

House Research Act Summary

CHAPTER: 45

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Overview

The act appropriates funding for the next biennium to the Department of Agriculture (MDA), the Board of Animal Health (BAH), the Agricultural Utilization Research Institute (AURI), the Department of Veterans Affairs, and the Department of Military Affairs.

Numerous policy changes are also included.

Unless otherwise specified, the effective date for each provision in this appropriations bill, whether policy or appropriation, is July 1, 2007 (as governed by M.S. 645.02).

Article 1: Agriculture

- 1 **Summary of appropriations.** Totals the amounts appropriated in each year and over the biennium for agriculture activities, including a breakdown by fund.
- 2 **Agriculture appropriations.** Inserts standard appropriation language.
- 3 **Department of Agriculture.** Appropriates funding in FY2008 and FY2009 to the department and its activities.

Subd. 1. Total appropriation. Appropriates \$50,846,000 in FY2008 and \$40,992,000 in FY2009. The vast majority of the funding comes from the general

fund, while \$388,000 in each year is from the remediation fund.

Subd. 2. Protection services. Appropriates \$15,043,000 in FY2008 and \$13,916,000 in FY2009 for the MDA's protection activities. Earmarks funding for several specific purposes.

Subd. 3. Agricultural marketing and development. Appropriates \$8,547,000 in FY2008 and \$5,157,000 in FY2009 for the MDA's marketing activities. Earmarks funding for several specific purposes.

Subd. 4. Bioenergy and value-added agricultural products. Appropriates \$19,918,000 in FY2008 and \$15,168,000 in FY2009 for ethanol producer payments, grants awarded by the new NextGen Energy Board, and other energy-related grants.

Subd. 5. Administration and financial assistance. Appropriates \$7,338,000 in FY2008 and \$6,751,000 in FY2009 for the MDA's administration and financial assistance activities. Earmarks grants for several entities and purposes.

- 4 **Board of Animal Health.** Appropriates \$3,574,000 in FY2008 and \$3,455,000 in FY2009 to the board and earmarks funding for several specific purposes.
- 5 **Agricultural Utilization Research Institute.** Appropriates \$3,100,000 in FY2008 and \$3,100,000 in FY2009 to AURI and requires certain actions.
- 6 **Compensation required.** Puts a \$100 floor and \$20,000 per claim cap on compensation paid by the state to owners of livestock destroyed or crippled by a gray wolf. Puts a \$100,000 per calendar year cap on combined compensation paid under this program and the program in section 2.
- 7 **Compensation.** Puts a \$100,000 per calendar year cap on combined payments for crop damage and yield loss caused by elk and the compensation program for livestock destroyed or crippled by a gray wolf in section 1.
- 8 **Cooperation with federal agencies.** Grants the MDA greater latitude in applying for, receiving, and spending federal funds without legislative oversight.
- 9 **Agricultural development grants and contracts.** Raises the biennial limit on grants from the MDA to an organization for the promotion and marketing of agricultural products.
- 10 **Establishment and use of label.** Expands use of the "Minnesota grown" label to agricultural products that are "raised."
- 11 **License.** Raises the "Minnesota grown" license fee from \$5 to \$20.
- 12 **Minnesota grown account.** Changes the ways in which the MDA can use money in the Minnesota grown account. Changes allowable uses from enforcing and promoting the logo to using the money to cover direct implementation costs.
- 13 **Funding sources.** Lists eligible funding sources for the Minnesota grown program.
- 14 **Appropriations must be matched by private funds.** Requires expenditures from the Minnesota grown account to be matched at least 1:4 by private contributions.
- 15 **Purpose.** Broadens the scope of the loan program to allow no or low interest loans to water-quality cooperatives.
- 16 **Definitions.** Creates a new definition for "water-quality cooperative," to mean, except as expressly limited in the section, an association of persons organized under chapter 308A ("Cooperatives") to install, own, manage, and control individual sewage treatment systems or alternative discharging sewage systems and provide water quality treatment and management services for its members within a defined geographical area.
- 17 **Agricultural and environmental revolving accounts.** Changes the fund for the Agricultural Best Management Loan Program (AgBMP) from the agricultural fund to the special revenue fund.

