

1.1 moves to amend H.F. No. 1437 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 AGRICULTURE APPROPRIATIONS

1.5 Section 1. AGRICULTURE APPROPRIATIONS

1.6 The sums shown in the columns marked "Appropriations" are appropriated to the
1.7 agencies and for the purposes specified in this article. The appropriations are from the
1.8 general fund, or another named fund, and are available for the fiscal years indicated
1.9 for each purpose. The figures "2016" and "2017" used in this article mean that the
1.10 appropriations listed under them are available for the fiscal year ending June 30, 2016, or
1.11 June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal
1.12 year 2017. "The biennium" is fiscal years 2016 and 2017.

1.13		<u>APPROPRIATIONS</u>	
1.14		<u>Available for the Year</u>	
1.15		<u>Ending June 30</u>	
1.16		<u>2016</u>	<u>2017</u>

1.17 Sec. 2. DEPARTMENT OF AGRICULTURE

1.18	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>37,717,000</u>	<u>\$</u>	<u>38,742,000</u>
------	---	------------------	--------------------------	------------------	--------------------------

1.19	<u>Appropriations by Fund</u>			
1.20		<u>2016</u>	<u>2017</u>	
1.21	<u>General</u>	<u>37,139,000</u>	<u>38,164,000</u>	
1.22	<u>Remediation</u>	<u>388,000</u>	<u>388,000</u>	
1.23	<u>Agricultural</u>	<u>190,000</u>	<u>190,000</u>	

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

2.1	<u>Subd. 2. Protection Services</u>	<u>16,402,000</u>	<u>16,427,000</u>
2.2	<u>Appropriations by Fund</u>		
2.3		<u>2016</u>	<u>2017</u>
2.4	<u>General</u>	<u>15,824,000</u>	<u>15,849,000</u>
2.5	<u>Agricultural</u>	<u>190,000</u>	<u>190,000</u>
2.6	<u>Remediation</u>	<u>388,000</u>	<u>388,000</u>
2.7	<u>\$25,000 the first year and \$25,000 the second</u>		
2.8	<u>year are to develop and maintain cottage</u>		
2.9	<u>food license exemption outreach and training</u>		
2.10	<u>materials.</u>		
2.11	<u>\$75,000 the second year is for a coordinator</u>		
2.12	<u>for the correctional facility vocational</u>		
2.13	<u>training pilot program.</u>		
2.14	<u>\$388,000 the first year and \$388,000 the</u>		
2.15	<u>second year are from the remediation fund</u>		
2.16	<u>for administrative funding for the voluntary</u>		
2.17	<u>cleanup program.</u>		
2.18	<u>\$225,000 the first year and \$175,000</u>		
2.19	<u>the second year are for compensation</u>		
2.20	<u>for destroyed or crippled animals under</u>		
2.21	<u>Minnesota Statutes, section 3.737. The first</u>		
2.22	<u>year appropriation is for claims submitted</u>		
2.23	<u>during fiscal year 2016 and for all claims</u>		
2.24	<u>submitted during fiscal year 2014 or 2015</u>		
2.25	<u>that were not paid by the commissioner due</u>		
2.26	<u>to a shortage of funding. If the amount in the</u>		
2.27	<u>first year is insufficient, the amount in the</u>		
2.28	<u>second year is available in the first year.</u>		
2.29	<u>\$125,000 the first year and \$125,000 the</u>		
2.30	<u>second year are for compensation for crop</u>		
2.31	<u>damage under Minnesota Statutes, section</u>		
2.32	<u>3.7371. If the amount in the first year is</u>		
2.33	<u>insufficient, the amount in the second year is</u>		
2.34	<u>available in the first year.</u>		

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

3.7 \$70,000 the first year and \$70,000 the second
3.8 year are for additional cannery inspections.

3.9 \$100,000 the first year and \$100,000 the
3.10 second year are for increased oversight of
3.11 delegated local health boards.

3.12 \$100,000 the first year and \$100,000 the
3.13 second year are to decrease the turnaround
3.14 time for retail food handler plan reviews.

3.15 \$1,024,000 the first year and \$1,024,000 the
3.16 second year are to streamline the retail food
3.17 safety regulatory and licensing experience
3.18 for regulated businesses and to decrease the
3.19 inspection delinquency rate.

3.20 \$1,350,000 the first year and \$1,350,000 the
3.21 second year are for additional inspections of
3.22 food manufacturers and wholesalers.

3.23 \$150,000 the first year and \$150,000 the
3.24 second year are additional funding for dairy
3.25 inspection services.

3.26 \$150,000 the first year and \$150,000 the
3.27 second year are additional funding for
3.28 laboratory services operations.

3.29 \$250,000 the first year and \$250,000
3.30 the second year are for additional meat
3.31 inspection services, including inspections
3.32 provided under the correctional facility
3.33 vocational training pilot program.

4.1 Notwithstanding Minnesota Statutes, section
 4.2 18B.05, \$90,000 the first year and \$90,000
 4.3 the second year are from the pesticide
 4.4 regulatory account in the agricultural fund
 4.5 for an increase in the operating budget for
 4.6 the Laboratory Services Division.

4.7 \$100,000 the first year and \$100,000 the
 4.8 second year are from the pesticide regulatory
 4.9 account in the agricultural fund to update
 4.10 and modify applicator education and training
 4.11 materials.

4.12 **Subd. 3. Agricultural Marketing and**
 4.13 **Development** 3,873,000 3,873,000

4.14 The commissioner must provide one-stop
 4.15 access for farmers in need of information or
 4.16 assistance to obtain or renew licenses, meet
 4.17 state regulatory requirements, or resolve
 4.18 disputes with state agencies.

4.19 \$186,000 the first year and \$186,000 the
 4.20 second year are for transfer to the Minnesota
 4.21 grown account and may be used as grants
 4.22 for Minnesota grown promotion under
 4.23 Minnesota Statutes, section 17.102. Grants
 4.24 may be made for one year. Notwithstanding
 4.25 Minnesota Statutes, section 16A.28, the
 4.26 appropriations encumbered under contract
 4.27 on or before June 30, 2017, for Minnesota
 4.28 grown grants in this paragraph are available
 4.29 until June 30, 2019.

4.30 \$634,000 the first year and \$634,000 the
 4.31 second year are for continuation of the dairy
 4.32 development and profitability enhancement
 4.33 and dairy business planning grant programs
 4.34 established under Laws 1997, chapter
 4.35 216, section 7, subdivision 2, and Laws

5.1 2001, First Special Session chapter 2,
 5.2 section 9, subdivision 2. The commissioner
 5.3 may allocate the available sums among
 5.4 permissible activities, including efforts to
 5.5 improve the quality of milk produced in the
 5.6 state, in the proportions that the commissioner
 5.7 deems most beneficial to Minnesota's dairy
 5.8 farmers. The commissioner must submit
 5.9 a detailed accomplishment report and
 5.10 a work plan detailing future plans for,
 5.11 and anticipated accomplishments from,
 5.12 expenditures under this program to the
 5.13 chairs and ranking minority members of the
 5.14 legislative committees with jurisdiction over
 5.15 agriculture policy and finance on or before
 5.16 the start of each fiscal year. If significant
 5.17 changes are made to the plans in the course
 5.18 of the year, the commissioner must notify the
 5.19 chairs and ranking minority members.

5.20 The commissioner may use funds
 5.21 appropriated in this subdivision for annual
 5.22 cost-share payments to resident farmers
 5.23 or entities that sell, process, or package
 5.24 agricultural products in this state for the costs
 5.25 of organic certification. The commissioner
 5.26 may allocate these funds for assistance for
 5.27 persons transitioning from conventional to
 5.28 organic agriculture.

5.29	<u>Subd. 4. Agriculture, Bioenergy, and</u>		
5.30	<u>Bioproduct Advancement</u>	<u>11,835,000</u>	<u>12,835,000</u>

5.31 \$5,000,000 the first year and \$5,000,000 the
 5.32 second year are for transfer to the agriculture
 5.33 research, education, extension, and
 5.34 technology transfer fund under Minnesota
 5.35 Statutes, section 41A.14, subdivision 3.
 5.36 The commissioner may use a portion of

6.1 the appropriation each year only for direct
6.2 expenses incurred by the commissioner to
6.3 provide administrative services and to act
6.4 as the fiscal agent for the board as required
6.5 under Minnesota Statutes, section 41A.14,
6.6 subdivision 1, paragraph (c). Of these
6.7 amounts, at least \$600,000 each year is for
6.8 agriculture rapid response under Minnesota
6.9 Statutes, section 41A.14, subdivision 2,
6.10 clause (2).

6.11 Of the amounts designated for rapid response
6.12 in the prior paragraph, on June 1 each fiscal
6.13 year any unencumbered money is transferred
6.14 to the commissioner of agriculture for
6.15 compensation for destroyed or crippled
6.16 animals under Minnesota Statutes, section
6.17 3.737;

6.18 To the extent practicable, funds expended
6.19 under Minnesota Statutes, section 41A.14,
6.20 subdivision 2, clauses (1) and (2), must
6.21 supplement and not supplant existing sources
6.22 and levels of funding. The board may award
6.23 grants to the University of Minnesota to
6.24 support the Forever Green Initiative.

6.25 \$500,000 in fiscal year 2016 and \$1,500,000
6.26 in fiscal year 2017 are for incentive payments
6.27 under Minnesota Statutes, sections 41A.16,
6.28 41A.17, and 41A.18. If the appropriation
6.29 exceeds the total amount for which all
6.30 producers are eligible in a fiscal year, the
6.31 balance of the appropriation is available
6.32 to the commissioner for the agricultural
6.33 growth, research, and innovation program
6.34 under Minnesota Statutes, section 41A.12.
6.35 These appropriations do not cancel and are

7.1 available until spent. The commissioner may
7.2 use up to 4.5 percent of the appropriation
7.3 for administration of the incentive payment
7.4 programs.

7.5 \$6,335,000 the first year and \$6,335,000
7.6 the second year are for the agricultural
7.7 growth, research, and innovation program
7.8 in Minnesota Statutes, section 41A.12. No
7.9 later than February 1, 2016, and February
7.10 1, 2017, the commissioner must report to
7.11 the legislative committees with jurisdiction
7.12 over agriculture policy and finance regarding
7.13 the commissioner's accomplishments
7.14 and anticipated accomplishments in
7.15 the following areas: facilitating the
7.16 start-up, modernization, or expansion of
7.17 livestock operations including beginning
7.18 and transitioning livestock operations;
7.19 developing new markets for Minnesota
7.20 farmers by providing more fruits, vegetables,
7.21 meat, grain, and dairy for Minnesota school
7.22 children; assisting value-added agricultural
7.23 businesses to begin or expand, access new
7.24 markets, or diversify products; facilitating
7.25 the start-up, modernization, or expansion
7.26 of other beginning and transitioning
7.27 farms; sustainable agriculture on farm
7.28 research and demonstration; development or
7.29 expansion of food hubs and other alternative
7.30 community-based food distribution systems;
7.31 and research on bioenergy, biobased content,
7.32 or biobased formulated products and other
7.33 renewable energy development. The
7.34 commissioner may use up to 4.5 percent
7.35 of this appropriation for costs incurred to
7.36 administer the program. Any unencumbered

8.1 balance does not cancel at the end of the first
8.2 year and is available for the second year.
8.3 Notwithstanding Minnesota Statutes, section
8.4 16A.28, the appropriations encumbered
8.5 under contract on or before June 30, 2017, for
8.6 agricultural growth, research, and innovation
8.7 grants are available until June 30, 2019.

8.8 The commissioner may use funds
8.9 appropriated for the agricultural growth,
8.10 research, and innovation program as provided
8.11 in this paragraph. The commissioner may
8.12 award grants to owners of Minnesota
8.13 facilities producing bioenergy, biobased
8.14 content, or a biobased formulated product;
8.15 to organizations that provide for on-station,
8.16 on-farm field scale research and outreach to
8.17 develop and test the agronomic and economic
8.18 requirements of diverse strands of prairie
8.19 plants and other perennials for bioenergy
8.20 systems; or to certain nongovernmental
8.21 entities. For the purposes of this paragraph,
8.22 "bioenergy" includes transportation fuels
8.23 derived from cellulosic material, as well as
8.24 the generation of energy for commercial heat,
8.25 industrial process heat, or electrical power
8.26 from cellulosic materials via gasification or
8.27 other processes. Grants are limited to 50
8.28 percent of the cost of research, technical
8.29 assistance, or equipment related to bioenergy,
8.30 biobased content, or biobased formulated
8.31 product production or \$500,000, whichever
8.32 is less. Grants to nongovernmental entities
8.33 for the development of business plans and
8.34 structures related to community ownership
8.35 of eligible bioenergy facilities together may
8.36 not exceed \$150,000. The commissioner

9.1 shall make a good-faith effort to select
9.2 projects that have merit and, when taken
9.3 together, represent a variety of bioenergy
9.4 technologies, biomass feedstocks, and
9.5 geographic regions of the state. Projects
9.6 must have a qualified engineer provide
9.7 certification on the technology and fuel
9.8 source. Grantees must provide reports at the
9.9 request of the commissioner.

