

# HOUSE RESEARCH

## Bill Summary

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### Overview

This bill combines policy provisions in several individual bills heard by the House Agriculture, Rural Economies, and Veterans Affairs Finance Division this session. The provisions modify laws carried out and/or enforced by the Minnesota Department of Agriculture (MDA), the Board of Animal Health (BAH), the Department of Veterans Affairs (DVA), the Minnesota Agriculture Education Leadership Council (MAELC) and the NextGen Energy Board.

The Division's finance recommendations are contained in a separate bill, HF3981.

### Section

**Section**

**Article 1: Agriculture Policy**

**Overview**

This article contains several agriculture policy provisions including a new grant program for livestock producers, various changes to laws governing food and food handlers, modification of the MDA's waste pesticide collection program, and expanded authority for the BAH to contain and eradicate bovine tuberculosis in northwestern Minnesota in accordance with federal requirements.

**1 Livestock investment grant program.**

**Subd. 1. Establishment .** Authorizes the MDA to award a grant to a livestock producer who makes a qualifying investment in his or her operation. The grant is equal to ten percent of the first \$500,000 of investment, with a required minimum investment of \$4,000. A producer is eligible for more than one grant, as long as the total does not exceed \$50,000.

**Subd. 2. Definitions.** Defines the terms livestock, qualifying expenditures, and qualifying period.

**Subd. 3. Eligibility.** Lists the four criteria a producer must satisfy in order to be eligible for a grant.

**Subd. 4. Process.** Directs the MDA to issue grants in the order in which eligible applications are received. If eligible applications are received after funds have been spent, the MDA must create a waiting list and give those applicants priority when additional funding is available.

**Subd. 5. Livestock investment grant account.** Creates an account for this program in the agricultural fund.

**2 Collection and disposal.** Requires the MDA to dispose of the waste pesticide collected.

**3 Implementation.** Removes existing MDA authority to 1) limit the type and quantity of waste pesticide collected and 2) charge a fee to a person who drops the product off.

**4 Disposal site requirement.** Creates two collection regimes—one for agricultural waste pesticide and one for residential waste pesticide. For agricultural waste pesticide, the MDA must provide at least an annual disposal opportunity in each county. For residential waste pesticide, the MDA must provide multiple disposal opportunities each year in each county and the MDA may contract with local solid waste management groups to perform these collections. Requires the MDA and any party it contracts with to record information on each pesticide product collected.

**5 Cooperative agreements.** Clarifies that the MDA must collect waste pesticide if it does not contract with another party to do so.

**6 Prohibited pesticide use.** States that—except for public health purposes (e.g. aerial mosquito control applications)—applying pesticides to the wrong site or a site where no application was requested, ordered, or contracted for is a violation of Chapter 18B,

## Section

“Pesticide Control,” regardless of whether the product was applied according to the directions on its label.

- 7 **Application fee.** Removes a requirement that the MDA spend at least \$400,000 each year on the waste pesticide collection program and replaces it with language requiring the MDA to spend the amount required to collect waste agricultural and residential pesticides.
- 8 **Revocation and suspension.** Authorizes the MDA to deny, revoke, or suspend a pesticide or fertilizer license if the person is from another state and either (1) had a comparable action taken by another state or (2) has been convicted of a violation of, or subject to a final order imposing civil penalties under, the main federal pesticide law—the Federal Insecticide, Fungicide, and Rodenticide Act.
- 9 **Payment of corrective action costs.** Requires a person to submit any invoices along with their application for payment/reimbursement. Requires a person to submit these invoices and the application for payment/reimbursement within three years of performing the eligible cleanup work or three years after the MDA approves the person’s related action design or plan for the cleanup work, whichever is later.
- 10 **Vending machine.** Creates a definition for vending machine.
- 11 **License fees; penalties.** Authorizes the state to collect delinquent license fees if a firm has gone multiple years without paying required food handler license fees. Requires certain licensed food handlers to include the value of services provided when determining the appropriate license fee.
- 12 **Disaster areas.** Allows the MDA to waive the fee and expedite a food handler plan review if the governor declares a disaster area in the state.
- 13 **Annual fee; exceptions.** Expands the mandatory state inspection fee from coin-operated to all food vending machines (as defined in section 10). Adds “water dispensing machines serviced by a cashier” to the list of machines exempt from the state inspection fee, while allowing local units of government to pass ordinances requiring inspections and inspection fees.
- 14 **Grading (eggs).** Requires the MDA to adopt and apply the grade/weight/quality standards issued by the United States Department of Agriculture. Lowers the allowable temperature of eggs sold at retail from 45 to 41 degrees. Disallows the sale of shell eggs that have been frozen unless the MDA has authorized it.
- 15 **Embargoes and condemnations.** Defines “animal” and expands the MDA’s embargo/condemnation authority to include adulterated or misbranded animals.
- 16 **Employment of diseased person.** Removes venereal disease from the list of ailments that disqualify someone from working with food products.
- 17 **Water, plumbing, and sewage.** Requires a person handling food products to have a water supply system that meets standards promulgated by the departments of health, pollution control, and labor and industry. Previously, the water system had to be up to code and in compliance with pollution control rules.
- 18 **Somatic cell count; goat milk.** Increases the maximum somatic cell count for raw goat milk from 1 million (which is the current max because of a federal milk standard incorporated by reference) to 1.5 million.
- 19 **Control of bovine tuberculosis.** This section grants the BAH the authority needed to track and test cattle, bison, goats, and farmed cervidae (i.e. deer) for bovine tuberculosis in accordance with restrictions and requirements imposed (or soon to be imposed) by the United States Department of Agriculture. Also grants the BAH authority to provide financial assistance to livestock producers in a bovine tuberculosis control zone to fence