- 18 **Application fee.** Requires AgBMP application fees to be deposited in the special revenue, rather than agricultural, fund.
- 19 **Loans issued to borrower.** Doubles allowable loan amounts. Removes the five-year cap on loans for conservation tillage projects, allowing these loans to be for ten years, the maximum term for all other allowable projects. Removes a provision allowing loans of up to \$100,000 for a community sewage treatment system serving two or more households.
- 20 **Criminal penalties.** Extends the applicability of criminal penalties to violations of chapter 25, "Commercial Feed."
- 21 **Administrative penalties; citation.** Extends the MDA's authority to issue citations and administrative penalties to violations of chapter 25, "Commercial Feed."
- 22 **Collection and disposal.** Specifies that the waste pesticide collection program is open to end users of agricultural and residential pesticides whose waste is generated in Minnesota.

Effective date. The section is effective 7/1/08 and applies to all pesticide collection contracts entered into by the MDA and local units of government after that date.

- 23 **Disposal site requirement.** Requires the MDA (in consultation with the county employee in charge of solid waste management) to designate a place in each county where persons can drop off waste pesticides.

Effective date. The section is effective 7/1/08 and applies to all pesticide collection contracts entered into by the MDA and local units of government after that date.

- 24 **Application fee.** Increases the minimum amount the MDA must spend each fiscal year for waste pesticide collection from \$300,000 to \$400,000, not including the MDA's own admin costs.

Effective date. The section is effective 7/1/08 and applies to all pesticide collection contracts entered into by the MDA and local units of government after that date.

- 25 **Requirement.** Sections 25-27 and 34 remove references to the aquatic pest control license for pesticide applicators, which is eliminated in section 66.

- 26 **Requirement.** See above.

- 27 **Pesticide application on golf courses.** See above.

- 28 **Exemption.** Exempts a person who stores no more than 6,000 gallons of liquid commercial fertilizer on their property and for their own use from the permitting and safeguarding requirements of section 18C.305.

- 29 **Minnesota Agricultural Fertilizer Research and Education Council.**

Subd. 1. Establishment; membership. Establishes a 12-member council made up of representatives of named organizations. Specifies member term details.

Subd. 2. Powers and duties. Grants the council power to select projects to receive funding from the Minnesota Agricultural Fertilizer Research and Education Program. Defines "fertilizer" as including soil amendments and plant amendments but not vegetable or animal manures that are not manipulated. Requires the department to act as the fiscal and administrative agent in the first program year and allows the department to use eight percent of program revenue to offset costs incurred. Requires the department to provide the council with an estimate of annual program costs by October 1, 2007.

Subd. 3. Checkoff fees. Allows the council to recommend a fertilizer checkoff fee to the governor and legislature. The proceeds would be used to fund program grants.

Subd. 4. Rules. Exempts the MDA's duties under this and the following section

from formal agency rulemaking.

Subd. 5. Expiration. This section expires January 8, 2017.

Effective date. This section is effective 1/1/08.

30 Minnesota Agricultural Fertilizer Research And Education Program.

Subd. 1. Eligible Projects. Specifies that eligible projects include research, education, and technology transfer related to the production and application of fertilizer, soil amendment, and other plant amendments. Chosen projects must include an element of outreach to the production agricultural community.

Subd. 2. Awarding grants. Details project application and selection procedures.

Subd. 3. Annual audit. Mandates that the program have an annual financial audit.

Subd. 4. Expiration. This section expires January 8, 2017.

Effective date. This section is effective 1/1/08.

31 Definitions. Clarifies that certain terms in this section are defined in chapters 18B ("Pesticide Control"), 18C ("Fertilizer, Soil Amendment, and Plant Amendment"), and 18D ("Agricultural Chemical Liability"). However, if a term is defined in this chapter and elsewhere, the definition provided in this chapter prevails.

32 Eligible person. Disallows reimbursement of response costs incurred by certain railroad companies and certain for-hire property or passenger transporters that carry agricultural chemicals unless they voluntarily clean up an eligible chemical spill in response to a request or order by the MDA.