9.10 Of the amount appropriated for the
9.11 agricultural growth, research, and innovation
9.12 program in this subdivision, \$1,000,000 the
9.13 first year and \$1,000,000 the second year
9.14 are for distribution in equal amounts to each
9.15 of the state's county fairs to preserve and
9.16 promote Minnesota agriculture.

9.17 Of the amount appropriated for the
9.18 agricultural growth, research, and innovation
9.19 program in this subdivision, \$250,000 the
9.20 first year and \$250,000 the second year
9.21 are for grants that enable retail petroleum
9.22 dispensers to dispense biofuels to the public
9.23 in accordance with the biofuel replacement
9.24 goals established under Minnesota Statutes,
9.25 section 239.7911. A retail petroleum
9.26 dispenser selling petroleum for use in spark
9.27 ignition engines for vehicle model years after
9.28 2000 is eligible for grant money under this
9.29 paragraph if the retail petroleum dispenser
9.30 has no more than 15 retail petroleum
9.31 dispensing sites and each site is located
9.32 in Minnesota. The grant money received
9.33 under this paragraph must be used for the
9.34 installation of appropriate technology that
9.35 uses fuel dispensing equipment appropriate
9.36 for at least one fuel dispensing site to

10.1 dispense gasoline that is blended with 15
10.2 percent of agriculturally derived, denatured
10.3 ethanol, by volume, and appropriate technical
10.4 assistance related to the installation. A grant
10.5 award must not exceed 85 percent of the cost
10.6 of the technical assistance and appropriate
10.7 technology, including remetering of and
10.8 retrofits for retail petroleum dispensers and
10.9 replacement of petroleum dispenser projects.
10.10 The commissioner may use up to \$35,000
10.11 of this appropriation for administration
10.12 expenses. The commissioner shall cooperate
10.13 with the Minnesota Biofuels Association in
10.14 the implementation of the grant program. The
10.15 commissioner must report to the legislative
10.16 committees with jurisdiction over agriculture
10.17 policy and finance by February 1 each year,
10.18 detailing the number of grants awarded under
10.19 this paragraph and the projected effect of
10.20 the grant program on meeting the biofuel
10.21 replacement goals under Minnesota Statutes,
10.22 section 239.7911.

10.23 Of the amount appropriated for the
10.24 agricultural growth, research, and innovation
10.25 program in this subdivision, \$25,000 the first
10.26 year is for the livestock industry study.

10.27 Of the amount appropriated for the
10.28 agricultural growth, research, and innovation
10.29 program in this subdivision, \$50,000 the first
10.30 year is for the imported bait fish feasibility
10.31 study.

10.32 Of the amount appropriated for the
10.33 agricultural growth, research, and innovation
10.34 program in this subdivision, \$25,000 the first
10.35 year and \$25,000 the second year are for

- 11.1 grants to the Southern Minnesota Initiative
- 11.2 Foundation to promote local foods through an
- 11.3 annual event that raises public awareness of
- 11.4 local foods and connects local food producers
- 11.5 and processors with potential buyers.
- 11.6 **Subd. 5. Administration and Financial**
- 11.7 **Assistance** 5,607,000 5,607,000
- 11.8 \$75,000 the first year and \$75,000 the second
- 11.9 year are for grants to the Center for Rural
- 11.10 Policy and Development.
- 11.11 The base for the farm to foodshelf program
- 11.12 in fiscal years 2018 and 2019 is \$1,100,000
- 11.13 each year.
- 11.14 \$47,000 the first year and \$47,000 the second
- 11.15 year are for the Northern Crops Institute.
- 11.16 These appropriations may be spent to
- 11.17 purchase equipment.
- 11.18 \$18,000 the first year and \$18,000 the
- 11.19 second year are for grants to the Minnesota
- 11.20 Livestock Breeders Association.
- 11.21 \$235,000 the first year and \$235,000 the
- 11.22 second year are for grants to the Minnesota
- 11.23 Agricultural Education and Leadership
- 11.24 Council for programs of the council under
- 11.25 Minnesota Statutes, chapter 41D.
- 11.26 \$474,000 the first year and \$474,000 the
- 11.27 second year are for payments to county and
- 11.28 district agricultural societies and associations
- 11.29 under Minnesota Statutes, section 38.02,
- 11.30 subdivision 1. Aid payments to county and
- 11.31 district agricultural societies and associations
- 11.32 shall be disbursed no later than July 15 of
- 11.33 each year. These payments are the amount of

- 12.1 aid from the state for an annual fair held in
12.2 the previous calendar year.
- 12.3 \$1,000 the first year and \$1,000 the second
12.4 year are for grants to the Minnesota State
12.5 Poultry Association.
- 12.6 \$108,000 the first year and \$108,000 the
12.7 second year are for annual grants to the
12.8 Minnesota Turf Seed Council for basic
12.9 and applied research on: (1) the improved
12.10 production of forage and turf seed related to
12.11 new and improved varieties; and (2) native
12.12 plants, including plant breeding, nutrient
12.13 management, pest management, disease
12.14 management, yield, and viability. The grant
12.15 recipient may subcontract with a qualified
12.16 third party for some or all of the basic or
12.17 applied research.
- 12.18 \$550,000 the first year and \$550,000 the
12.19 second year are for grants to Second Harvest
12.20 Heartland on behalf of Minnesota's six
12.21 Second Harvest food banks for the purchase
12.22 of milk for distribution to Minnesota's food
12.23 shelves and other charitable organizations
12.24 that are eligible to receive food from the food
12.25 banks. Milk purchased under the grants must
12.26 be acquired from Minnesota milk processors
12.27 and based on low-cost bids. The milk must be
12.28 allocated to each Second Harvest food bank
12.29 serving Minnesota according to the formula
12.30 used in the distribution of United States
12.31 Department of Agriculture commodities
12.32 under The Emergency Food Assistance
12.33 Program (TEFAP). Second Harvest
12.34 Heartland must submit quarterly reports
12.35 to the commissioner on forms prescribed

13.1 by the commissioner. The reports must
 13.2 include, but are not limited to, information
 13.3 on the expenditure of funds, the amount
 13.4 of milk purchased, and the organizations
 13.5 to which the milk was distributed. Second
 13.6 Harvest Heartland may enter into contracts
 13.7 or agreements with food banks for shared
 13.8 funding or reimbursement of the direct
 13.9 purchase of milk. Each food bank receiving
 13.10 money from this appropriation may use up to
 13.11 two percent of the grant for administrative
 13.12 expenses.

13.13 \$94,000 the first year and \$94,000 the
 13.14 second year are for transfer to the Board of
 13.15 Trustees of the Minnesota State Colleges
 13.16 and Universities for statewide mental health
 13.17 counseling support to farm families and
 13.18 business operators. South Central College
 13.19 shall serve as the fiscal agent.

13.20 \$17,000 the first year and \$17,000 the
 13.21 second year are for grants to the Minnesota
 13.22 Horticultural Society.

13.23 Sec. 3. **BOARD OF ANIMAL HEALTH** \$ **5,263,000** \$ **5,272,000**

13.24 Sec. 4. **AGRICULTURAL UTILIZATION**
 13.25 **RESEARCH INSTITUTE** \$ **2,643,000** \$ **2,643,000**

13.26 **ARTICLE 2**

13.27 **AGRICULTURE POLICY**

13.28 Section 1. Minnesota Statutes 2014, section 13.643, subdivision 1, is amended to read:

13.29 Subdivision 1. **Department of Agriculture data.** (a) **Loan and grant applicant**
 13.30 **data.** The following data on applicants, collected by the Department of Agriculture in its
 13.31 sustainable agriculture revolving loan and grant programs program under sections 17.115
 13.32 and section 17.116, are private or nonpublic: nonfarm income; credit history; insurance

14.1 coverage; machinery and equipment list; financial information; and credit information
14.2 requests.

14.3 (b) **Farm advocate data.** The following data supplied by farmer clients to
14.4 Minnesota farm advocates and to the Department of Agriculture are private data on
14.5 individuals: financial history, including listings of assets and debts, and personal and
14.6 emotional status information.

14.7 Sec. 2. Minnesota Statutes 2014, section 17.03, is amended by adding a subdivision to
14.8 read:

14.9 Subd. 14. **Regulatory assistance.** A farmer ombudsman office is established
14.10 within the Department of Agriculture to provide one-stop access for persons in need of
14.11 information or assistance to obtain or renew licenses, meet state regulatory requirements,
14.12 or resolve disputes with state agencies.

14.13 Sec. 3. Minnesota Statutes 2014, section 18B.01, subdivision 28, is amended to read:

14.14 Subd. 28. **Structural pest.** "Structural pest" means a an invertebrate pest, other
14.15 than a plant, or commensal rodent in, on, under, or near a structure such as a residential
14.16 or commercial building.

14.17 Sec. 4. Minnesota Statutes 2014, section 18B.01, subdivision 29, is amended to read:

14.18 Subd. 29. **Structural pest control.** "Structural pest control" means the control of
14.19 any structural pest through ~~the use of a device, a procedure, or application of pesticides~~ or
14.20 through other means in or around a building or other structures, including trucks, boxcars,
14.21 ships, aircraft, docks, and fumigation vaults, ~~and the business activity related to use of a~~
14.22 ~~device, a procedure, or application of a pesticide.~~

14.23 Sec. 5. Minnesota Statutes 2014, section 18B.05, subdivision 1, is amended to read:

14.24 Subdivision 1. **Establishment.** A pesticide regulatory account is established in the
14.25 agricultural fund. Fees, assessments, and penalties collected under this chapter must
14.26 be deposited in the agricultural fund and credited to the pesticide regulatory account.
14.27 Money in the account, including interest, is appropriated to the commissioner for the
14.28 administration and enforcement of this chapter and may also be used by the commissioner
14.29 for purposes of section 18H.14, paragraph (e).

14.30 Sec. 6. Minnesota Statutes 2014, section 18B.32, subdivision 1, is amended to read:

15.1 Subdivision 1. **Requirement.** (a) A person may not engage in structural pest
15.2 control applications:

15.3 (1) for hire without a structural pest control license; and

15.4 (2) as a sole proprietorship, company, partnership, or corporation unless the person
15.5 is or employs a licensed master in structural pest control operations.

15.6 (b) A structural pest control licensee must have a valid license identification card
15.7 ~~when applying to purchase a restricted use pesticide or apply pesticides for hire and must~~
15.8 display it upon demand by an authorized representative of the commissioner or a law
15.9 enforcement officer. The license identification card must contain information required by
15.10 the commissioner.

15.11 ~~(c) Notwithstanding the licensing requirements of this subdivision, a person may~~
15.12 ~~control the following nuisance or economically damaging wild animals, by trapping,~~
15.13 ~~without a structural pest control license:~~

15.14 ~~(1) fur-bearing animals, as defined in section 97A.015, with a valid trapping license~~
15.15 ~~or special permit from the commissioner of natural resources; and~~

15.16 ~~(2) skunks, woodchucks, gophers, porcupines, coyotes, moles, and weasels.~~

15.17 Sec. 7. Minnesota Statutes 2014, section 18B.33, subdivision 1, is amended to read:

15.18 Subdivision 1. **Requirement.** (a) A person may not apply a pesticide for hire
15.19 without a commercial applicator license for the appropriate use categories or a structural
15.20 pest control license.

15.21 (b) A commercial applicator licensee must have a valid license identification card
15.22 ~~when applying to purchase a restricted use pesticide or apply pesticides for hire and must~~
15.23 display it upon demand by an authorized representative of the commissioner or a law
15.24 enforcement officer. The commissioner shall prescribe the information required on the
15.25 license identification card.

15.26 Sec. 8. Minnesota Statutes 2014, section 18B.34, subdivision 1, is amended to read:

15.27 Subdivision 1. **Requirement.** (a) Except for a licensed commercial applicator,
15.28 certified private applicator, or licensed structural pest control applicator, a person,
15.29 including a government employee, may not purchase or use a restricted use pesticide in
15.30 performance of official duties without having a noncommercial applicator license for an
15.31 appropriate use category.

15.32 (b) A licensee must have a valid license identification card when applying pesticides
15.33 and must display it upon demand by an authorized representative of the commissioner

16.1 or a law enforcement officer. The license identification card must contain information
16.2 required by the commissioner.

16.3 Sec. 9. Minnesota Statutes 2014, section 18C.425, subdivision 6, is amended to read:

16.4 Subd. 6. **Payment of inspection fee.** (a) The person who registers and distributes in
16.5 the state a specialty fertilizer, soil amendment, or plant amendment under section 18C.411
16.6 shall pay the inspection fee to the commissioner.

16.7 (b) The person licensed under section 18C.415 who distributes a fertilizer to a person
16.8 not required to be so licensed shall pay the inspection fee to the commissioner, except as
16.9 exempted under section 18C.421, subdivision 1, paragraph (b).