## Section

their cattle feeding areas and keep deer out.

- 20 **NextGen Energy.** Adds a new forest products industry representative to the board.
- 21 **Expiration.** Extends the expiration date for the Minnesota Agriculture Education Leadership Council from June 30, 2008 , to June 30, 2013 .
- 22 **Emergency deterrent materials assistance.** Removes authority granted to the Department of Natural Resources to provide emergency fencing assistance to prevent the spread of bovine tuberculosis. (This authority is granted to the BAH in section 19.)
- 23 **Definitions.** Adds a definition for “animal chiropractic diagnosis and treatment” and specifies that this term does not include performing surgery, dispensing or administering medications, or performing traditional veterinary care/diagnosis.
- 24 **Animal chiropractic practice.** Allows the state Board of Chiropractic Examiners to authorize a licensed chiropractor to engage in animal chiropractic diagnosis and treatment.
- 25 **Scope of practice; animal chiropractic.** Establishes minimum criteria for registered animal chiropractors, including an active (human) chiropractor license; education and training in the field of animal chiropractic care from a course approved by the American Veterinary Chiropractic Association, the International Veterinary Chiropractic Association, or another higher institution and consisting of no less than 210 hours.
- 26 **Titles.** Allows a registered chiropractor to use the title “animal chiropractor,” despite the fact that state law currently reserves that title for trained veterinarians only.
- 27 **Provisional interim status.** Allows a licensed chiropractor to practice animal chiropractic while the Board of Chiropractic Examiners creates animal chiropractic rules if the chiropractor has completed the education and training requirements in section 28. Disallows enforcement action against these chiropractors while the rules are created.
- 28 **Educational criteria for licensure in animal chiropractic diagnosis and treatment; records; treatment notes.** Lists 19 education and training criteria a licensed chiropractor must fulfill in order to be registered by the Board of Chiropractic Examiners as an animal chiropractor. Requires a registered animal chiropractor to: maintain complete and accurate patient records for at least three years; make treatment notes and records available to the animal’s owner and; communicate their findings and treatment plan to the referring veterinarian or the animal’s veterinarian.
- 29 **Animal chiropractic continuing education hours.** Requires ongoing animal chiropractic education of at least six hours annually. These hours are in addition to the 20 hours already required for licensed human chiropractors and the course must be approved in advance by the Board of Chiropractic Examiners.
- 30 **Agricultural marketing and development.** Allows funds appropriated to the MDA for the AgBMP loan program and not spent in FY2008 to carry over into FY2009.
- 31 **Bioenergy and value-added agriculture products.** Extends through the end of fiscal year 2009 the availability of a \$3 million appropriation for bioenergy grants to be awarded by the NextGen Energy Board.
- 32 **Administration and financial assistance.** Allows the MDA to spend its fertilizer grant program administration allowance in FY2009. The MDA will use these funds in FY2009 to follow up with grant recipients on the status of their funded projects and to create the mandatory legislative report.
- 33 **2008 Family Motor Coach Association event.** Authorizes a reduced camping area expansion fee for the 2008 Family Coach Association event at the state fairgrounds. The fee will be 50 percent of the standard fee of \$75 per each ten additional campsites.
- 34 **Industrial hemp development and regulation.** Requires the MDA to propose a plan for

## Section

establishing industrial hemp as an additional crop option for Minnesota farmers while maintaining strict control over illegal controlled substances like marijuana.