33 Incident. Adds a definition for "incident," providing examples of events that release agricultural chemicals into the environment. Asserts that the normal, legal use of a product or practice does not constitute an incident.

34 Fee. See section 25.

35 Requirement. Modifies the commercial feed license exemption for retailers that sell feed guaranteed by another.

36 Application; date of issuance. Adds a new clause requiring licenses issued for a temporary food concession stand to have a license issuance and renewal date consistent with appropriate statutory provisions.

37 Extent of license. Allows licenses for retail food vehicles and carts to be valid statewide and issued once annually unless the structure is a seasonal permanent food stand, seasonal temporary food stand, food cart, or special event food stand. "Special event food stand" means a food and beverage service establishment which is used in conjunction with celebrations and special events, and which operates no more than three times annually for no more than ten total days.

38 Fees; application. Increases the fees the MDA charges to review food handler facility floor plans prior to construction, remodeling, or conversion.

39 Food safety and defense task force. Creates a new task force to advise the governor and legislature on food issues and food safety.

Subd. 1. Establishment. Establishes the task force.

Subd. 2. Membership. Lists public and private organizations that must be represented on the task force.

Subd. 3. Organization. Requires annual elections of a chair and requires the task

force to meet monthly or when required by the chair.

Subd. 4. Staff. Requires the MDA to provide staff and space for the task force.

Subd. 5. Duties. Prescribes duties for the task force.

Subd. 6. Expiration. Sunsets the task force on June 30, 2012.

- 40 **Penalties.** Changes the party providing farm inspections following a second milk contamination violation within a 12-month period from "the regulatory agency or its agent" to "a qualified dairy sanitarian." Makes the penalty for the third violation in a 12-month period applicable for all subsequent violations within the period. Changes the party providing farm inspections following a positive producer sample on a bulk load of milk from "the plant representative and the producer" to "a qualified dairy sanitarian."
- 41 **Milk houses for bulk tanks.** Removes references to a law repealed in section 66 (below).
- 42 **Rules.** Removes reference to milk requirements in the "1995 Grade A Condensed and Dry Milk Ordinance" of the U.S. Department of Health and Human Services.
- 43 **Milk for manufacturing; quality standards.** Removes reference to the June 17, 2002, revision of certain USDA milk recommendations.
- 44 **Indemnity for destroyed cattle.** Inserts a new section in the chapter governing the BAH. (The existing sections are repealed in section 66.) Allows the BAH to pay indemnity to cattle owners who euthanize cattle that test suspect for bovine tuberculosis. Stipulates that indemnity may be paid only if the legislature has appropriated funds for that purpose and the United States Department of Agriculture has refused to pay indemnity for the animal. Requires the BAH to pay the difference between the market value and salvage value. Allows the owner, upon refusal of the BAH's offer, to abstain from disposing of the animal until it tests positive for bovine tuberculosis. Makes indemnity payments made by the BAH subject to the requirements of chapter 336A, "Farm Product Liens And Financing Statements."
- 45 **Rules for control of bovine tuberculosis.** Gives the BAH authority to adopt rules to provide for the control of bovine tuberculosis. (The existing rules are repealed in section 66.) Requires relevant federal regulations to be incorporated.
- 46 **Cellulosic biofuel development.** Defines certain terms and establishes a goal that by 2015-or once the state's level of annual ethanol production reaches 60 million gallons-at least 25% of total ethanol produced in the state must be derived from cellulosic feedstocks.
- 47 **NextGen energy.** Establishes a board to direct the state's efforts and investments in the next generation of biofuels.

Subd. 1. Purpose. Sets a state goal, via the MDA, to research and develop renewable energy sources that displace fossil fuels.

Subd. 2. NextGen Energy Board. Creates a board made up of representatives of state agencies, legislative appointees, and AURI, as well as persons appointed by the governor that represent MnSCU, the University of Minnesota, two statewide agriculture organizations and two statewide environment and natural resources conservation organizations.

Subd. 3. Duties. Prescribes duties for the board, including giving recommendations to the legislature by February each year.

Subd. 4. Commissioner's duties. Requires the MDA to administer the NextGen board.