16.10 (c) The person responsible for payment of the inspection fees for fertilizers, soil
16.11 amendments, or plant amendments sold and used in this state must pay an inspection fee
16.12 of ~~30~~ 39 cents per ton, and until June 30, 2019, an additional 40 cents per ton, of fertilizer,
16.13 soil amendment, and plant amendment sold or distributed in this state, with a minimum
16.14 of \$10 on all tonnage reports. Notwithstanding section 18C.131, the commissioner
16.15 must deposit all revenue from the additional 40 cent per ton fee in the agricultural
16.16 fertilizer research and education account in section 18C.80. Products sold or distributed to
16.17 manufacturers or exchanged between them are exempt from the inspection fee imposed by
16.18 this subdivision if the products are used exclusively for manufacturing purposes.

16.19 (d) A registrant or licensee must retain invoices showing proof of fertilizer, plant
16.20 amendment, or soil amendment distribution amounts and inspection fees paid for a period
16.21 of three years.

16.22 Sec. 10. Minnesota Statutes 2014, section 18C.70, subdivision 2, is amended to read:

16.23 Subd. 2. **Powers and duties.** The council must review applications and select
16.24 projects to receive agricultural fertilizer research and education program grants, as
16.25 authorized in section 18C.71. The council must establish a program to provide grants to
16.26 research, education, and technology transfer projects related to agricultural fertilizer, soil
16.27 amendments, and plant amendments. For the purpose of this section, "fertilizer" includes
16.28 soil amendments and plant amendments, but does not include vegetable or animal manures
16.29 that are not manipulated. The commissioner is responsible for all fiscal and administrative
16.30 duties ~~in the first year and may use up to eight percent of program revenue to offset costs~~
16.31 ~~incurred. No later than October 1, 2007, the commissioner must provide the council with~~
16.32 ~~an estimate of the annual costs the commissioner would incur in administering the program.~~

17.1 Sec. 11. [18C.80] AGRICULTURAL FERTILIZER RESEARCH AND
17.2 EDUCATION ACCOUNT.

17.3 Subdivision 1. **Account; appropriation.** An agricultural fertilizer research and
17.4 education account is established in the state treasury. Money in the account, including
17.5 interest earned, is appropriated to the commissioner for grants determined by the
17.6 Minnesota Agricultural Fertilizer Research and Education Council under section 18C.71.
17.7 The commissioner may use up to \$80,000 each fiscal year for direct costs incurred to
17.8 provide fiscal and administrative support to the council as required under section 18C.70,
17.9 subdivision 2. The commissioner may also recover associated indirect costs from the
17.10 account as required under section 16A.127.

17.11 Subd. 2. **Expiration.** This section expires June 30, 2020.

17.12 Sec. 12. Minnesota Statutes 2014, section 18G.10, subdivision 3, is amended to read:

17.13 Subd. 3. **Cooperative agreements.** The commissioner may enter into cooperative
17.14 agreements with federal and state agencies for administration of the export certification
17.15 program. ~~An exporter of plants or plant products desiring to originate shipments from~~
17.16 ~~Minnesota to a foreign country requiring a phytosanitary certificate or export certificate~~
17.17 ~~must submit an application to the commissioner.~~

17.18 Sec. 13. Minnesota Statutes 2014, section 18G.10, subdivision 4, is amended to read:

17.19 Subd. 4. **Phytosanitary and export certificates.** An exporter of plants or plant
17.20 products desiring to originate shipments from Minnesota to a foreign country requiring
17.21 a phytosanitary certificate or export certificate must submit an application to the
17.22 commissioner. Application for phytosanitary certificates or export certificates must be
17.23 made on forms provided or approved by the commissioner. The commissioner ~~shall~~ may
17.24 conduct inspections of plants, plant products, or facilities for persons that have applied for
17.25 or intend to apply for a phytosanitary certificate or export certificate from the commissioner.
17.26 ~~Inspections must include one or more of the following as requested or required:~~

17.27 ~~(1) an inspection of the plants or plant products intended for export under a~~
17.28 ~~phytosanitary certificate or export certificate;~~

17.29 ~~(2) field inspections of growing plants to determine presence or absence of plant~~
17.30 ~~diseases, if necessary;~~

17.31 ~~(3) laboratory diagnosis for presence or absence of plant diseases, if necessary;~~

17.32 ~~(4) observation and evaluation of procedures and facilities utilized in handling~~
17.33 ~~plants and plant products, if necessary; and~~

18.1 ~~(5) review of United States Department of Agriculture, Federal Grain Inspection~~
 18.2 ~~Service Official Export Grain Inspection Certificate logs.~~

18.3 The commissioner may issue a phytosanitary certificate or export certificate if the
 18.4 plants or plant products satisfactorily meet the requirements of the importing foreign
 18.5 country and the United States Department of Agriculture requirements. The requirements
 18.6 of the destination countries must be met by the applicant.

18.7 Sec. 14. Minnesota Statutes 2014, section 18G.10, subdivision 5, is amended to read:

18.8 Subd. 5. **Certificate fees.** (a) The commissioner shall assess ~~the fees in paragraphs~~
 18.9 ~~(b) to (f) fees sufficient to recover all costs~~ for the inspection, service, and work performed
 18.10 in carrying out the issuance of a phytosanitary certificate or export certificate. The
 18.11 ~~inspection fee must be based on mileage and inspection time.~~

18.12 ~~(b) Mileage charge: current United States Internal Revenue Service mileage rate.~~

18.13 ~~(e) Inspection time: \$50 per hour minimum or fee necessary to cover department~~
 18.14 ~~costs. Inspection time includes the driving time to and from the location in addition to~~
 18.15 ~~the time spent conducting the inspection.~~

18.16 ~~(d) (b)~~ If laboratory analysis or other technical analysis is required to issue a
 18.17 certificate, the commissioner must set and collect the fee to recover this additional cost.

18.18 ~~(e) (c)~~ The certificate fee for ~~product value greater than \$250:~~ is \$75 or a fee amount,
 18.19 not to exceed \$300, that is sufficient to recover all processing costs for each phytosanitary
 18.20 or export certificate issued for ~~any single shipment valued at more than \$250~~ in addition to
 18.21 any mileage or inspection time charges that are assessed.

18.22 ~~(f) Certificate fee for product value less than \$250: \$25 for each phytosanitary or~~
 18.23 ~~export certificate issued for any single shipment valued at less than \$250 in addition to~~
 18.24 ~~any mileage or inspection time charges that are assessed.~~

18.25 ~~(g) (d)~~ For services provided for in subdivision 7 that are goods and services
 18.26 provided for the direct and primary use of a private individual, business, or other entity,
 18.27 the commissioner must set and collect the fees to cover the cost of the services provided.

18.28 Sec. 15. Minnesota Statutes 2014, section 18H.02, subdivision 20, is amended to read:

18.29 Subd. 20. **Nursery stock.** "Nursery stock" means a plant intended for planting or
 18.30 propagation, including, but not limited to, trees, shrubs, vines, perennials, biennials, grafts,
 18.31 cuttings, and buds that may be sold for propagation, whether cultivated or wild, and all
 18.32 viable parts of these plants. Nursery stock does not include:

18.33 (1) field and forage crops or sod;

18.34 (2) ~~the seeds of grasses, cereal grains, vegetable crops, and flowers;~~

- 19.1 (3) vegetable plants, bulbs, or tubers;
19.2 (4) cut flowers, unless stems or other portions are intended for propagation;
19.3 (5) annuals; or
19.4 (6) Christmas trees.

19.5 Sec. 16. Minnesota Statutes 2014, section 18H.02, is amended by adding a subdivision
19.6 to read:

19.7 Subd. 32a. **Sod.** "Sod" means the upper portion of soil that contains the roots of
19.8 grasses and the living grass plants.

19.9 Sec. 17. Minnesota Statutes 2014, section 18H.02, is amended by adding a subdivision
19.10 to read:

19.11 Subd. 35. **Tropical plant.** "Tropical plant" means a plant that has a United States
19.12 Department of Agriculture hardiness zone designation of zone 6 or greater, or an annual
19.13 minimum hardiness temperature of -9 degrees Fahrenheit.

19.14 Sec. 18. Minnesota Statutes 2014, section 18H.06, subdivision 2, is amended to read:

19.15 Subd. 2. **Occasional sales.** (a) An individual may offer nursery stock for sale and be
19.16 exempt from the requirement to obtain a nursery stock ~~dealer~~ certificate if:

19.17 (1) the gross sales of all nursery stock in a calendar year do not exceed \$2,000;

19.18 (2) all nursery stock sold or distributed by the individual is intended for planting
19.19 in Minnesota;

19.20 (3) all nursery stock purchased or procured for resale or distribution was grown in
19.21 Minnesota and has been certified by the commissioner; and

19.22 (4) the individual conducts sales or distributions of nursery stock on ten or fewer
19.23 days in a calendar year.

19.24 (b) The commissioner may prescribe the conditions of the exempt nursery sales under
19.25 this subdivision and may conduct routine inspections of the nursery stock offered for sale.

19.26 Sec. 19. Minnesota Statutes 2014, section 18H.07, is amended to read:

19.27 **18H.07 FEE SCHEDULE.**

19.28 Subdivision 1. **Establishment of fees.** The commissioner shall establish fees
19.29 sufficient to allow for the administration and enforcement of this chapter and rules adopted
19.30 under this chapter, including the portion of general support costs and statewide indirect
19.31 costs of the agency attributable to that function, with a reserve sufficient for up to six
19.32 months. The commissioner shall review the fee schedule annually in consultation with

20.1 the Minnesota Nursery and Landscape Advisory Committee. For the certificate year
20.2 beginning January 1, 2006, the fees are as described in this section.

20.3 Subd. 2. **Nursery stock grower certificate.** (a) A nursery stock grower must
20.4 pay an annual fee based on the area of all acreage on which nursery stock is grown for
20.5 ~~certification~~ as follows:

- 20.6 (1) less than one-half acre, \$150;
- 20.7 (2) from one-half acre to two acres, \$200;
- 20.8 (3) over two acres up to five acres, \$300;
- 20.9 (4) over five acres up to ten acres, \$350;
- 20.10 (5) over ten acres up to 20 acres, \$500;
- 20.11 (6) over 20 acres up to 40 acres, \$650;
- 20.12 (7) over 40 acres up to 50 acres, \$800;
- 20.13 (8) over 50 acres up to 200 acres, \$1,100;
- 20.14 (9) over 200 acres up to 500 acres, \$1,500; and
- 20.15 (10) over 500 acres, \$1,500 plus \$2 for each additional acre.

20.16 (b) In addition to the fees in paragraph (a), a penalty of ten percent of the fee due
20.17 must be charged for each month, or portion thereof, that the fee is delinquent up to a
20.18 maximum of 30 percent for any application for renewal not postmarked by December 31
20.19 of the current year.

20.20 (c) A nursery stock grower found operating without a valid nursery stock grower
20.21 certificate cannot offer for sale or sell nursery stock until (1) payment is received by the
20.22 commissioner for (i) the certificate fee due and (ii) a penalty equal to the certificate fee
20.23 owed, and (2) a new certificate is issued to the nursery stock grower by the commissioner.

20.24 Subd. 3. **Nursery stock dealer certificate.** (a) A nursery stock dealer must pay an
20.25 annual fee based on the dealer's gross sales of certified nursery stock per location during
20.26 the most recent certificate year. A certificate applicant operating for the first time must pay
20.27 the minimum fee. The fees per sales location are:

- 20.28 (1) gross sales up to \$5,000, \$150;
- 20.29 (2) gross sales over \$5,000 up to \$20,000, \$175;
- 20.30 (3) gross sales over \$20,000 up to \$50,000, \$300;
- 20.31 (4) gross sales over \$50,000 up to \$75,000, \$425;
- 20.32 (5) gross sales over \$75,000 up to \$100,000, \$550;
- 20.33 (6) gross sales over \$100,000 up to \$200,000, \$675; and
- 20.34 (7) gross sales over \$200,000, \$800.

20.35 (b) In addition to the fees in paragraph (a), a penalty of ten percent of the fee due
20.36 must be charged for each month, or portion thereof, that the fee is delinquent up to a

21.1 maximum of 30 percent for any application for renewal not postmarked by December 31
21.2 of the current year.

21.3 (c) A nursery stock dealer found operating without a valid nursery stock dealer
21.4 certificate cannot offer for sale or sell nursery stock until (1) payment is received by the
21.5 commissioner for (i) the certificate fee due and (ii) a penalty equal to the certificate fee
21.6 owed, and (2) a new certificate is issued to the nursery stock dealer by the commissioner.

21.7 Subd. 4. **Reinspection; additional or optional inspection fees.** If a reinspection is
21.8 required or an additional inspection is needed or requested a fee must be assessed based
21.9 on mileage and inspection time as follows:

21.10 (1) mileage must be charged at the current United States Internal Revenue Service
21.11 reimbursement rate; and

21.12 (2) inspection time must be charged at ~~the rate of \$50 per hour~~, a rate sufficient to
21.13 recover all inspection costs including the driving time to and from the location in addition
21.14 to the time spent conducting the inspection.