- 35** **Viral hemorrhagic septicemia testing.** Requires the MDA and the departments of health and natural resources to form a task force and create a plan for detecting and responding to the fish virus Viral Hemorrhagic Septicemia.
- 36** **Repealer.** Repeals the June 30, 2009 , expiration of the NextGen Energy Board.

## Article 2: Biodiesel fuel content

### Overview

This article contains the “B20 bill,” a set of provisions that initiate a staged increase in the biodiesel fuel mandate and require several groups to provide information and feedback to the Legislature on related biodiesel fuel issues.

#### **1** **Biodiesel content mandate.**

**Subd. 1. Biodiesel fuel.** Requires persons manufacturing the biodiesel sold in Minnesota to be accredited by a national biodiesel program.

**Subd. 2. Minimum content.** Replaces the B2 requirement in effect now with a tiered content mandate. The first increase begins on May 1, 2009 , when (almost) all biodiesel sold in Minnesota must contain at least five percent biodiesel. The content level would increase two more times over the next six years. Specifies that the B10 and B20 levels apply only during the warm-weather months, with B5 required during the remainder of the year—unless a fuel standard is in place to address cold-weather diesel issues, in which case the mandates could apply year-round. States that the increases to B10 and B20 will take place as scheduled only if the commissioners of agriculture, commerce, and pollution control certify nine months in advance that three specific milestones have been met. Requires the commissioners to work with the biodiesel task force. Creates two avenues for mandate suspension/modification— inadequate supply or a significant difference in the wholesale prices of biodiesel and diesel that could cause economic harm to diesel retailers.

**Subd. 3. Exceptions.** Expands the list of entities exempt from the statewide biodiesel mandate and schedules all such exceptions to expire May 1, 2012 .

**Subd. 4. Disclosure.** No change.

**Subd. 5. Annual report.** A new subdivision requiring the MDA to report to the Legislature annually on implementation of the staged biodiesel usage mandate including related information on biodiesel price and supply.

- 2** **Biodiesel fuel.** Links the definition of biodiesel in the gasoline tax law to the definition in section 1.

- 3** **Proposal; petroleum inspection fee revenue.** Requires the commissioners of finance, commerce, and pollution control to submit to the legislature a plan for eliminating—to the extent feasible—redundant fuel inspections and dedicating—to the extent feasible—all

**Section**

proceeds from a petroleum inspection fee to the Weights and Measures Division of the Department of Commerce.

*Background* : State law requires the Department of Revenue to assess a fee on licensed petroleum distributors equal to \$1 for every 1,000 gallons of petroleum products the distributor receives. Currently, the Department of Commerce receives \$0.81 of every dollar. The department is authorized to spend the money for three purposes: to cover the costs of its Weights and Measures Division, to monitor petroleum supply, and to make grants to providers of low-income weatherization services. The remaining \$0.19 must be deposited in the general fund.

- 4 **Bio-based diesel alternatives.** Requires certain agencies to report recommendations regarding bio-based diesel alternatives to the governor and legislature by January 1, 2011 .
- 5 **Technical cold weather issues.** Requires the MDA and the Department of Commerce to convene a group with expertise in cold weather biodiesel and diesel issue and to report back to the Legislature a set of recommendations regarding the performance of these fuels in cold weather.

**Article 3: Veterans Affairs Policy**

**Overview**

- 1, 6 **Deceased military personnel; list created.** Directs the commissioner of veterans affairs, to the extent feasible, to develop and maintain a comprehensive list of Minnesota service members who have died of any service-connected cause while serving in the United States armed forces at any time. The list may include deceased service members who are the immediate family members of Minnesota residents, but who themselves were not Minnesota residents at the time of death.

Information collected pursuant to this section are nonpublic data, but may be disseminated to the individual's next of kin, and for ceremonial or honorary purposes to veterans' organizations, civic organizations, the news media, and to researchers. No other use or dissemination of the data is permitted. The bill explicitly prohibits using these data for determining eligibility for veterans benefits.

