

HOUSE RESEARCH

Bill Summary

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Overview

This is the omnibus agriculture and veterans affairs policy bill. See Laws of Minnesota 2010, chapter 215, articles 5 and 6, for funding reductions and supplemental funding for these areas.

Section

Article 1: Agriculture

Overview

This article contains policy provisions that affect farmers, pesticide applicators, agricultural lenders, transportation fuel suppliers, foreign-owned wind developers, the Minnesota Department of Agriculture (MDA), the Board of Animal Health (BAH), the Department of Natural Resources (DNR), the Department of Commerce, the secretary of state, and others.

- 1 Compensation required.** This section and the following section modify the MDA's compensation program for livestock depredation due to gray wolves. Modifies the law so that DNR conservation officers can no longer recommend the fair market value of the dead livestock. Eliminates University of Minnesota Extension agents but adds USDA officials and county peace officers to the list of public entities who may investigate the farm site and report to the MDA. Eliminates a requirement that the investigator report any deficiencies in the livestock producer's adoption of wolf mitigation best management practices. Eliminates a constraint that MDA may only pay the livestock producer if the investigator recommends that the MDA do so.
- 2 Payment; denial of compensation.** Eliminates a requirement that MDA consider a

livestock producer's conformance with wolf mitigation best management practices when evaluating a wolf depredation claim.

- 3** **Permitting efficiency goal and report.** Requires MDA to establish management systems needed to issue or deny environmental and resource management permits within 150 days of submission. Requires biannual progress reports. Requires MDA to allow electronic environmental review and permit submissions.
- 4** **Application fee.** Changes the deadline for pesticide dealer license renewal from January 1 to before the expiration date. Increases the late fee to 50 percent of the application fee, or \$75.
- 5** **Application fee.** Changes the deadline for agricultural pesticide dealer license renewal from January 1 to before the expiration date.
- 6** **Requirement.** Prohibits anyone from purchasing a restricted use pesticide unless they present an MDA-issued authorization card or furnish the card number.
- 7** **Storage handling, incident response, and disposal plan.** Requires pesticide dealers, agricultural pesticide dealers, and commercial or noncommercial structural pest control applicators to develop and maintain a pesticide storage, handling, incident response, and disposal plan.
- 8 to 23** These sections direct the MDA to regulate industrial hemp in the same manner in which it currently regulates plants and nursery stock. This includes authorizing the MDA to enter a site where industrial hemp is manufactured, distributed, used, handled, or transported in order to inspect, sample, and analyze the product. Per section 67, all MDA activities required by this bill and related to industrial hemp begin only after the federal government authorizes commercial hemp production.
- 24** **Controlled substance offenses.** Clarifies that a person charged with a violation by the MDA may also be charged with a controlled substance violation if they are accused of possessing marijuana.
- 25** **Short title.** States that the new chapter may be referred to as the "Industrial Hemp Development Act."
- 26** **Purpose.** Defines the legislative purpose of the act.
- 27** **Definitions.** Puts the MDA in charge of industrial hemp regulation and defines "industrial hemp" and "marijuana" as two separate entities.
- 28** **Industrial hemp authorized as an agricultural crop.** States that industrial hemp is an agricultural crop if planted, grown, and harvested in accordance with state law. This section also makes it legal to possess industrial hemp grown by a licensed hemp grower.
- 29** **Licensing.** Requires a person wishing to grow industrial hemp to first obtain a license. The person must submit the location of their plot and proof that they've satisfied relevant federal requirements. First-time applicants must submit to and pay for a criminal background check.
- 30** **Industrial hemp production; notification.** Requires a license holder to submit an annual

report to the MDA and to notify the MDA of any sale or distribution of industrial hemp.