21.15 Sec. 20. Minnesota Statutes 2014, section 21.89, subdivision 2, is amended to read:

21.16 Subd. 2. **Permits; issuance and revocation.** The commissioner shall issue a permit
21.17 to the initial labeler of agricultural, vegetable, flower, and wildflower seeds which are sold
21.18 for use in Minnesota and which conform to and are labeled under sections 21.80 to 21.92.
21.19 The categories of permits are as follows:

21.20 (1) for initial labelers who sell 50,000 pounds or less of agricultural seed each
21.21 calendar year, an annual permit issued for a fee established in section 21.891, subdivision
21.22 2, paragraph (b);

21.23 (2) for initial labelers who sell vegetable, flower, and wildflower seed packed for
21.24 use in home gardens or household plantings, and initial labelers who sell native grasses
21.25 and wildflower seed in commercial or agricultural quantities, an annual permit issued for
21.26 a fee established in section 21.891, subdivision 2, paragraph (c), based upon the gross
21.27 sales from the previous year; and

21.28 (3) for initial labelers who sell more than 50,000 pounds of agricultural seed
21.29 each calendar year, a permanent permit issued for a fee established in section 21.891,
21.30 subdivision 2, paragraph (d).

21.31 In addition, the person shall furnish to the commissioner an itemized statement of all
21.32 seeds sold in Minnesota for the periods established by the commissioner. This statement
21.33 shall be delivered, along with the payment of the fee, based upon the amount and type
21.34 of seed sold, to the commissioner no later than 30 days after the end of each reporting
21.35 period. Any person holding a permit shall show as part of the analysis labels or invoices

22.1 on all agricultural, vegetable, flower, wildflower, tree, or shrub seeds all information the
 22.2 commissioner requires. The commissioner may revoke any permit in the event of failure
 22.3 to comply with applicable laws and rules.

22.4 Sec. 21. Minnesota Statutes 2014, section 21.891, subdivision 2, is amended to read:

22.5 Subd. 2. **Seed fee permits.** (a) An initial labeler who wishes to sell seed in
 22.6 Minnesota must comply with section 21.89, subdivisions 1 and 2, and the procedures in
 22.7 this subdivision. Each initial labeler who wishes to sell seed in Minnesota must apply to
 22.8 the commissioner to obtain a permit. The application must contain the name and address of
 22.9 the applicant, the application date, and the name and title of the applicant's contact person.

22.10 (b) The application for a seed permit covered by section 21.89, subdivision 2, clause
 22.11 (1), must be accompanied by an application fee of ~~\$50~~ \$75.

22.12 (c) The application for a seed permit covered by section 21.89, subdivision 2, clause
 22.13 (2), must be accompanied by an application fee based on the level of annual gross sales
 22.14 as follows:

22.15 (1) for gross sales of \$0 to \$25,000, the annual permit fee is ~~\$50~~ \$75;

22.16 (2) for gross sales of \$25,001 to \$50,000, the annual permit fee is ~~\$100~~ \$150;

22.17 (3) for gross sales of \$50,001 to \$100,000, the annual permit fee is ~~\$200~~ \$300;

22.18 (4) for gross sales of \$100,001 to \$250,000, the annual permit fee is ~~\$500~~ \$750;

22.19 (5) for gross sales of \$250,001 to \$500,000, the annual permit fee is ~~\$1,000~~ \$1,500;

22.20 and

22.21 (6) for gross sales of \$500,001 ~~and above~~ to \$1,000,000, the annual permit fee is
 22.22 ~~\$2,000~~ \$3,000; and

22.23 (7) for gross sales of \$1,000,001 and above, the annual permit fee is \$4,500.

22.24 (d) The application for a seed permit covered by section 21.89, subdivision 2, clause
 22.25 (3), must be accompanied by an application fee of ~~\$50~~ \$75. Initial labelers holding seed
 22.26 fee permits covered under this paragraph need not apply for a new permit or pay the
 22.27 application fee. Under this permit category, the fees for the following kinds of agricultural
 22.28 seed sold either in bulk or containers are:

22.29 (1) oats, wheat, and barley, ~~6.3~~ 9 cents per hundredweight;

22.30 (2) rye, field beans, ~~soybeans~~, buckwheat, and flax, ~~8.4~~ 12 cents per hundredweight;

22.31 (3) field corn, ~~29.4~~ 17 cents per ~~hundredweight~~ 80,000 seed unit;

22.32 (4) forage, lawn and turf grasses, and legumes, ~~49~~ 69 cents per hundredweight;

22.33 (5) sunflower, ~~\$1.40~~ \$1.96 per hundredweight;

22.34 (6) sugar beet, ~~\$3.29~~ 12 cents per hundredweight 100,000 seed unit; and

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

23.1 ~~(7)~~ (8) for any agricultural seed not listed in clauses (1) to ~~(6)~~ (7), the fee for the crop
23.2 most closely resembling it in normal planting rate applies.

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

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

23.11 (g) All seed fee permit holders must file semiannual reports with the commissioner,
23.12 even if no seed was sold during the reporting period. Each semiannual report must be
23.13 submitted within 30 days of the end of each reporting period. The reporting periods are
23.14 October 1 to March 31 and April 1 to September 30 of each year or July 1 to December
23.15 31 and January 1 to June 30 of each year. Permit holders may change their reporting
23.16 periods with the approval of the commissioner.

23.17 (h) The holder of a seed fee permit must pay fees on all seed for which the permit
23.18 holder is the initial labeler and which are covered by sections 21.80 to 21.92 and sold
23.19 during the reporting period.

23.20 (i) If a seed fee permit holder fails to submit a semiannual report and pay the seed
23.21 fee within 30 days after the end of each reporting period, the commissioner shall assess a
23.22 penalty of \$100 or eight percent, calculated on an annual basis, of the fee due, whichever
23.23 is greater, but no more than \$500 for each late semiannual report. A \$15 penalty must be
23.24 charged when the semiannual report is late, even if no fee is due for the reporting period.
23.25 Seed fee permits may be revoked for failure to comply with the applicable provisions of
23.26 this paragraph or the Minnesota seed law.

23.27 Sec. 22. Minnesota Statutes 2014, section 21.891, subdivision 5, is amended to read:

23.28 Subd. 5. **Brand name registration fee.** The fee is ~~\$25~~ \$50 for each variety
23.29 registered for sale by brand name.

23.30 Sec. 23. Minnesota Statutes 2014, section 25.341, subdivision 2, is amended to read:

23.31 Subd. 2. **Application; fee; term.** A person who is required to have a commercial
23.32 feed license shall submit an application on a form provided or approved by the
23.33 commissioner accompanied by a fee of ~~\$25~~ \$75 paid to the commissioner for each
23.34 location. A license is not transferable from one person to another, from one ownership to

24.1 another, or from one location to another. The license year is the calendar year. A license
24.2 expires on December 31 of the year for which it is issued, except that a license is valid
24.3 through January 31 of the next year or until the issuance of the renewal license, whichever
24.4 comes first, if the licensee has filed a renewal application with the commissioner on or
24.5 before December 31 of the year for which the current license was issued. Any person who
24.6 is required to have, but fails to obtain a license or a licensee who fails to comply with
24.7 license renewal requirements, shall pay a ~~\$50~~\$100 late fee in addition to the license fee.

24.8 Sec. 24. Minnesota Statutes 2014, section 25.39, subdivision 1, is amended to read:

24.9 Subdivision 1. **Amount of fee.** (a) An inspection fee at the rate of 16 cents per ton
24.10 must be paid to the commissioner on commercial feeds distributed in this state by the
24.11 person who first distributes the commercial feed, except that:

24.12 (1) no fee need be paid on:

24.13 (i) a commercial feed if the payment has been made by a previous distributor; or

24.14 (ii) customer formula feeds if the inspection fee is paid on the commercial feeds

24.15 which are used as ingredients; or

24.16 (2) a Minnesota feed distributor who can substantiate that greater than 50 percent
24.17 of the distribution of commercial feed is to purchasers outside the state may purchase
24.18 commercial feeds without payment of the inspection fee under a tonnage fee exemption
24.19 permit issued by the commissioner. Such location specific permits shall be issued on a
24.20 calendar year basis to commercial feed distributors who submit a \$100 nonrefundable
24.21 application fee and comply with rules adopted by the commissioner relative to record
24.22 keeping, tonnage of commercial feed distributed in Minnesota, total of all commercial
24.23 feed tonnage distributed, and all other information which the commissioner may require
24.24 so as to ensure that proper inspection fee payment has been made.

24.25 (b) In the case of pet food distributed in the state only in packages of ten pounds
24.26 or less, a listing of each product and a current label for each product must be submitted
24.27 annually on forms provided by the commissioner and accompanied by an annual fee of
24.28 ~~\$50~~\$100 for each product in lieu of the inspection fee. This annual fee is due by July 1.
24.29 The inspection fee required by paragraph (a) applies to pet food distributed in packages
24.30 exceeding ten pounds.

24.31 (c) In the case of specialty pet food distributed in the state only in packages of
24.32 ten pounds or less, a listing of each product and a current label for each product must
24.33 be submitted annually on forms provided by the commissioner and accompanied by an
24.34 annual fee of ~~\$25~~ \$100 for each product in lieu of the inspection fee. This annual fee is

25.1 due by July 1. The inspection fee required by paragraph (a) applies to specialty pet food
25.2 distributed in packages exceeding ten pounds.

25.3 (d) The minimum inspection fee is ~~\$10~~ \$75 per annual reporting period.

25.4 Sec. 25. Minnesota Statutes 2014, section 25.39, subdivision 1a, is amended to read:

25.5 Subd. 1a. **Containers of ten pounds or less.** A distributor who is subject to the
25.6 annual fee specified in subdivision 1, paragraph (b) or (c), shall do the following:

25.7 (1) before beginning distribution, file with the commissioner a listing of pet and
25.8 specialty pet foods to be distributed in the state only in containers of ten pounds or less,
25.9 on forms provided by the commissioner. The listing under this clause must be renewed
25.10 annually before July 1 and is the basis for the payment of the annual fee. New products
25.11 added during the year must be submitted to the commissioner as a supplement to the
25.12 annual listing before distribution; and

25.13 (2) if the annual renewal of the listing is not received before July 1 or if an unlisted
25.14 product is distributed, pay a late filing fee of ~~\$10~~ \$100 per product in addition to the
25.15 normal charge for the listing. The late filing fee under this clause is in addition to any
25.16 other penalty under this chapter.

25.17 Sec. 26. Minnesota Statutes 2014, section 28A.03, is amended by adding a subdivision
25.18 to read:

25.19 Subd. 11. **HACCP plan.** "Hazard analysis critical control point (HACCP) plan"
25.20 means a written document that delineates the formal procedures for following the HACCP
25.21 principles developed by the National Advisory Committee on Microbiological Criteria
25.22 for Foods.

25.23 Sec. 27. **[28A.152] COTTAGE FOODS EXEMPTION.**

25.24 Subdivision 1. **Licensing provisions applicability.** (a) The licensing provisions of
25.25 sections 28A.01 to 28A.16 do not apply to the following:

25.26 (1) an individual who prepares and sells food that is not potentially hazardous food,
25.27 as defined in Minnesota Rules, part 4626.0020, subpart 62, if the following requirements
25.28 are met:

25.29 (i) the prepared food offered for sale under this clause is labeled to accurately reflect
25.30 the name and address of the individual preparing and selling the food, the date on which
25.31 the food was prepared, and the ingredients and any possible allergens; and

25.32 (ii) the individual displays at the point of sale a clearly legible sign or placard stating:
25.33 "These products are homemade and not subject to state inspection"; and

26.1 (2) an individual who prepares and sells home-processed and home-canned food
26.2 products if the following requirements are met:

26.3 (i) the products are pickles, vegetables, or fruits having an equilibrium pH value of
26.4 4.6 or lower;

26.5 (ii) the products are home-processed and home-canned in Minnesota;

26.6 (iii) the individual displays at the point of sale a clearly legible sign or placard
26.7 stating: "These canned goods are homemade and not subject to state inspection"; and

26.8 (iv) each container of the product sold or offered for sale under this clause is
26.9 accurately labeled to provide the name and address of the individual who processed
26.10 and canned the goods, the date on which the goods were processed and canned, and
26.11 ingredients and any possible allergens.

26.12 (b) An individual who qualifies for an exemption under paragraph (a), clause (2), is
26.13 also exempt from the provisions of sections 31.31 and 31.392.

26.14 Subd. 2. **Direct sales to consumers.** (a) An individual qualifying for an exemption
26.15 under subdivision 1 may sell the exempt food:

26.16 (1) directly to the ultimate consumer;

26.17 (2) at a community event or farmers' market; or

26.18 (3) directly from the individual's home to the consumer, to the extent allowed by
26.19 local ordinance.