- 2 **Protection of reservist-owned business during active military service.** Provides a stay of civil court proceedings for the business of a Minnesota resident who, as a National Guard or other military reserve member, has been ordered into any type of active military service for 60 or more consecutive days.

- 3, 4, 11, 14, 20 & 21 **Veterans homes transfer to MDVA.** Technical amendments for transferring the Minnesota Veterans Homes to the Department of Veterans Affairs.

- 5 & 15 **Veterans health care advisory council created.** Creates an advisory council to provide the MDVA with expert advice and recommendations on providing veterans with quality long-term care and regarding the anticipated future health needs of Minnesota veterans. The Governor may make initial appointments to the council without complying with the statutory appointment process. The commissioner may disband the advisory group at any

**Section**

time.

- 6 Deceased military personnel; list created. (See Section 1.)**
- 7 State veteran cemeteries.** Amends statutes pertaining to the state veterans cemetery (at Little Falls) to permit one or more additional state veterans cemeteries, if so authorized and funded by a future act of the legislature. Prohibits hiring new staff or allocating any current MDVA staff to any new veterans cemetery without explicit approval by the legislature. Updates language of some provisions of the current statute.
- 8, 9 & 10 Minnesota GI Bill.** Amends the Minnesota GI Bill to provide a somewhat larger higher educational assistance grant to a veteran who has served 90 days or more in a hostile fire zone in any branch or unit of the U.S. Armed Forces at any time since 9/11. It increases the grant amount slightly for some veteran-recipients through increasing the “cost of attendance” target amount used in the grant formula. The bill also increases, to \$3,000 from \$2,000, the maximum amount of educational assistance from the program that may be awarded to an eligible veteran in any state fiscal year. It leaves unchanged the program’s lifetime limit of \$10,000 for a qualified veteran. The bill makes a few technical changes as well.
- 11 Veterans homes transfer to MDVA. (See Section 3.)**
- 12 Newsletter is an allowable expense.** Broadens the statutory definition of *allowable expense* for the use of lawful gambling proceeds by a veterans organization, to include the publication of the organization’s newsletter, if any portion of the newsletter is used to promote lawful gambling in Minnesota .
- 13 Courts may consider a veteran’s mental health status.** Authorizes a court that criminally convicts a service member or veteran who is known to have a mental illness to consult with a qualified expert regarding the availability of federal, state, or local mental health treatment options for the person and to consider those options when sentencing the person.
- 14 Veterans homes transfer to MDVA. (See Section 3.)**
- 15 Veterans health care advisory council. (See Section 5.)**
- 16 Partnering for home-based veterans services; Report.** Directs the commissioner of veterans affairs (MDVA) seek broad input from nonprofit and faith-based service providers to determine the feasibility of public-private partnering for the delivery of home-based health-care services to veterans. Report required.
- 17 Veterans homes strategic planning group; Report.** Creates the veterans home strategic planning group to broadly conduct strategic planning for Minnesota ’s existing and future state veterans homes, including special in-depth planning for the Minneapolis Veterans Home. The planning must consider both the existing and alternative models for veterans health care delivery, including the use of private veterans-only nursing homes and the possibility of partnering for home-based services. Report required.
- The bill also directs the commissioner to continue pursuing federal funding for the veterans long-term domiciliary mental-health facility in Kandiyohi County .
- 18 County veterans service working group; Report.** Creates a working group of veterans and state and local officials or their representatives to discuss, evaluate and plan for the implementation of the recommendations in the recent Legislative Audit report on county veteran service offices. Report required.
- 19 Veterans hiring/employment study.** Directs each hiring authority in state government to provide information to the commissioner of finance regarding the hiring of veterans during

**Section**

fiscal year 2008 and at least one other earlier baseline year to be determined by the commissioner. Report to the Legislature required, by finance only.

**20** **Revisor's instruction; veterans homes.** Technical changes related to the transfer of the Minnesota Veterans Homes from the Veterans Homes Board to the Minnesota Department of Veterans Affairs. (See Section 3.)

**21** **Repealer.** Repealed sections include:

In §197.236, state veterans cemetery: permanent trust account closed (subd. 7); allocation of plots on first-come, first-served basis (subd. 10).

In §198, several provisions involving the structure, functions and duties of Veterans Homes Board. (See Section 3.)