- 31 Rulemaking.** Requires the MDA to issue rules covering several specified topics and consistent with any relevant rules or regulations of the United States Department of Justice, Drug Enforcement Administration.
- 32 Fees.** Creates an industrial hemp account in the state treasury to hold all industrial hemp fees. Money in the account is appropriated to the MDA to carry out their duties. MDA must borrow any start up costs from the agricultural fund and repay them.
- 33 Defense for possession of marijuana.** Creates a defense against a charge of possession of marijuana if the person is a licensed industrial hemp grower who is instead in possession of industrial hemp.
- 34 Fees; application.** Allows MDA to waive the standard fee for reviewing a food handler facility floor plan if MDA determines that the facility’s principal business purpose is not food sales and the facility will sell only prepackaged food.
- 35 Designation of zones.** Provides more general authority for BAH to establish geographic bovine tuberculosis (TB) zones in order to control and eradicate TB and restrict the movement of bovines within and between these zones.
- 36 Requirements within a tuberculosis control zone.** Authorizes BAH to require certain actions by cattle owners in a tuberculosis control zone that are currently authorized only for zones designated by BAH as “modified accredited.”
- 37 Appropriations by municipalities.** Authorizes townships and cities to incur expenses and spend money for University of Minnesota Extension work.
- 38 Marijuana.** Modifies an existing statutory definition of marijuana to exclude industrial hemp.
- 39 Sale from bulk.** Allows MDA and DNR to use existing civil and criminal enforcement authority to enforce an existing law requiring bulk firewood sold or distributed across state lines or more than 100 miles from its origin to include a delivery ticket containing origin information.
- 40 Information required with package.** Allows MDA and DNR to use existing civil and criminal enforcement authority to enforce an existing law requiring packaged firewood sold or distributed across state lines or more than 100 miles from its origin to include information identifying the wood’s origin.
- 41 Minimum ethanol content required.** Eliminates a reference to a federal law – this law reference reappears in a subsequent section.
- Effective date. This section is effective upon final enactment.
- 42 Minimum ethanol content required.** Eliminates a reference to a federal law – this law reference reappears in a subsequent section. Eliminates liability waiver language – this language also reappears in a later section. Extends by two years the sunset date for the E20 mandate law.

Effective date. This section is effective upon final enactment.

- 43 Federal Clean Air Act waivers; conditions.** Requires two conditions to be met before a waiver granted by the United States Environmental Protection Agency may increase the state's ethanol mandate: (1) the waiver must apply to all vehicle model years, and (2) it must be accompanied by special regulatory treatment under federal law for associated fuel vapor pressure levels. Once these criteria are met, the mandate level will increase only after the Department of Commerce certifies that fuel suppliers are ready to move to the new mandate level.

Effective date. This section is effective the day following final enactment.

- 44 Limited liability waiver.** Reinstates the existing liability waiver language for E20, as expanded to now apply to all EPA-approved fuels with an ethanol content greater than ten percent that are mandated by state law.

Effective date. This section is effective the day following final enactment.

- 45 Fuel dispensing equipment; blends over ten percent ethanol.** Despite the state fire code and any other applicable law, pumps authorized to dispense E10 are authorized to dispense mandated blends that contain more ethanol.

- 46 Electronic access; liability; retention.** Classifies the social security identification (SSI) number of debtors as private data on individuals when the SSI is in the possession of the secretary of state. (Note: financing statements and liens—including various agricultural liens and the new Temporary Livestock Production Input Lien in this bill—are filed with the secretary of state).

Effective date. This section is effective for financing statements filed in the secretary of state's filing system after November 30, 2010.

- 47 Compilation.** (Agricultural financing statements) Requires the secretary of state to assign a unique identifier in place of the farm debtor's SSI and to use this unique identifier to file the financing statements in the secretary of state's computer system.

Effective date. This section is effective for agricultural financing statement lists compiled by the secretary of state after October 31, 2010.

- 48 Distribution of master and partial lists.** (Agricultural financing statements) Requires the secretary of state to assign a unique identifier in place of the farm debtor's SSI and to use this unique identifier when distributing a list of financing statements.