26.20 (b) If an exempt food product will be delivered to the ultimate consumer upon sale
26.21 of the food product, the individual who prepared the food product must be the person who
26.22 delivers the food product to the ultimate consumer.

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

26.25 (d) Food products exempt under subdivision 1 may be sold over the Internet but
26.26 must be delivered directly to the ultimate consumer by the individual who prepared the
26.27 food product. The statement "These products are homemade and not subject to state
26.28 inspection" must be displayed on the Web site that offers the exempt foods for purchase.

26.29 Subd. 3. **Limitation on sales.** An individual selling exempt foods under this section
26.30 is limited to total sales with gross receipts of \$18,000 or less in a calendar year.

26.31 Subd. 4. **Registration.** An individual who prepares and sells exempt food under
26.32 subdivision 1 must register annually with the commissioner. The annual registration
26.33 fee is \$50.

26.34 Subd. 5. **Training.** An individual who prepares and sells exempt food under
26.35 subdivision 1 must complete a safe food handling training course that is approved by the

27.1 commissioner. The training shall not exceed eight hours and must be completed every
 27.2 three years while the individual is registered under subdivision 4.

27.3 Subd. 6. **Local ordinances.** This section does not preempt the application of any
 27.4 business licensing requirement or sanitation, public health, or zoning ordinance of a
 27.5 political subdivision.

27.6 Subd. 7. **Account established.** A cottage foods account is created as a separate
 27.7 account in the agricultural fund in the state treasury for depositing money received by the
 27.8 commissioner under this section. Money in the account, including interest, is appropriated
 27.9 to the commissioner for purposes of this section.

27.10 Sec. 28. Minnesota Statutes 2014, section 32.075, is amended to read:

27.11 **32.075 TERM OF LICENSE; TRANSFERABILITY; FEES AND PENALTIES.**

27.12 ~~Every~~ An initial license issued by the commissioner ~~shall be for a period ending~~
 27.13 expires on the following December 31st day of December next following, and shall is not
 27.14 ~~be transferable.~~ A renewal license is valid for two years and expires on December 31st of
 27.15 the second year. The fee for ~~each such~~ an initial or renewal license ~~shall be is \$50 \$60 and~~
 27.16 ~~each renewal thereof shall be \$25 and~~ The fee shall be paid to the commissioner before
 27.17 the commissioner issues any an initial or renewal license ~~or renewal thereof is issued.~~ If a
 27.18 license renewal is not applied for on or before January 1 of each year, a penalty of ~~\$10~~\$30
 27.19 shall be imposed. A person who does not renew a license within one year following its
 27.20 December 31 expiration date, except those persons who do not renew such license while
 27.21 engaged in active military service, shall be required to prove competency and qualification
 27.22 pursuant to section 32.073, before a license is issued. The commissioner may require any
 27.23 other person who renews a license to prove competency and qualification in the same
 27.24 manner. All license fees and penalties received by the commissioner shall be ~~paid into the~~
 27.25 ~~state treasury~~ deposited in the dairy services account in the agricultural fund.

27.26 Sec. 29. Minnesota Statutes 2014, section 32.105, is amended to read:

27.27 **32.105 MILK PROCUREMENT FEE.**

27.28 Each dairy plant operator within the state must pay to the commissioner on or before
 27.29 the 18th of each month a fee of ~~.7~~1.1 cents per hundredweight of milk purchased the
 27.30 previous month. If a milk producer within the state ships milk out of the state for sale, the
 27.31 producer must pay the fee to the commissioner unless the purchaser voluntarily pays the fee.

27.32 Producers who ship milk out of state or processors must submit monthly reports as
 27.33 to milk purchases along with the appropriate procurement fee to the commissioner. The
 27.34 commissioner may have access to all relevant purchase or sale records as necessary to

28.1 verify compliance with this section and may require the producer or purchaser to produce
28.2 records as necessary to determine compliance.

28.3 The fees collected under this section must be deposited in the dairy services account
28.4 in the agricultural fund. Money in the account, including interest earned, is appropriated
28.5 to the commissioner to administer this chapter.

28.6 Sec. 30. **[41A.14] AGRICULTURE RESEARCH, EDUCATION, EXTENSION,**
28.7 **AND TECHNOLOGY TRANSFER BOARD.**

28.8 Subdivision 1. **Creation.** (a) The Agriculture Research, Education, Extension, and
28.9 Technology Transfer Board is created and consists of the following members:

28.10 (1) the commissioner of agriculture;

28.11 (2) the dean of the College of Food, Agricultural and Natural Resource Sciences
28.12 at the University of Minnesota;

28.13 (3) a person representing the Minnesota State Colleges and Universities system,
28.14 appointed by the chancellor;

28.15 (4) two persons representing statewide agriculture organizations;

28.16 (5) a person representing agriculture industry statewide;

28.17 (6) a representative of each of the state commodity councils organized under section
28.18 17.54 and the Minnesota pork board;

28.19 (7) a person representing an association of primary manufacturers of forest products;

28.20 (8) a person representing organic or sustainable agriculture; and

28.21 (9) a person representing statewide environment and natural resource conservation
28.22 organizations.

28.23 The commissioner and the dean shall be cochairs. The commissioner, the dean, and
28.24 the representative of the Minnesota State Colleges and Universities system are nonvoting
28.25 members of the board.

28.26 (b) Members under paragraph (a), clauses (4) to (9), shall be appointed by the
28.27 commissioner. The commissioner shall not provide daily or expense compensation for
28.28 board members.

28.29 (c) The commissioner shall provide administrative services for the board and act
28.30 as its fiscal agent.

28.31 (d) For each board meeting, the commissioner shall provide advance notice and a
28.32 copy of the meeting minutes to the chairs and ranking minority members of the house of
28.33 representatives and senate committees with jurisdiction over agriculture finance.

28.34 Subd. 2. **Duties; grants.** The board shall provide for investments that will most
28.35 efficiently achieve long-term agricultural productivity increases through improved

29.1 infrastructure, vision, and accountability. Priority shall be given to human infrastructure.

29.2 The board shall provide grants for:

29.3 (1) agricultural research and technology transfer needs and recipients including, but
29.4 not limited to, agricultural research and extension at the University of Minnesota, research
29.5 and outreach centers; the College of Food, Agricultural and Natural Resource Sciences;
29.6 the Minnesota Agricultural Experiment Station; University of Minnesota Extension;
29.7 the University of Minnesota Veterinary School; the Veterinary Diagnostic Laboratory;
29.8 the Stakman-Borlaug Center; and the Minnesota Agricultural Fertilizer Research and
29.9 Education Council;

29.10 (2) agriculture rapid response for plant and animal diseases and pests; and

29.11 (3) agricultural education including, but not limited to, challenge grants awarded by
29.12 the Minnesota Agriculture Education Leadership Council, farm business management,
29.13 mentoring programs, graduate debt forgiveness, and high school programs.

29.14 Subd. 3. **Fund.** An agriculture research, education, extension, and technology
29.15 transfer fund is created in the state treasury. The fund consists of money received in the form
29.16 of gifts, grants, reimbursement, or appropriations from any source for any of the purposes
29.17 provided in subdivision 2, and any interest or earnings of the fund. Money in the fund is
29.18 appropriated to the commissioner of agriculture for the purposes under subdivision 2.

29.19 Sec. 31. **[41A.15] DEFINITIONS.**

29.20 Subdivision 1. **Scope.** For the purposes of sections 41A.15 to 41A.19, the terms
29.21 defined in this section have the meanings given them.

29.22 Subd. 2. **Advanced biofuel.** "Advanced biofuel" has the meaning given in section
29.23 239.051, subdivision 1a.

29.24 Subd. 3. **Biomass thermal production.** "Biomass thermal production" means the
29.25 generation of energy for commercial heat or industrial process heat from a cellulosic
29.26 material or other material composed of forestry or agricultural feedstocks for a new or
29.27 expanding capacity facility or a facility that is displacing existing use of fossil fuel after
29.28 the effective date of this section.

29.29 Subd. 4. **Cellulosic biomass.** "Cellulosic biomass" means material primarily made
29.30 up of cellulose, hemicellulose, or lignin, or a combination of those ingredients.

29.31 Subd. 5. **Cellulosic sugar.** "Cellulosic sugar" means sugar derived from cellulosic
29.32 biomass from agricultural or forestry resources.

29.33 Subd. 6. **Commissioner.** "Commissioner" means the commissioner of agriculture.

29.34 Subd. 7. **Cover crops.** "Cover crops" means grasses, legumes, forbs, or other
29.35 herbaceous plants that are known to be noninvasive and not listed as a noxious weed in

30.1 Minnesota and that are either interseeded into living cash crops or planted on agricultural
30.2 fields during fallow periods for seasonal cover and conservation purposes.

30.3 Subd. 8. **MMbtu.** "MMbtu" means one million British thermal units.

30.4 Subd. 9. **Perennial crops.** "Perennial crops" means agriculturally produced plants
30.5 that are known to be noninvasive and not listed as a noxious weed in Minnesota and that
30.6 have a life cycle of at least three years at the location where the plants are being cultivated.
30.7 Biomass from alfalfa produced in a two-year rotation shall be considered a perennial crop.

30.8 Subd. 10. **Renewable chemical.** "Renewable chemical" means a chemical with
30.9 biobased content as defined in section 41A.105, subdivision 1a.

30.10 Sec. 32. **[41A.16] ADVANCED BIOFUEL PRODUCTION INCENTIVE.**

30.11 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
30.12 source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or
30.13 less from the state border, raw materials may be sourced from within a 100-mile radius.
30.14 Raw materials must be from agricultural or forestry sources or from solid waste. The
30.15 facility must be located in Minnesota, must begin production at a specific location by June
30.16 30, 2025, and must not begin operating above 95,000 MMbtu of annual biofuel production
30.17 before July 1, 2015. Eligible facilities include existing companies and facilities that are
30.18 adding advanced biofuel production capacity, or retrofitting existing capacity, as well as
30.19 new companies and facilities. Production of conventional corn ethanol and conventional
30.20 biodiesel is not eligible. Eligible advanced biofuel facilities must produce at least 95,000
30.21 MMbtu a year.

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

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

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

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

30.32 Subd. 2. **Payment amounts; limits.** (a) The commissioner shall make payments
30.33 to eligible producers of advanced biofuel. The amount of the payment for each eligible
30.34 producer's annual production is \$2.1053 per MMbtu for advanced biofuel production from

31.1 cellulosic biomass, and \$1.053 per MMBtu for advanced biofuel production from sugar or
31.2 starch at a specific location for ten years after the start of production.

31.3 (b) Total payments under this section to an eligible biofuel producer in a fiscal year
31.4 may not exceed the amount necessary for 2,850,000 MMBtu of biofuel production. Total
31.5 payments under this section to all eligible biofuel producers in a fiscal year may not
31.6 exceed the amount necessary for 17,100,000 MMBtu of biofuel production.

31.7 (c) For purposes of this section, an entity that holds a controlling interest in more
31.8 than one advanced biofuel facility is considered a single eligible producer.

31.9 Subd. 3. **Perennial and cover crops required.** To be eligible for payment under
31.10 this section, a producer that produces advanced biofuel from agricultural cellulosic
31.11 biomass other than corn kernel fiber or biogas must derive at least the following portions
31.12 of the producer's total eligible MMBtus from perennial crop or cover crop biomass:

31.13 (1) 10 percent during the first two years of eligible production,

31.14 (2) 30 percent during the third and fourth years of eligible production, and

31.15 (3) 50 percent during the fifth through tenth years of eligible production.

31.16 Subd. 4. **Cellulosic forestry biomass requirements.** All forestry-derived cellulosic
31.17 biomass must be produced using Minnesota state biomass harvesting guidelines or the
31.18 equivalent. All biomass from brushlands must be produced using Minnesota brushland
31.19 harvesting biomass harvest guidelines or the equivalent. Forestry-derived cellulosic
31.20 biomass that come from land parcels greater than 160 acres must be certified by the Forest
31.21 Stewardship Council, Sustainable Forestry Initiative, or American Tree Farm System.
31.22 Uncertified land from parcels of 160 acres or less and federal land must be harvested by a
31.23 Minnesota-certified master logger or the equivalent and have a forest stewardship plan.

31.24 Subd. 5. **Agricultural cellulosic biomass sourcing plan.** (a) An eligible producer
31.25 who utilizes agricultural cellulosic biomass must submit a responsible biomass sourcing
31.26 plan for approval by the commissioner prior to applying for payments under this section.
31.27 The commissioner shall make the plan publicly available. The plan must:

31.28 (1) provide a detailed explanation of how agricultural cellulosic biomass will be
31.29 produced and managed in a way that preserves soil quality, does not increase soil and
31.30 nutrient runoff, avoids introduction of harmful invasive species, limits negative impacts
31.31 on wildlife habitat, and reduces greenhouse gas emissions;

31.32 (2) include the producer's approach to verifying that biomass suppliers are following
31.33 the plan;

31.34 (3) discuss how new technologies and practices that are not yet commercially viable
31.35 may be encouraged and adopted during the life of the facility, and how the producer will
31.36 encourage continuous improvement during the life of the project;

32.1 (4) include specific numeric goals and timelines for making progress;
32.2 (5) require agronomic practices that result in a positive Natural Resources
32.3 Conservation Service Soil Conditioning Index score for acres from which biomass from
32.4 corn stover will be harvested; and

32.5 (6) include biennial soil sampling to verify maintained or increased levels of soil
32.6 organic matter.