Subd. 5. Expiration. This section expires June 30, 2009.

48 **Twenty-five by twenty-five goal.** Sets a goal that by 2025, 25 percent of the energy consumed in the state is produced from renewable resources derived from Minnesota's own agriculture, forestry, and working lands.

49 **Specifications.** Sections 49 to 51 remove language authorizing the RFA to make direct loans under the Agricultural Improvement Loan Program. Participation loans are still allowable.

50 **Application and origination fee.** See above.

51 **Interest rate.** See above.

52 **Disaster recovery loan program.**

Subd. 1. Establishment. Lists eligible disaster events including drought. Authorizes loans for the purchase of drought mitigation equipment.

Subd. 3. Eligibility. Aligns eligibility for this disaster loan program with the general requirements for RFA loans. Provides for an inflation-adjusted net worth eligibility limit.

Subd. 4. Loans. Changes the program's fund from the disaster recovery fund to the RFA's general revolving loan account.

53 **Livestock equipment pilot loan program.**

Subd. 1. Establishment. Eliminates the requirement that program loans be used only to finance the first purchase of eligible equipment.

Subd. 2. Eligibility. Eliminates preference for applicants who have farmed less than 10 years. Removes a preference for applicants who have farmed fewer than 10 years.

Subd. 3. Loans. Expands maximum loan length from seven to 10 years.

Subd. 4. Eligible expenditures. Adds hoop barns, portable structures, hay and forage equipment, and related structural work for the installation of equipment.

54 **Rural finance authority revolving loan account.** Adds the disaster recovery program in section 52 to the list of RFA loan programs using this account.

55 **Eligibility; beginning farmers.** Reduces from five to three the number of years that "Aggie Bond" loan recipients must participate in a farm management program.

56 **New open-air swine basins.** Extends the sunset for the moratorium on new open air swine basins from June 30, 2007, to June 30, 2012.

57 **Duties.** Requires AURI to convene a Renewable Energy Roundtable and prescribes the makeup and duties of this new entity.

58 **Petroleum replacement goal.** Modifies the petroleum replacement goal for consistency with section 48 (i.e. the 25x25 goal).

59 **State fair and county fair camping areas.** Exempts campgrounds maintained by a county agricultural society during a county fair or other fair from standard campground health regulations. Requires these campgrounds to meet the same requirements as the camping area on the State Fairgrounds.

60 **County and district societies.** Prohibits a county or district humane society from conducting investigations outside of its geographic jurisdiction.

61 **Commissioner to evaluate and report.** Requires the MDA, in consultation with the Department of Health and the University of Minnesota, to evaluate the potential hazards posed by plants to retail consumers and livestock. The commissioners must report their findings to the house and senate agriculture policy committees by March 1, 2008.

- 62 Waste pesticide task force.** Requires the MDA to convene a task force and deliver to the legislature by January 5, 2008, a comprehensive approach to equitably and efficiently collect waste pesticides statewide.
- 63 Waste pesticide collection, disposal.** Requires the MDA to spend \$600,000 in FY09 to provide waste pesticide collection opportunities in those counties that have not had in-county drop off opportunities in the past two fiscal years.
- 64 Residential antimicrobial pesticide applicator license study.** Directs the MDA and Department of Health to study the development and implementation of a new commercial license category for residential antimicrobial applicators. Directs the departments to work with the University of Minnesota. Specifies report components and requires a report to certain legislative committees by December 1, 2007.
- 65 Animal husbandry working group.** Establishes a working group to report to the legislature by January 15, 2008 regarding necessary standards, training, and qualifications for persons performing horse teeth floating, animal chiropractic services, and artificial insemination of animals other than cattle or swine in Minnesota. Prohibits the Board of Veterinary Medicine from taking action against certain persons performing these activities without a veterinary license until June 1, 2008, except in cases of malpractice or complaints addressed to the Board.
- 66 Repealer.** Eliminates certain laws and rules.