Effective date. This section is effective for master and partial agricultural financing statement lists distributed by the secretary of state after October 31, 2010.

- 49 Restricted use of information.** Classifies farmer SSI and tax ID numbers in possession of the secretary of state as private data on individuals.

Effective date. This section is effective October 31, 2010.

- 50 Wild hemp.** Clarifies that industrial hemp is not wild hemp, which county boards can eradicate on private property under state law.

- 51 **Aliens and non-American corporations.** Provides an exemption to a prohibition against ownership of an interest in farmland by more-than-20-percent-foreign-owned entities for an easement acquired to install and repair transmission lines and for wind rights.
- 52 **Reports.** Requires a foreign-owned entity acquiring a wind easement under the previous section to report to MDA. Provides the same reporting requirement for a currently-exempt entity – i.e., foreign citizens whose right to hold the farmland is secured by a treaty.
- 53 **Definitions.** Provides an exemption to a prohibition against (for-profit and nonprofit) corporate ownership of interests in farmland for nonprofits that farm less than 40 acres and use all farming profits for educational purposes.
- 54 **Agricultural lien.** Technical – definition modified (see section 55).
- 55 **Temporary livestock production input lien; debtor in mediation.** Provides a livestock production input lien to a person who supplies inputs (i.e., feed or labor) to a farmer during the 45 days following the farmer’s request to enter mediation with one or more creditors under the state’s Farmer-Lender Mediation Act. Sets the lien amount at the value of the unpaid retail cost of the feed or labor. However, as with an existing livestock production input lien, a lien secured by the livestock may not exceed the difference between the sales price and the fair market value or purchase price of the animals.
- 56 **Scope.** As with the existing types of agricultural lien, the new temporary livestock production input lien would attach to the livestock and is limited to the price or value of the service provided.
- 57 **Perfection.** Requires a supplier of temporary livestock production inputs to perfect the lien within 60 days.
- 58 **Administration and financial assistance.** Extends until June 30, 2011, the availability of funds appropriated from the general fund in Laws of 2007 for fertilizer research grants.
Effective date. This section is effective the day following final enactment.
- 59 **Effective date.** Delays enactment by two years of a 2008 law that would eliminate a seven-year limit on the term of wind easements. The law would now become effective on June 1, 2012.
Effective date. This section is effective the day following final enactment.
- 60 **Administration and financial assistance.** Extends until June 30, 2013, or June 30, 2014, the availability of funds appropriated from the fertilizer account in the agricultural fund in Laws of 2009 for fertilizer research grants.
Effective date. This section is effective the day following final enactment.
- 61 **Appropriation; terminal capacity report.** Requires MDA, in consultation with the Department of Commerce - Office of Energy Security, to study and report back on propane and anhydrous terminal capacity in the state and surrounding area. Appropriates \$40,000 from the liquefied petroleum gas account for this purpose.
- 62 **Dairy research and education facility; collaboration.** Requires MDA to convene a group

and report back on facility and financing options for a new dairy research and education facility.

- 63 Bioenergy development; report.** Requires MDA to pursue federal funding for bioenergy development and report back to the legislature.
- 64 Forest pest workgroup; report.** Requires MDA and DNR to develop recommendations for mitigating forest pests.
- 65 Stray voltage report.** Requires MDA to lead a study of the effects of stray voltage on people and livestock.
- 66 Repealer.** Eliminates a law requiring MDA to prepare a plan for establishing a local-origin, native seed production loan program. Also eliminates a 2009 law requiring MDA to rent out unused office space in the Freeman building and allocate any proceeds as grants to eligible livestock producers.
- 67 Effective date.** All sections pertaining to industrial hemp take effect when and if the federal government reverses course and authorizes commercial hemp production.