32.7 (b) An eligible producer who utilizes agricultural cellulosic biomass and receives
32.8 payments under this section shall submit an annual report on the producer's responsible
32.9 biomass sourcing plan to the commissioner by January 15 each year. The report must
32.10 include data on progress made by the producer in meeting specific goals laid out in the
32.11 plan. The commissioner shall make the report publicly available. The commissioner
32.12 shall perform an annual review of submitted reports may make a determination that the
32.13 producer is not following the plan based on the reports submitted. The commissioner
32.14 may take appropriate steps, including reducing or ceasing payments, until the producer
32.15 is in compliance with the plan.

32.16 Subd. 6. **Claims.** (a) By the last day of October, January, April, and July, each
32.17 eligible biofuel producer shall file a claim for payment for advanced biofuel production
32.18 during the preceding three calendar months. An eligible biofuel producer that files a claim
32.19 under this subdivision shall include a statement of the eligible biofuel producer's total
32.20 advanced biofuel production in Minnesota during the quarter covered by the claim. For
32.21 each claim and statement of total advanced biofuel production filed under this subdivision,
32.22 the volume of advanced biofuel production must be examined by an independent certified
32.23 public accountant licensed under chapter 326A, in accordance with Statements on
32.24 Standards for Attestation Engagements established by the American Institute of Certified
32.25 Public Accountants.

32.26 (b) The commissioner must issue payments by November 15, February 15, May 15,
32.27 and August 15. A separate payment must be made for each claim filed.

32.28 **Sec. 33. [41A.17] RENEWABLE CHEMICAL PRODUCTION INCENTIVE.**

32.29 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this program
32.30 must source at least 80 percent biobased content, as defined in section 41A.105,
32.31 subdivision 1a, clause (1), from Minnesota. If a facility is sited 50 miles or less from the
32.32 state border, biobased content must be sourced from within a 100-mile radius. Biobased
32.33 content must be from agricultural or forestry sources or from solid waste. The facility
32.34 must be located in Minnesota, must begin production at a specific location by June 30,
32.35 2025, and must not begin production of 3,000,000 pounds of chemicals annually before

33.1 January 1, 2015. Eligible facilities include existing companies and facilities that are
33.2 adding production capacity, or retrofitting existing capacity, as well as new companies and
33.3 facilities. Eligible renewable chemical facilities must produce at least 3,000,000 pounds
33.4 per year. Renewable chemicals produced through processes that are fully commercial
33.5 before January 1, 2000, are not eligible.

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

33.8 (c) An eligible producer of renewable chemicals shall not transfer the producer's
33.9 eligibility for payments under this section to a renewable chemical facility at a different
33.10 location.

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

33.13 (e) Advanced biofuel production for which payment has been received under section
33.14 41A.16, and biomass thermal production for which payment has been received under
33.15 section 41A.18, are not eligible for payment under this section.

33.16 Subd. 2. **Payment amounts; bonus; limits.** (a) The commissioner shall make
33.17 payments to eligible producers of renewable chemicals located in the state. The amount of
33.18 the payment for each producer's annual production is \$0.03 per pound of sugar-derived
33.19 renewable chemical, \$0.03 per pound of cellulosic sugar, and \$0.06 per pound of
33.20 cellulosic-derived renewable chemical produced at a specific location for ten years after
33.21 the start of production.

33.22 (b) An eligible facility producing renewable chemicals using agricultural cellulosic
33.23 biomass is eligible for a 20 percent bonus payment for each MMbtu produced from
33.24 agricultural biomass that is derived from perennial crop or cover crop biomass.

33.25 (c) Total payments under this section to an eligible renewable chemical producer in
33.26 a fiscal year may not exceed the amount necessary for 99,999,999 pounds of renewable
33.27 chemical production. Total payments under this section to all eligible renewable chemical
33.28 producers in a fiscal year may not exceed the amount necessary for 599,999,999 pounds of
33.29 renewable chemical production.

33.30 (d) For purposes of this section, an entity that holds a controlling interest in more
33.31 than one renewable chemical production facility is considered a single eligible producer.

33.32 Subd. 3. **Cellulosic biomass requirements.** All forestry-derived cellulosic biomass
33.33 must be produced using Minnesota state biomass harvesting guidelines or the equivalent.
33.34 All cellulosic biomass from brushlands must be produced using Minnesota brushland
33.35 harvesting biomass harvest guidelines or the equivalent. Forestry-derived cellulosic
33.36 biomass that come from land parcels greater than 160 acres must be certified by the Forest

34.1 Stewardship Council, Sustainable Forestry Initiative, or American Tree Farm System.
34.2 Uncertified land from parcels of 160 acres or less and federal land must be harvested by a
34.3 Minnesota-certified master logger or the equivalent and have a forest stewardship plan.

34.4 Subd. 4. **Agricultural cellulosic biomass sourcing plan.** (a) An eligible producer
34.5 who utilizes agricultural cellulosic biomass must submit a responsible biomass sourcing
34.6 plan to the commissioner prior to applying for payments under this section. The plan must:

34.7 (1) provide a detailed explanation of how agricultural cellulosic biomass will be
34.8 produced and managed in a way that preserves soil quality, does not increase soil and
34.9 nutrient runoff, avoids introduction of harmful invasive species, limits negative impacts
34.10 on wildlife habitat, and reduces greenhouse gas emissions;

34.11 (2) include the producer's approach to verifying that biomass suppliers are following
34.12 the plan;

34.13 (3) discuss how new technologies and practices that are not yet commercially viable
34.14 may be encouraged and adopted during the life of the facility, and how the producer will
34.15 encourage continuous improvement during the life of the project; and

34.16 (4) include specific numeric goals and timelines for making progress.

34.17 (b) An eligible producer who utilizes agricultural cellulosic biomass and receives
34.18 payments under this section shall submit an annual report on the producer's responsible
34.19 biomass sourcing plan to the commissioner by January 15 each year. The report must
34.20 include data on progress made by the producer in meeting specific goals laid out in the
34.21 plan. The commissioner shall make the report publicly available. The commissioner
34.22 shall perform an annual review of submitted reports may make a determination that the
34.23 producer is not following the plan based on the reports submitted. The commissioner
34.24 may take appropriate steps, including reducing or ceasing payments, until the producer
34.25 is in compliance with the plan.

34.26 Subd. 5. **Claims.** (a) By the last day of October, January, April, and July, each
34.27 eligible renewable chemical producer shall file a claim for payment for renewable
34.28 chemical production during the preceding three calendar months. An eligible renewable
34.29 chemical producer that files a claim under this subdivision shall include a statement of
34.30 the eligible producer's total renewable chemical production in Minnesota during the
34.31 quarter covered by the claim. For each claim and statement of total renewable chemical
34.32 production filed under this paragraph, the volume of renewable chemical production must
34.33 be examined by an independent certified public accountant licensed under chapter 326A,
34.34 in accordance with Statements on Standards for Attestation Engagements established by
34.35 the American Institute of Certified Public Accountants.

35.1 (b) The commissioner must issue payments by November 15, February 15, May 15,
35.2 and August 15. A separate payment must be made for each claim filed.

35.3 **Sec. 34. [41A.18] BIOMASS THERMAL PRODUCTION INCENTIVE.**

35.4 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
35.5 source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or
35.6 less from the state border, raw materials should be sourced from within a 100-mile radius.
35.7 Raw materials must be from agricultural or forestry sources. The facility must be located
35.8 in Minnesota, must have begun production at a specific location by June 30, 2025, and
35.9 must not begin before July 1, 2015. Eligible facilities include existing companies and
35.10 facilities that are adding production capacity, or retrofitting existing capacity, as well as
35.11 new companies and facilities. Eligible biomass thermal production facilities must produce
35.12 at least 1,000 MMbtu per year.

35.13 (b) No payments shall be made for biomass thermal production that occurs after June
35.14 30, 2035, for those eligible biomass thermal producers under paragraph (a).

35.15 (c) An eligible producer of biomass thermal production shall not transfer the
35.16 producer's eligibility for payments under this section to a biomass thermal production
35.17 facility at a different location.

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

35.20 (e) Biofuel production for which payment has been received under section 41A.16,
35.21 and renewable chemical production for which payment has been received under section
35.22 41A.17, are not eligible for payment under this section.

35.23 Subd. 2. **Payment amounts; bonus; limits; blending.** (a) The commissioner shall
35.24 make payments to eligible producers of biomass thermal located in the state. The amount
35.25 of the payment for each producer's annual production is \$5.00 per MMbtu of biomass
35.26 thermal production produced at a specific location for ten years after the start of production.

35.27 (b) An eligible facility producing biomass thermal using agricultural cellulosic
35.28 biomass is eligible for a 20 percent bonus payment for each MMbtu produced from
35.29 agricultural biomass that is derived from perennial crop or cover crop biomass.

35.30 (c) Total payments under this section to an eligible thermal producer in a fiscal year
35.31 may not exceed the amount necessary for 30,000 MMbtu of thermal production. Total
35.32 payments under this section to all eligible thermal producers in a fiscal year may not
35.33 exceed the amount necessary for 150,000 MMbtu of total thermal production.

36.1 (d) An eligible facility may blend a cellulosic feedstock with other fuels in the
36.2 biomass thermal production facility, but only the percentage attributable to cellulosic
36.3 material is eligible to receive payment.

36.4 (e) For purposes of this section, an entity that holds a controlling interest in more
36.5 than one biomass thermal production facility is considered a single eligible producer.

36.6 Subd. 3. **Cellulosic biomass requirements.** All forestry-derived cellulosic biomass
36.7 must be produced using Minnesota state biomass harvesting guidelines or the equivalent.
36.8 All biomass from brushland must be produced using Minnesota brushland harvesting
36.9 biomass guidelines or the equivalent. Forestry-derived cellulosic biomass that come from
36.10 land parcels greater than 160 acres must be certified by the Forest Stewardship Council,
36.11 the Sustainable Forestry Initiative, or American Tree Farm. Uncertified land from parcels
36.12 of 160 acres or less and federal land must be harvested by a Minnesota-certified master
36.13 logger or the equivalent and have a forest stewardship plan.

36.14 Subd. 4. **Agricultural cellulosic biomass sourcing plan.** (a) An eligible producer
36.15 who utilizes agricultural cellulosic biomass must submit a responsible biomass sourcing
36.16 plan to the commissioner prior to applying for payments under this section. The plan must:

36.17 (1) provide a detailed explanation of how agricultural cellulosic biomass will be
36.18 produced and managed in a way that preserves soil quality, does not increase soil and
36.19 nutrient runoff, avoids introduction of harmful invasive species, limits negative impacts
36.20 on wildlife habitat, and reduces greenhouse gas emissions;

36.21 (2) include the producer's approach to verifying that biomass suppliers are following
36.22 the plan;

36.23 (3) discuss how new technologies and practices that are not yet commercially viable
36.24 may be encouraged and adopted during the life of the facility, and how the producer will
36.25 encourage continuous improvement during the life of the project; and

36.26 (4) include specific numeric goals and timelines for making progress.

36.27 (b) An eligible producer who utilizes agricultural cellulosic biomass and receives
36.28 payments under this section shall submit an annual report on the producer's responsible
36.29 biomass sourcing plan to the commissioner by January 15 each year. The report must
36.30 include data on progress made by the producer in meeting specific goals laid out in the
36.31 plan. The commissioner shall make the report publicly available. The commissioner
36.32 shall perform an annual review of submitted reports may make a determination that the
36.33 producer is not following the plan based on the reports submitted. The commissioner
36.34 may take appropriate steps, including reducing or ceasing payments, until the producer
36.35 is in compliance with the plan.

37.1 Subd. 5. **Claims.** (a) By the last day of October, January, April, and July, each
37.2 producer shall file a claim for payment for biomass thermal production during the
37.3 preceding three calendar months. A producer that files a claim under this subdivision shall
37.4 include a statement of the producer's total biomass thermal production in Minnesota during
37.5 the quarter covered by the claim. For each claim and statement of total biomass thermal
37.6 production filed under this paragraph, the volume of biomass thermal production must
37.7 be examined by an independent certified public accountant licensed under chapter 326A,
37.8 in accordance with Statements on Standards for Attestation Engagements established by
37.9 the American Institute of Certified Public Accountants.

37.10 (b) The commissioner must issue payments by November 15, February 15, May 15,
37.11 and August 15. A separate payment shall be made for each claim filed.