Paragraph (a) eliminates: the Minnesota grown matching account (§ 17.109), the license for aquatic pesticide applicators (§ 18B.315); the fee/penalty charged to persons registering fertilizer sold in Minnesota prior to initial registration (§ 18C.425, subd. 5); a provision requiring the seller of a bulk milk tank to provide the buyer with a copy of certain state laws (§ 32.213); current law governing how the BAH handles indemnity for any infected animal it intends to kill (§ 35.08); a requirement that the BAH/a veterinarian inspect the animal prior to destruction; also governs in greater detail how/when the state compensates the owner (§ 35.09), as well as indemnity for animals subject to liens or mortgages (§ 35.10), the compensation of experts and appraisers (§ 35.11), and expenses for killing, burial, and quarantine (§ 35.12); grants for ethanol combustion efficiency research (§ 41A.09, subdivision 9), and the Rural Finance Authority's ability to issue direct loans under the Agricultural Improvement Loan Program (§ 41B.043, subd. 1a).

Paragraph (b) eliminates: all BAH rules (chapter 1705 "Diseases of Domestic Animals") dealing with testing and destroying cattle for bovine tuberculosis infection. (The BAH is given authority to create replacement rules in section 45).

Article 2: Veterans Affairs

- 1 Veterans Affairs.** Appropriates \$12,855,000 in FY2008 and \$12,571,000 in FY2009 to the department for its activities. All but \$338,000 (of special revenue) each year comes from the general fund
- (a) \$1,000,000 in each year is added to the base for the State Soldier's Assistance Fund.
- (b) \$750,000 in FY2008 and \$750,000 in FY 2009, added to the base, is for grants to County Veteran Service Offices (CVSOs) to enhance veterans programs and services. Counties must compete for the grants based on program goals specified in the rider.
- (c) \$750,000 each year is for tribal service offices.

(d) \$750,000 each year is for a onetime grant to the Minnesota Assistance Council for Veterans.

(e) \$200,000 each year is a onetime appropriation for marketing veterans outreach programs.

(f) \$250,000 each year, added to the base, is for grants to specified Congressionally Chartered veterans service organizations.

(g) \$450,000 each year is for expansion of the higher education veterans assistance program. This amount must remain in the base budget through fiscal year 2011.

(h) \$100,000 each year is for information technology within the agency.

(i) \$75,000 each year is for the State Veterans Cemetery operations.

(j) \$250,000 each year is for department administration, including creating an ombudsman position for veterans and their families at the Minneapolis Veterans Home.

(k) \$100,000 each year is a onetime appropriation for compensation for honor guards at the funerals of veterans.

(l) \$52,000 the first year, available until expended, is for educational stipends for spouses of veterans who have died as a direct result of the person's military service. An eligible spouse is provided a stipend of \$750 during each semester that the person is attending a higher educational institution, until attaining a bachelor's degree or the equivalent.

(m) \$100,000 each year is a onetime appropriation for use in providing information and outreach regarding the availability of health screening tests for depleted uranium in the bodies of veterans returning from Iraq and Afghanistan.

(n) A onetime appropriation of \$250,000 the first year, available immediately, is for assisting WWII veterans to attend the WWII Memorial dedication ceremony on the Capitol Mall.

(o) A onetime appropriation of \$80,000 the first year is for suicide prevention and psychological support for returning veterans. Of this amount, \$50,000 is for a study by the commissioner and the adjutant general, and \$30,000 is for a telephone hotline to refer veterans to available psychological counseling services.

(p) \$338,000 each year is appropriated from the *Support our Troops License Plate* account in the special revenue fund, for making grants to veterans' service organizations and for outreach to underserved veterans.

- 2 **Honor guards.** Directs the commissioner of veterans affairs to pay, within available funds, a stipend of up to \$50 to a local unit of a Congressionally Chartered veterans organization each time the unit provides honor guard service at the funeral of a veteran. Allows the commissioner to give priority to local units *not* operating charitable gambling. Authorizes the commissioner to alternatively pay the stipend to a student playing taps at the service.
- 3 **Educational assistance for war survivors.** Clarifies and slightly extends the War Orphans Act of 1943 (renamed the *War Survivors Act*) which provides a full waiver of

tuition and fees at any Minnesota public institution of higher education to the dependent children of a soldier or veteran who dies as a direct result of military service. The bill extends this benefit to the person's spouse, as well.