Article 2: Veterans

Overview

This article contains a number of policy provisions involving veterans affairs, including provisions:

- providing directions for folding the state flag;
- revising the Veterans Preference Act regarding the hiring of teachers;
- exempting teachers from the dismissal provisions of the Veterans Preference Act;
- modifying certain other provisions of the Veterans Preference Act;
- clarifying the role of the commissioner with regard to County Veterans Service Officers;
- slightly relaxing the residency requirements for a deceased veteran under the War Orphans Act for the purposes of survivor education benefits; and
- directing the commissioner to plan for new veterans cemeteries on public lands in Northeastern, Southeastern, and Southwestern Minnesota, and to prepare and submit pre-applications to the USDVA for commitment of federal funding for those cemeteries.

- 1 State flag.** Provides detailed guidance for folding the Minnesota flag for purposes of formal presentation or display. There are no penalties in the bill or current law for using any alternative folding methods.
- 2 State flag.** Provides that when folding the Minnesota flag for storage, the proper procedure is to fold and store it in the same manner as for the national flag.
- 3 & 4 Veteran-owned small business bid preference program: eligibility broadened.** Broadens the eligibility for the small business procurement program that provides a competitive advantage of up to six percent for certain Minnesota small businesses when bidding for State of Minnesota contracts for goods and services.

Under current law, fully 25 percent of the value of anticipated total state procurement of goods and services, including printing and construction, must be divided into units sufficiently small for award to small businesses. Small businesses that are majority-owned by women, minorities and physically disabled persons are designated as targeted group businesses and are awarded up to a six percent bid preference when bidding on those state contracts.

A 2009 law extended eligibility for this program to include *veteran-owned small businesses* that are majority owned and operated by honorably-discharged veterans who either:

- (1) have served in active military service at any time since September 11, 2001; or
- (2) have been certified by the USVA as having a service-connected disability.

The present provision further extends eligibility to any certified veteran-owned small business, *irrespective of when* the veteran-owner(s) served in active military service, and *irrespective of whether* the veteran-owner(s) have service-connected disabilities, but only if there is *sufficient capacity in the program* to accommodate such expansion.

The term, *sufficient capacity*, refers in any year to the 25 percent figure for the value of anticipated contracting that is sufficiently-sized for award to small businesses.

Certification of eligibility for veteran-owned small businesses for this state program would continue being piggybacked onto the federal Small Business Administration's (SBA) verification process for veteran-owned small businesses (thereby minimizing any state fiscal note).

Effective date. This section is effective July 1, 2010, for state contracts being awarded on or after that date.

- 5 & 6 Schools authorized to waive certain fees for children of deployed troops.** Authorizes Minnesota school boards to waive one or more fees for extracurricular activities for any pupil whose parent is serving in, or within the past year has served in, active military service, broadly defined as federal or state active service. Any such waiver would be at the discretion of the board.

Current law allows schools to accept voluntary contributions for such purposes (e.g., from veteran service organizations).

Effective date. This section is effective the day following enactment.

- 7 “Support Our Troops” account: authorized uses expanded.** Expands the authorized uses of this account to include “providing services and programs for veterans and their families.”
- 8 Consumer Satisfaction Survey.** Directs the commissioner of veterans affairs to tabulate, summarize and report on the satisfaction, subject matter and results of phone calls to the MDVA's Help Line each year.
- 9 Veterans Preference Act; teacher hiring procedures.** Amends Veterans Preference Act “hiring procedures” as related to the hiring of teachers. For teachers, the Act would provide two options:
- (1) Any district using the 100-point hiring system must provide the five-point preference for veterans, and the ten-point preference for disabled veterans, as under

current law.

- (2) Districts *not using* the 100-point hiring system would be exempted from the five and ten-point veterans preference requirements of current law, but instead would be required to grant an interview to each veteran who has the proper licensure for the position of employment.