37.12 Sec. 35. **[41A.19] REPORT; INCENTIVE PROGRAMS.**

37.13 By January 15 each year, the commissioner shall report on the incentive programs
37.14 under sections 41A.16, 41A.17, and 41A.18, to the legislative committees with jurisdiction
37.15 over environment and agriculture policy and finance. The report shall include information
37.16 on production and incentive expenditures under the programs.

37.17 Sec. 36. Minnesota Statutes 2014, section 41B.03, subdivision 6, is amended to read:

37.18 Subd. 6. **Application fee.** The authority may impose a reasonable nonrefundable
37.19 application fee for each application submitted for a beginning farmer loan or a
37.20 seller-sponsored loan. The application fee is initially \$50. The authority may review the
37.21 fee annually and make adjustments as necessary. The fee must be deposited in the state
37.22 treasury and credited to an account in the special revenue fund. Money in the account is
37.23 appropriated to the commissioner for administrative expenses of the beginning farmer
37.24 and seller-sponsored loan programs the Rural Finance Authority administrative account
37.25 established in subdivision 7.

37.26 Sec. 37. Minnesota Statutes 2014, section 41B.03, is amended by adding a subdivision
37.27 to read:

37.28 Subd. 7. **Rural Finance Authority administrative account.** There is established
37.29 in the agricultural fund a Rural Finance Authority administrative account. Money in the
37.30 account, including interest, is appropriated to the commissioner of agriculture for the
37.31 administrative expenses of the loan programs administered by the Rural Finance Authority.

37.32 Sec. 38. Minnesota Statutes 2014, section 41B.04, subdivision 17, is amended to read:

38.1 Subd. 17. **Application and origination fee.** The authority may impose a reasonable
38.2 nonrefundable application fee for each application and an origination fee for each loan
38.3 issued under the loan restructuring program. The origination fee is 1.5 percent of the
38.4 authority's participation interest in the loan and the application fee is \$50. The authority
38.5 may review the fees annually and make adjustments as necessary. The fees must be
38.6 deposited in the state treasury and credited to ~~an account in the special revenue fund.~~
38.7 ~~Money in the account is appropriated to the commissioner for administrative expenses~~
38.8 ~~of the loan restructuring program~~ the Rural Finance Authority administrative account
38.9 established in section 41B.03.

38.10 Sec. 39. Minnesota Statutes 2014, section 41B.043, subdivision 3, is amended to read:

38.11 Subd. 3. **Application and origination fee.** The authority may impose a reasonable
38.12 nonrefundable application fee for each application submitted for a participation issued
38.13 under the agricultural improvement loan program. The application fee is initially \$50. The
38.14 authority may review the fees annually and make adjustments as necessary. The fees must
38.15 be deposited in the state treasury and credited to ~~an account in the special revenue fund.~~
38.16 ~~Money in this account is appropriated to the commissioner for administrative expenses of~~
38.17 ~~the agricultural improvement loan program~~ the Rural Finance Authority administrative
38.18 account established in section 41B.03.

38.19 Sec. 40. Minnesota Statutes 2014, section 41B.045, subdivision 3, is amended to read:

38.20 Subd. 3. **Specifications.** ~~No loan may be made to refinance an existing debt.~~ Each
38.21 loan participation must be secured by a mortgage on real property and such other security
38.22 as the authority may require.

38.23 Sec. 41. Minnesota Statutes 2014, section 41B.045, subdivision 4, is amended to read:

38.24 Subd. 4. **Application and origination fee.** The authority may impose a reasonable
38.25 nonrefundable application fee for each application for a loan participation and an
38.26 origination fee for each loan issued under the livestock expansion loan program. The
38.27 origination fee initially shall be set at 1.5 percent and the application fee at \$50. The
38.28 authority may review the fees annually and make adjustments as necessary. The fees must
38.29 be deposited in the state treasury and credited to ~~an account in the special revenue fund.~~
38.30 ~~Money in this account is appropriated to the commissioner for administrative expenses of~~
38.31 ~~the livestock expansion loan program~~ the Rural Finance Authority administrative account
38.32 established in section 41B.03.

39.1 Sec. 42. Minnesota Statutes 2014, section 41B.046, subdivision 5, is amended to read:

39.2 Subd. 5. **Loans.** (a) The authority may participate in a stock loan with an eligible
39.3 lender to a farmer who is eligible under subdivision 4. Participation is limited to 45
39.4 percent of the principal amount of the loan or \$40,000, whichever is less. The interest
39.5 rates and repayment terms of the authority's participation interest may differ from the
39.6 interest rates and repayment terms of the lender's retained portion of the loan, but the
39.7 authority's interest rate must not exceed 50 percent of the lender's interest rate.

39.8 (b) No more than 95 percent of the purchase price of the stock may be financed
39.9 under this program.

39.10 (c) Security for stock loans must be the stock purchased, a personal note executed by
39.11 the borrower, and whatever other security is required by the eligible lender or the authority.

39.12 (d) The authority may impose a reasonable nonrefundable application fee for each
39.13 application for a stock loan. The authority may review the fee annually and make
39.14 adjustments as necessary. The application fee is initially \$50. Application fees received
39.15 by the authority must be deposited in the ~~revolving loan account established in section~~
39.16 41B.06 Rural Finance Authority administrative account established in section 41B.03.

39.17 (e) Stock loans under this program will be made using money in the revolving
39.18 loan account established in section 41B.06.

39.19 (f) The authority may not grant stock loans in a cumulative amount exceeding
39.20 \$2,000,000 for the financing of stock purchases in any one cooperative.

39.21 (g) Repayments of financial assistance under this section, including principal and
39.22 interest, must be deposited into the revolving loan account established in section 41B.06.

39.23 Sec. 43. Minnesota Statutes 2014, section 41B.047, subdivision 1, is amended to read:

39.24 Subdivision 1. **Establishment.** The authority shall establish and implement a
39.25 disaster recovery loan program to help farmers:

39.26 (1) clean up, repair, or replace farm structures and septic and water systems, as well
39.27 as replace seed, other crop inputs, feed, and livestock, when damaged by high winds,
39.28 hail, tornado, or flood; ~~or~~

39.29 (2) purchase watering systems, irrigation systems, and other drought mitigation
39.30 systems and practices when drought is the cause of the purchase; or

39.31 (3) restore farmland.

39.32 Sec. 44. Minnesota Statutes 2014, section 41B.047, subdivision 4, is amended to read:

39.33 Subd. 4. **Loans.** (a) The authority may participate in a disaster recovery loan with
39.34 an eligible lender to a farmer who is eligible under subdivision 3. Participation is limited

40.1 to 45 percent of the principal amount of the loan or \$50,000, whichever is less. The
40.2 interest rates and repayment terms of the authority's participation interest may differ from
40.3 the interest rates and repayment terms of the lender's retained portion of the loan, but the
40.4 authority's interest rate must not exceed four percent.

40.5 (b) Standards for loan amortization shall be set by the Rural Finance Authority
40.6 not to exceed ten years.

40.7 (c) Security for the disaster recovery loans must be a personal note executed by the
40.8 borrower and whatever other security is required by the eligible lender or the authority.

40.9 (d) The authority may impose a reasonable nonrefundable application fee for a
40.10 disaster recovery loan. The authority may review the fee annually and make adjustments
40.11 as necessary. The application fee is initially \$50. Application fees received by the
40.12 authority must be deposited in the ~~revolving loan account established under section~~
40.13 41B.06 Rural Finance Authority administrative account established in section 41B.03.

40.14 (e) Disaster recovery loans under this program will be made using money in the
40.15 revolving loan account established under section 41B.06.

40.16 (f) Repayments of financial assistance under this section, including principal and
40.17 interest, must be deposited into the revolving loan account established under section
40.18 41B.06.

40.19 Sec. 45. Minnesota Statutes 2014, section 41B.048, subdivision 6, is amended to read:

40.20 Subd. 6. **Loans.** (a) The authority may disburse loans through a fiscal agent to
40.21 farmers and agricultural landowners who are eligible under subdivision 5. The total
40.22 accumulative loan principal must not exceed \$75,000 per loan.

40.23 (b) The fiscal agent may impose a loan origination fee in the amount of one percent
40.24 of the total approved loan. This fee is to be paid by the borrower to the fiscal agent at
40.25 the time of loan closing.

40.26 (c) The loan may be disbursed over a period not to exceed 12 years.

40.27 (d) A borrower may receive loans, depending on the availability of funds, for planted
40.28 areas up to 160 acres for up to:

40.29 (1) the total amount necessary for establishment of the crop;

40.30 (2) the total amount of maintenance costs, including weed control, during the first
40.31 three years; and

40.32 (3) 70 percent of the estimated value of one year's growth of the crop for years
40.33 four through 12.

41.1 (e) Security for the loan must be the crop, a personal note executed by the borrower, an
41.2 interest in the land upon which the crop is growing, and whatever other security is required
41.3 by the fiscal agent or the authority. All recording fees must be paid by the borrower.

41.4 (f) The authority may prescribe forms and establish an application process for
41.5 applicants to apply for a loan.

41.6 (g) The authority may impose a reasonable, nonrefundable application fee for each
41.7 application for a loan under this program. The application fee is initially \$50. Application
41.8 fees received by the authority must be deposited in the ~~revolving loan account established~~
41.9 ~~under section 41B.06~~ Rural Finance Authority administrative account established in
41.10 section 41B.03.

41.11 (h) Loans under the program must be made using money in the revolving loan
41.12 account established under section 41B.06.

41.13 (i) All repayments of financial assistance granted under this section, including
41.14 principal and interest, must be deposited into the revolving loan account established
41.15 under section 41B.06.

41.16 (j) The interest payable on loans made by the authority for the agroforestry loan
41.17 program must, if funded by revenue bond proceeds, be at a rate not less than the rate on the
41.18 revenue bonds, and may be established at a higher rate necessary to pay costs associated
41.19 with the issuance of the revenue bonds and a proportionate share of the cost of administering
41.20 the program. The interest payable on loans for the agroforestry loan program funded from
41.21 sources other than revenue bond proceeds must be at a rate determined by the authority.

41.22 (k) Loan principal balance outstanding plus all assessed interest must be repaid
41.23 within 120 days of harvest, but no later than 15 years from planting.

41.24 Sec. 46. Minnesota Statutes 2014, section 41B.049, subdivision 4, is amended to read:

41.25 Subd. 4. **Loans.** (a) The authority may make a direct loan or participate in a loan
41.26 with an eligible lender to a farmer who is eligible under subdivision 3. Repayment terms
41.27 of the authority's participation interest may differ from repayment terms of the lender's
41.28 retained portion of the loan. Loans made under this section must be no-interest loans.

41.29 (b) Application for a direct loan or a loan participation must be made on forms
41.30 prescribed by the authority.

41.31 (c) Standards for loan amortization shall be set by the Rural Finance Authority
41.32 not to exceed ten years.

41.33 (d) Security for the loans must be a personal note executed by the borrower and
41.34 whatever other security is required by the eligible lender or the authority.

41.35 (e) No loan proceeds may be used to refinance a debt existing prior to application.

42.1 (f) The authority may impose a reasonable nonrefundable application fee for
42.2 each application for a direct loan or a loan participation. The authority may review the
42.3 application fees annually and make adjustments as necessary. The application fee is
42.4 initially set at \$100 for a loan under subdivision 1. The fees received by the authority must
42.5 be deposited in the ~~revolving loan account established in section 41B.06~~ Rural Finance
42.6 Authority administrative account established in section 41B.03.

42.7 Sec. 47. Minnesota Statutes 2014, section 41B.055, subdivision 3, is amended to read:

42.8 Subd. 3. **Loans.** (a) The authority may participate in a livestock equipment loan
42.9 equal to 90 percent of the purchased equipment value with an eligible lender to a farmer
42.10 who is eligible under subdivision 2. Participation is limited to 45 percent of the principal
42.11 amount of the loan or \$40,000, whichever is less. The interest rates and repayment terms
42.12 of the authority's participation interest may differ from the interest rates and repayment
42.13 terms of the lender's retained portion of the loan, but the authority's interest rate must
42.14 not exceed three percent. The authority may review the interest annually and make
42.15 adjustments as necessary.

42.16 (b) Standards for loan amortization must be set by the Rural Finance Authority
42.17 and must not exceed ten years.

42.18 (c) Security for a livestock equipment loan must be a personal note executed by the
42.19 borrower and whatever other security is required by the eligible lender or the authority.

42.20 (d) Refinancing of existing debt is not an eligible purpose.

42.21 (e) The authority may impose a reasonable, nonrefundable application fee for
42.22 a livestock equipment loan. The authority may review the fee annually and make
42.23 adjustments as necessary. The initial application fee is \$50. Application fees received
42.24 by the authority must be deposited in the ~~revolving loan account established in section~~
42.25 ~~41B.06~~ Rural Finance Authority administrative account established in section 41B.03.

42.26 (f) Loans under this program must be made using money in the revolving loan
42.27 account established in section 41B.06.