The statute also provides a stipend of \$750 per year to the eligible spouse and children during each year of their higher education.

The veteran must have been a Minnesota resident at the time of entry into the military. The benefit ceases once the person attains a bachelor's degree or the equivalent.

4 - 5 **Veterans Home Board.** Relaxes the current requirement that the executive director of the Veterans Home Board be a veteran, stating instead that it is "*preferable . . . but not required . . . that the person be a veteran.*" The bill directs the board, when hiring for the director position, to initially place the names of only those qualified applicants who are veterans on the candidate list and, only if there are fewer than three qualified veterans on the list, may the board add the names of qualified applicants who are not veterans. Other language changes in the bill are essentially cosmetic.

6 **Report; psychological counseling services for veterans.** By November 1, 2007, the commissioner of veterans affairs and the adjutant general of the National Guard must report to the legislature regarding the psychological needs of returning soldiers and veterans, and must make recommendations on how best to address them.

The report must also provide an overview of treatment resources available for veterans, with particular emphasis on the mental health facility being planned by the Veterans Home Board for Kandiyohi County.

Article 3: Military Affairs

1 - 2 **Subd. 1. Appropriations.** \$21,161,000 in FY2008 and \$19,362,000 in FY2009 to the department for its activities. All but \$338,000 (of special revenue) in each year is from the general fund.

Subd. 2. Maintenance of training facilities. \$6,837,000 in FY2008 and \$6,660,000 in FY2009.

\$185,000 the first year is to pay special assessments levied against state property (onetime).

Subd. 3. General support. \$4,114,000 in FY2008 and \$2,489,000 in FY2009.

(a) \$1,500,000 the first year is for the National Guard reintegration program, available until spent.

(b) \$338,000 each year, available until expended, is from the *Support our Troops* license plate account in the special revenue fund, for grants to soldiers and their families in financial distress.

(c) \$150,000 the first year is for the predesign and design of a new facility for the Minnesota Starbase science education enrichment program for students from participating inner-city grade schools.

(d) \$25,000 the first year is for a longitudinal study measuring student improvement in academic achievement associated with participation in the Starbase Program.

(e) \$30,000 each year is for payment to National Guard soldiers for their service as honor guards at the funerals of fellow National Guard soldiers and veterans.

Subd. 4. Enlistment incentives. \$10,210,000 in FY2008 and \$10,213,000 in FY2009. Available in either year, until expended.

3 **Honor guards.** Authorizes the Adjutant General to activate a member of the National Guard into state active service at the person's normal rate of military pay to serve as an honor guard at the funeral of any current or former Guard member who died while in active military service or who had been honorably discharged after serving six or more years in the National Guard.

4 **Amateur athletics.** Establishes that members of the National Guard and Reserves who are eligible participants in any Minnesota amateur athletic association upon being ordered into active military service continue to be eligible for both regular and postseason play when home on leave and following demobilization from the military, the same as if the member had been present and participating in association play during the entire time, irrespective of the length of that mobilization. High schools and postsecondary educational institutions are explicitly exempted from this provision.

This section became effective May 5, 2007, and applies to any member of the National Guard or other reserves ordered into active military service at any time, before or after.

5 **National Guard nonappropriated fund instrumentality.** Authorizes the Adjutant General to establish this fund for activities supporting the morale and welfare of Guard members, including for recreational facilities and activities at Camp Ripley and other property owned or controlled by the Minnesota National Guard.

States that no general fund money or other state funds may be used for the purposes authorized under this section. However, the fund may accept donations and federal funds, as well as money received from user fees, rental charges, and recycling activities, to the extent authorized by federal regulations.

6 **Bond sale authorization reduced.** The amount of the bond sale authorized in 2006 legislation for the Starbase facility referenced in section 2, subdivision 3(c), of the present article, is reduced by \$150,000. In effect, this section and section 7 shift the funding for design of the Starbase facility from bonding to general fund appropriation, in compliance with federal regulations.

7 **Repealer.** Deletes a 2006 appropriation of \$150,000 for predesign and design of a new facility for the Starbase Minnesota educational program for disadvantaged youth.