- 10 Veterans Preference Act; teacher dismissal procedures.** Exempts “teachers” from the protections of the Veterans Preference Act (VPA) as it applies to *dismissals* (i.e., firing or layoff) from employment with any public school district or other state or local government employer.
- Under current law, a teacher facing dismissal who is a veteran has the irrevocable option of requesting either: (1) a hearing under veterans preference law; or (2) a hearing under the grievance procedures of their employment contract; but not both. Under the bill, the teacher would no longer have the option of the Veterans Preference hearing. (Thus, for teachers who are veterans, the law would revert to the pre-2009 situation, which was the year veterans preference protections were extended to teachers.)
- 11 Veterans Preference Act modified; petition.** Modifying certain provisions of the Veterans Preference Act, pertaining to dismissal of a veteran from any covered position of public employment. Stipulates that in a *petition for a hearing* under the VPA must contain certain additional information (e.g., a phone number and notarized signature), that it must include the veteran’s DD-214 discharge paper, and that it must be submitted by U.S. mail.
- 12 Veterans Preference Act modified; service.** Clarifies that a dismissal petition under the Veterans Preference Act is not considered *as being complete* until the department of veterans affairs (MDVA) has *verified it* as being complete.
- 13 Veterans Preference Act; modified; hearing schedule.** Increases to *120 days* the time period for the department of veterans affairs to *schedule* a hearing on a veteran’s petition (verified as complete) challenging a dismissal action, as measured from the time of serving the petition. Under current law, the hearing must be *held* within *20 days* of being served on the stakeholder parties.
- 14 Campus Vet-Reps Program; sunset extended.** Extends the sunset date on a program that provides “Vet Reps” on Minnesota’s college campuses, for the purpose of advising veterans on GI Bill benefits and application procedures, as well as on other college and course application procedures, and other veterans benefit matters.
- Under current law, the program authorization and funding are due to sunset on June 30, 2011. This amendment would extend the program authorization – but not the funding – to June 30, 2015 (and thereby enable the MDVA to seek federal grants to continue the program into the coming biennium).
- Program funding and fiscal tails (none) for this program are governed by a separate provision of law (funding is set to expire at the end of the current 2010-11 biennium). Consequently, this amendment is expected to have no fiscal impact.
- 15 CVSO and MDVA roles clarified; appointment.** Clarifies that the county board is the appointing authority for County Veteran Service Officers. Also, Clay County would no longer be exempted from the requirement to have a CVSO.

- 16 CVSO and MDVA roles clarified; qualifications.** Removes the requirements that a person being hired for as a County Veterans Service Officer, or an Assistant CVSO, must already be educated and trained in the laws and regulations necessary to do the job. (Instead, provides requirements for education and training *while on-the-job*.)
- 17 CVSO and MDVA roles clarified; department as a resource – not a supervisor.**
- Subd. 1. Resources available.** Strikes from current law the longstanding requirement that the commissioner of veterans affairs must provide *general supervision* to the CVSOs. Instead of a supervisory role, the bill directs the MDVA to make available certain resources within the department to assist the CVSOs, upon formal request by and at the discretion of the CVSO. The bill directs the commissioner to consult with the Minnesota Association of County Veteran Service Officers in developing a list of those resources.
- Subd. 2. Claims.** Reinforces the longstanding requirement that CVSOs must use the MDVA to present veterans' claims for benefits to the USDVA.
- Subd. 3. Rulemaking.** Strikes the longstanding authority of the commissioner for rulemaking for CVSOs.
- Subd. 4. Certification.** Leaves in place the requirement for the commissioner to establish a certification process for CVSOs, including the standing requirement that the commissioner must consult with the Minnesota Association of County Veterans Service Officers in developing that certification process.
- 18 CVSO and MDVA roles clarified; CVSO are employees of the counties, not of the state.** Clarifies that CVSOs are the employees of their counties and that the county has exclusive jurisdiction and control over the CVSOs. Strikes longstanding language in current law that had seemingly provided overlapping supervisory responsibility to the commissioner of the MDVA, as well.
- 19 CVSO and MDVA roles clarified; education program.** Extends a provision of current law that directs the commissioner to establish an education program for CVSOs, by adding the requirement that such establishment must involve the assistance and advice of the Minnesota Association of County Veteran Service Officers, as well.
- 20 CVSO and MDVA roles clarified; eligibility.** Adds Assistant CVSOs to the list of officials eligible for the education program administered by the commissioner. Under current law, only the CVSOs themselves have been eligible.
- 21 Survivors of a deceased veteran; survivor education benefit eligibility expanded.** Under current law, the surviving spouse and children of a veteran who has died as a result of military service are eligible for certain education benefits *if the veteran was a Minnesota resident within 6 months of the person's entry into the military*. The bill would expand survivor eligibility slightly by recognizing the veteran's Minnesota residency within six months preceding the veteran's death, as well.
- 22 & 23 Harassing phone calls to service members family prohibited.** Prohibits, under misdemeanor penalties, phone calls that explicitly or implicitly inform a family or household member of a deployed service member that the service member has been killed,