42.28 Sec. 48. Minnesota Statutes 2014, section 41B.056, subdivision 2, is amended to read:

42.29 Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

42.30 (b) "Intermediary" means any lending institution or other organization of a for-profit
42.31 or nonprofit nature that is in good standing with the state of Minnesota that has the
42.32 appropriate business structure and trained personnel suitable to providing efficient
42.33 disbursement of loan funds and the servicing and collection of loans.

43.1 (c) "Specialty crops" means agricultural crops, such as annuals, flowers, perennials,
43.2 and other horticultural products, that are intensively cultivated.

43.3 (d) "Eligible livestock" means ~~poultry that has been allowed access to the outside;~~
43.4 ~~sheep, or goats~~ beef cattle, dairy cattle, swine, poultry, goats, mules, farmed cervidae,
43.5 ratitae, bison, sheep, horses, and llamas.

43.6 Sec. 49. **[41B.057] FARM OPPORTUNITY LOAN PROGRAM.**

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

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

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

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

43.13 (4) increase production of on-farm energy.

43.14 Subd. 2. Loan criteria. (a) The farm opportunity loan program shall provide loans
43.15 for purchase of new or used equipment and installation of equipment for projects that
43.16 make environmental improvements and enhance farm profitability. The loan program
43.17 shall also be used to add value to crops or livestock produced in Minnesota by, but not
43.18 limited to, initiating or expanding livestock product processing; purchasing equipment to
43.19 initiate, upgrade, or modernize value-added agricultural businesses; or increasing farmers'
43.20 processing and aggregating capacity facilitating entry into farm-to-institution and other
43.21 markets. Eligible loan uses do not include expenses related to seeds, fertilizer, fuel, or
43.22 other operating expenses.

43.23 (b) The authority may impose a reasonable, nonrefundable application fee for a farm
43.24 opportunity loan. The authority may review the fee annually and make adjustments as
43.25 necessary. The initial application fee is \$50. Application fees received by the authority
43.26 must be deposited in the Rural Finance Authority administrative account established
43.27 in section 41B.03.

43.28 (c) Loans may only be made to Minnesota residents engaged in farming. Standards
43.29 for loan amortization must be set by the Rural Finance Authority and must not exceed
43.30 ten years.

43.31 (d) The borrower must show the ability to repay the loan.

43.32 (e) Refinancing of existing debt is not an eligible expense.

43.33 (f) Loans under this program must be made using money in the revolving loan
43.34 account established in section 41B.06.

44.1 Subd. 3. **Loan participation.** The authority may participate in a farm opportunity
44.2 loan with an eligible lender, as defined in section 41B.02, subdivision 8, to a farmer or a
44.3 group of farmers on joint projects who are eligible under subdivision 2, paragraph (c),
44.4 and who are actively engaged in farming. Participation is limited to 45 percent of the
44.5 principal amount of the loan or \$45,000 per individual, whichever is less. For loans to a
44.6 group made up of four or more individuals, participation is limited to 45 percent of the
44.7 principal amount of the loan or \$180,000, whichever is less. The interest rate on the
44.8 loans must not exceed six percent.

44.9 Sec. 50. Minnesota Statutes 2014, section 41B.06, is amended to read:

44.10 **41B.06 RURAL FINANCE AUTHORITY REVOLVING LOAN ACCOUNT.**

44.11 There is established in the rural finance administration fund a Rural Finance
44.12 Authority revolving loan account that is eligible to receive appropriations and the transfer
44.13 of loan funds from other programs. All repayments of financial assistance granted from
44.14 this account, including principal and interest, must be deposited into this account. Interest
44.15 earned on money in the account accrues to the account, and the money in the account is
44.16 appropriated to the commissioner of agriculture for purposes of the Rural Finance Authority
44.17 livestock equipment, methane digester, disaster recovery, value-added agricultural
44.18 product, agroforestry, ~~and agricultural microloan,~~ and farm opportunity loan programs,
44.19 including costs incurred by the authority to establish and administer the programs.

44.20 Sec. 51. Minnesota Statutes 2014, section 135A.52, is amended by adding a
44.21 subdivision to read:

44.22 Subd. 6. **Farm business management.** Minnesota State Colleges and Universities
44.23 campuses that offer farm business management may specify space availability in the
44.24 delivery of farm business management courses.

44.25 Sec. 52. Minnesota Statutes 2014, section 500.24, subdivision 4, is amended to read:

44.26 Subd. 4. **Reports.** (a) The chief executive officer of every pension or investment
44.27 fund, corporation, limited partnership, limited liability company, or entity that is seeking
44.28 to qualify for an exemption from the commissioner, and the trustee of a family farm trust
44.29 that holds any interest in agricultural land or land used for the breeding, feeding, pasturing,
44.30 growing, or raising of livestock, dairy or poultry, or products thereof, or land used for
44.31 the production of agricultural crops or fruit or other horticultural products, other than a
44.32 bona fide encumbrance taken for purposes of security, or which is engaged in farming

45.1 or proposing to commence farming in this state after May 20, 1973, shall file with the
45.2 commissioner a report containing the following information and documents:

45.3 (1) the name of the pension or investment fund, corporation, limited partnership, or
45.4 limited liability company and its place of incorporation, certification, or registration;

45.5 (2) the address of the pension or investment plan headquarters or of the registered
45.6 office of the corporation in this state, the name and address of its registered agent in this state
45.7 and, in the case of a foreign corporation, limited partnership, or limited liability company,
45.8 the address of its principal office in its place of incorporation, certification, or registration;

45.9 (3) the acreage and location listed by quarter-quarter section, township, and county
45.10 of each lot or parcel of agricultural land or land used for the keeping or feeding of poultry
45.11 in this state owned or leased by the pension or investment fund, limited partnership,
45.12 corporation, or limited liability company;

45.13 (4) the names and addresses of the officers, administrators, directors, or trustees of
45.14 the pension or investment fund, or of the officers, shareholders owning more than ten
45.15 percent of the stock, including the percent of stock owned by each such shareholder, the
45.16 members of the board of directors of the corporation, and the members of the limited
45.17 liability company, and the general and limited partners and the percentage of interest in
45.18 the partnership by each partner;

45.19 (5) the farm products which the pension or investment fund, limited partnership,
45.20 corporation, or limited liability company produces or intends to produce on its agricultural
45.21 land;

45.22 (6) with the first report, a copy of the title to the property where the farming operations
45.23 are or will occur indicating the particular exception claimed under subdivision 3; and

45.24 (7) with the first or second report, a copy of the conservation plan proposed by the
45.25 soil and water conservation district, and with subsequent reports a statement of whether
45.26 the conservation plan was implemented.

45.27 The report of a corporation, trust, limited liability company, or partnership seeking
45.28 to qualify hereunder as a family farm corporation, an authorized farm corporation, an
45.29 authorized livestock farm corporation, a family farm partnership, an authorized farm
45.30 partnership, a family farm limited liability company, an authorized farm limited liability
45.31 company, or a family farm trust or under an exemption from the commissioner shall
45.32 contain the following additional information: the number of shares, partnership interests,
45.33 or governance and financial rights owned by persons or current beneficiaries of a family
45.34 farm trust residing on the farm or actively engaged in farming, or their relatives within
45.35 the third degree of kindred according to the rules of the civil law or their spouses; the
45.36 name, address, and number of shares owned by each shareholder, partnership interests

46.1 owned by each partner or governance and financial rights owned by each member, and a
46.2 statement as to percentage of gross receipts of the corporation derived from rent, royalties,
46.3 dividends, interest, and annuities. No pension or investment fund, limited partnership,
46.4 corporation, or limited liability company shall commence farming in this state until the
46.5 commissioner has inspected the report and certified that its proposed operations comply
46.6 with the provisions of this section.

46.7 (b) Every pension or investment fund, limited partnership, trust, corporation, or
46.8 limited liability company as described in paragraph (a) shall, prior to April 15 of each
46.9 year, file with the commissioner a report containing the information required in paragraph
46.10 (a), based on its operations in the preceding calendar year and its status at the end of the
46.11 year. A pension or investment fund, limited partnership, corporation, or limited liability
46.12 company that does not file the report by April 15 must pay a \$500 civil penalty. The
46.13 penalty is a lien on the land being farmed under subdivision 3 until the penalty is paid.

46.14 (c) The commissioner may, for good cause shown, issue a written waiver or
46.15 reduction of the civil penalty for failure to make a timely filing of the annual report
46.16 required by this subdivision. The waiver or reduction is final and conclusive with respect
46.17 to the civil penalty, and may not be reopened or modified by an officer, employee, or
46.18 agent of the state, except upon a showing of fraud or malfeasance or misrepresentation
46.19 of a material fact. The report required under paragraph (b) must be completed prior to a
46.20 reduction or waiver under this paragraph. The commissioner may enter into an agreement
46.21 under this paragraph only once for each corporation or partnership.

46.22 (d) All reports required by paragraph (a) shall include a filing fee of \$15. The fee
46.23 must be deposited in the state treasury and credited to an account in the agricultural fund.
46.24 Money in the account, including interest, is appropriated to the commissioner for the
46.25 administrative expenses of this section.

46.26 ~~(d)~~ (e) Failure to file a required report or the willful filing of false information is a
46.27 gross misdemeanor.

46.28 Sec. 53. **LIVESTOCK INDUSTRY STUDY.**

46.29 The commissioner of agriculture must identify causes of the relative growth or decline
46.30 in the number of head of poultry and livestock produced in Minnesota, Iowa, North Dakota,
46.31 South Dakota, Wisconsin, and Nebraska over the last ten years. No later than February 1,
46.32 2016, the commissioner must report findings by poultry and livestock sector and provide
46.33 recommendations on how to strengthen and expand Minnesota animal agriculture to the
46.34 legislative committees with jurisdiction over agriculture policy and finance.

47.1 Sec. 54. **FEASIBILITY STUDY; IMPORTING BAIT FISH FOR RESALE.**

47.2 The commissioner of agriculture shall conduct a study to assess the feasibility of a
47.3 Minnesota company with a valid importation permit under Minnesota Statutes, section
47.4 97C.515, procuring health-certified, farm-raised bait fish from an out-of-state facility
47.5 and transporting the fish directly to a Minnesota facility for the purpose of resale. The
47.6 commissioner shall appoint a working group of seven individuals to conduct the study,
47.7 including representatives of the Departments of Agriculture and Natural Resources,
47.8 Explore Minnesota, and private aquaculture, a University of Minnesota aquatic invasive
47.9 species specialist, a Minnesota aquaculture extension agent, and a United States Fish and
47.10 Wildlife aquatic invasive species specialist. The work group shall report the study to the
47.11 legislative policy and finance committees and divisions with jurisdiction over agriculture,
47.12 environment, and natural resources by February 1, 2016.

47.13 Sec. 55. **CORRECTIONAL FACILITY VOCATIONAL TRAINING PILOT**
47.14 **PROGRAM.**

47.15 Subdivision 1. **Pilot program.** The commissioner of agriculture must coordinate
47.16 a pilot program operated by the Northeast Regional Corrections Center to train inmates
47.17 for careers as meat cutters upon release. The commissioner must facilitate program
47.18 development and ensure that the program prepares inmates to meet applicable food safety
47.19 and licensure requirements.

47.20 Subd. 2. **Program development.** In facilitating development of the pilot program,
47.21 the commissioner must consult with the commissioner of employment and economic
47.22 development and a representative of each of the following organizations:

- 47.23 (1) Northeast Regional Corrections Center; and
47.24 (2) United Food and Commercial Workers.

47.25 Subd. 3. **Report required.** No later than February 1, 2017, the commissioner must
47.26 report on the progress and outcomes of the program to the legislative committees with
47.27 jurisdiction over agriculture, economic development, higher education, and public safety.

47.28 Subd. 4. **Expiration.** This section expires on June 30, 2017.

47.29 Sec. 56. **URBAN AGRICULTURE DEVELOPMENT PROPOSAL.**

47.30 The commissioner of agriculture must convene interested stakeholders and develop
47.31 a proposal to effectively and efficiently promote urban agriculture in Minnesota cities. No

48.1 later than January 15, 2016, the commissioner must report to the legislative committees
48.2 with jurisdiction over agriculture policy and finance and submit proposed legislation.

48.3 Sec. 57. **BALANCES TRANSFERRED; ACCOUNTS ABOLISHED.**

48.4 The balances in the accounts created under sections 41B.03, subdivision 6; 41B.04,
48.5 subdivision 17; 41B.043, subdivision 3; and 41B.045, subdivision 4, are transferred to
48.6 the Rural Finance Authority administrative account established under section 41B.03,
48.7 subdivision 7, and the original accounts are abolished.

48.8 The balance in the account created under section 17.115 is transferred to the Rural
48.9 Finance Authority revolving loan account established under section 41B.06, and the
48.10 original account is abolished.

48.11 Sec. 58. **REPEALER.**

48.12 Minnesota Statutes 2014, sections 17.115; 28A.15, subdivisions 9 and 10; and
48.13 116V.03, are repealed."

48.14 Amend the title accordingly