (d), the licensing provisions of sections 28A.01 to 28A.16 do not apply to the following:

119.27 (1) ~~an individual~~ a person who prepares and sells food that is not potentially hazardous
119.28 food, as defined in Minnesota Rules, part 4626.0020, subpart 62, if the following
119.29 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;

121.1 (2) directly from the ~~individual's~~ person's home to the ultimate consumer, to the extent
121.2 allowed by local ordinance; or

121.3 (3) through donation to a community event with the purpose of fundraising for an
121.4 individual, or fundraising for an educational, charitable, or religious organization.

121.5 (b) If An exempt food product ~~will~~ may be delivered to the ultimate consumer upon sale
121.6 of the food product; by the individual person who prepared the food product ~~must be the~~
121.7 ~~person who delivers the food product to the ultimate consumer, or by mail or commercial~~
121.8 delivery.

121.9 (c) Food products exempt under subdivision 1, paragraph (a), clause (2), may not be
121.10 sold outside of Minnesota.

121.11 (d) Food products exempt under subdivision 1 may be sold over the Internet ~~but must~~
121.12 ~~be delivered directly to the ultimate consumer by the individual who prepared the food~~
121.13 ~~product.~~ The statement "These products are homemade and not subject to state inspection."
121.14 must be displayed on the website that offers the exempt foods for purchase.

121.15 Sec. 16. Minnesota Statutes 2024, section 28A.152, subdivision 3, is amended to read:

121.16 Subd. 3. **Limitation on sales.** ~~An individual~~ A person selling exempt foods under this
121.17 section is limited to total sales with gross receipts of \$78,000 or less in a calendar year.

121.18 Sec. 17. Minnesota Statutes 2024, section 28A.152, subdivision 4, is amended to read:

121.19 Subd. 4. **Registration.** ~~An individual~~ A person who prepares and sells exempt food
121.20 under subdivision 1 must register annually with the commissioner. The commissioner shall
121.21 register ~~an individual~~ a person within 30 days of submitting a complete registration to the
121.22 commissioner. A registration shall be deemed accepted after 30 days following ~~an individual's~~
121.23 a person's complete registration to the commissioner. The annual registration fee is ~~\$50~~
121.24 \$30. ~~An individual with \$5,000 or less in annual gross receipts from the sale of exempt food~~
121.25 ~~under this section is not required to pay the registration fee. By January 1, 2022, the~~
121.26 ~~commissioner shall adjust the gross receipts amount of this fee exemption based on the~~
121.27 ~~consumer price index using 2002 as the index year for the \$5,000 gross receipts exemption.~~

121.28 Sec. 18. Minnesota Statutes 2024, section 28A.152, subdivision 5, is amended to read:

121.29 Subd. 5. **Training.** ~~(a) An individual~~ A person who sells exempt food under this section
121.30 and is required to pay the registration fee in subdivision 4 must complete a safe food handling
121.31 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 S2458-1

ARTICLE 1 APPROPRIATIONS..... Page.Ln 2.2

ARTICLE 2 BROADBAND..... Page.Ln 38.30

ARTICLE 3 POLICY PROVISIONS..... Page.Ln 39.14

LIVESTOCK MARKET AGENCY AND DEALER LICENSING

ARTICLE 4 PROVISIONS..... Page.Ln 73.17

ARTICLE 5 SEED POTATO PROVISIONS..... Page.Ln 79.1

ARTICLE 6 FOOD HANDLER LICENSING PROVISIONS..... Page.Ln 108.16

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
Mycoplasmas	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

Mycoplasmas: 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
Mycoplasmas	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

Mycoplasmas: 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);

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- (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

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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

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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.