injured or otherwise has died in active service, or been taken captive, when the caller knows that the information is false and intentionally intends to cause distress to the family.
Effective date. This section is effective August 1, 2010.

24 Veterans Preference in Dismissals; effective date changed. Amends the effective date of a provision of the Omnibus Ag and Veterans Act of 2009, pertaining to dismissals from public employment. That act:

- (1) provided to *State employees* the veterans preference protections that had long been available to *local government employees*, when facing dismissal from public employment (i.e., by layoff or firing) and it
- (2) stipulated that the veterans preference hearing process for dismissals no longer may be *in addition to* the person's union contract grievance process, but instead it would be the veteran's *irrevocable choice* to pursue one or the other process, but not both (Laws 2009, Ch. 94, Art. 2, Sec. 14).

However, the effective date on that 2009 Act inadvertently limited application of the changes only to new employees *hired following* its enactment. The present amendment would make the 2009 changes apply to people hired *before* that enactment, as well.

This amendment would apply only to dismissals occurring *after* the effective date of this provision (July 1, 2010); thus, any dismissals already completed would still stand.

This amendment *would not affect* Veterans Preference Law as it pertains *to hiring*.

25 New veterans cemeteries; planning required for NE, SE, and SW Minnesota. Directs the commissioner of Veterans Affairs to plan for three new veterans cemeteries, to be located in: (1) Northeastern Minnesota; (2) Southeastern Minnesota; and (3) Southwestern Minnesota. The bill further directs the commissioner to seek out public land options for each of the new cemeteries.

The bill directs that, for the new veterans cemetery in Southwestern Minnesota, the commissioner of MDVA must work with the commissioner of natural resources to secure a site at historic Ft. Ridgely State Park, if feasible, or on other available public land in that immediate vicinity if necessary. (Fort Ridgely is located on the Minnesota River bluffs in rural, western Nicollet County, midway between Redwood Falls and New Ulm, on the site of a major battle of the U.S. – Dakota Indian Conflict of 1862).

The bill also directs the commissioner to prepare and submit a pre-application for federal grants from the USDVA for commitment of federal funding for establishing each of the three veterans cemeteries.

A progress report to the Legislature is required by January 15, 2011.

[Note: The 2009 bonding bill authorized spending of \$500,000 of bonding proceeds for the creation of new veterans cemeteries in *Northeastern and Southwestern* Minnesota. The present bill *does not amend* or otherwise affect that 2009 law.]

26 CVSO and MDVA roles clarified; non-compliance. Directs that any county not in compliance with the qualifications of *an assistant CVSO* on July 1, 2010, (the effective date of the bill) must be in compliance no later than June 30, 2013.

27 **Effective dates.** Sections 1, 2, 5, 6, 9, 10, 14, 24 and 25 are effective the day following enactment. Sections 22 and 23 are effective August 1, 2010. Section 8 is effective February 12, 2011. The remaining sections are effective July 1, 2010.