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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 4285

- 03/09/2020 Authored by Poppe
The bill was read for the first time and referred to the Agriculture and Food Finance and Policy Division
- 05/04/2020 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
Pursuant to Joint Rule 2.03, re-referred to the Committee on Rules and Legislative Administration
Adoption of Report: Re-referred to the Committee on Ways and Means
Joint Rule 2.03 has been waived for any subsequent committee action on this bill
- 05/09/2020 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
- 05/12/2020 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate

1.1 A bill for an act

1.2 relating to agriculture; making policy or technical changes to various

1.3 agriculture-related provisions, including provisions related to perishable farm

1.4 products, seed law, noxious weed law, hemp, farming, loans, plant shipment, pet

1.5 food, food, eggs, grain, and others; classifying certain data; modifying rulemaking

1.6 authority; providing veterinarian immunity in certain situations; requiring reports;

1.7 requiring recommendations; amending Minnesota Statutes 2018, sections 13.6435,

1.8 subdivision 4a; 17.117, subdivisions 4, 5, 16; 18.77, subdivisions 8a, 13, by adding

1.9 subdivisions; 18.771; 18.78, subdivisions 1, 3; 18.79, subdivisions 6, 10, 15, 18,

1.10 21; 18.82; 18.90; 18.91, subdivision 2; 18G.09; 18K.02, by adding subdivisions;

1.11 18K.04, subdivisions 1, 3, by adding subdivisions; 18K.06; 21.72, subdivisions

1.12 11, 14, 15, by adding a subdivision; 21.73, subdivision 1; 21.74; 21.75, subdivision

1.13 1; 21.81, by adding subdivisions; 21.82, by adding a subdivision; 21.84; 21.85,

1.14 subdivisions 2, 15; 21.86, subdivision 2; 21.89, subdivisions 2, 4; 21.891,

1.15 subdivision 2; 25.40, subdivisions 1, 2; 27.001; 27.01; 27.03, subdivisions 3, 4;

1.16 27.0405, subdivision 1; 27.06; 27.07; 27.08; 27.09; 27.10; 27.11; 27.13; 27.131;

1.17 27.133; 27.137, subdivisions 5, 7, 9, 10; 27.138; 27.19, subdivision 1; 28A.03,

1.18 subdivision 8; 29.23, subdivision 3; 31A.02, subdivision 10; 31A.10; 31A.15,

1.19 subdivision 1; 41B.056, subdivision 4; 41D.01; 41D.02; 41D.03; 41D.04; Minnesota

1.20 Statutes 2019 Supplement, sections 223.16, subdivision 4; 223.177, subdivisions

1.21 2, 3; Laws 2019, First Special Session chapter 1, article 1, section 2, subdivision

1.22 4; proposing coding for new law in Minnesota Statutes, chapters 17; 21; 343;

1.23 repealing Minnesota Statutes 2018, sections 13.6435, subdivision 5; 21.81,

1.24 subdivision 12; 27.03, subdivision 1; 27.04; 27.041.

1.25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.26 ARTICLE 1

1.27 PERISHABLE FARM PRODUCTS

1.28 Section 1. Minnesota Statutes 2018, section 27.001, is amended to read:

1.29 27.001 PUBLIC POLICY.

1.30 The legislature recognizes that perishable ~~agricultural~~ agricultural farm products are important

1.31 sources of revenue to a large number of citizens of this state engaged in producing,

2.1 processing, manufacturing, or selling such products and that such products cannot be
 2.2 repossessed in case of default. It is therefore declared to be the policy of the legislature that
 2.3 certain financial protection be afforded those who are producers on the farm; ~~farmer~~
 2.4 ~~cooperatives which are not wholesale produce dealers as described in section 27.01,~~
 2.5 ~~subdivision 8; and licensed wholesale produce dealers, including the retail merchant~~
 2.6 ~~purchasing produce directly from farmers~~ and suppliers of perishable farm products. The
 2.7 provisions of this chapter which relate to perishable agricultural commodities shall be
 2.8 liberally construed to achieve these ends and shall be administered and enforced with a view
 2.9 to carrying out the above declaration of policy. A person who handles perishable farm
 2.10 products in a manner described under this chapter is required to comply with all applicable
 2.11 rules adopted by the commissioner.

2.12 Sec. 2. Minnesota Statutes 2018, section 27.01, is amended to read:

2.13 **27.01 DEFINITIONS.**

2.14 Subd. 2. **Produce Perishable farm products.** ~~"Produce"~~ "Perishable farm products"
 2.15 means:

2.16 (1) perishable produce, including fresh fruits and, vegetables, and mushrooms;

2.17 (2) milk and cream and products manufactured from milk and cream; and

2.18 (3) poultry and poultry products, including eggs.

2.19 Subd. 4. **Voluntary extension of credit.** The term "voluntary extension of credit" means
 2.20 a written agreement between ~~the~~ a seller and the licensee a buyer wherein the time of payment
 2.21 for the purchase price of ~~produce~~ perishable farm products is extended beyond ~~the~~ a due
 2.22 date.

2.23 Subd. 5. **Due date.** (a) "Due date" means ~~ten~~ 30 days from the date of delivery of ~~produce~~
 2.24 perishable farm products by ~~the~~ a seller to the licensee a buyer if the due date is not specified
 2.25 in the contract. For purposes of this definition a signed invoice with a due date is a contract.

2.26 (b) ~~If produce is perishable farm products are consigned,~~ "due date" means ~~ten~~ 30 days
 2.27 from the date the sale is made by the broker or handler, except as to milk processing plants,
 2.28 where the due date means 15 days following the monthly day of accounting subsequent to
 2.29 deliveries following the date fixed by each milk processing plant for that accounting.

2.30 Subd. 7. **Commissioner.** "Commissioner" means the commissioner of ~~the Department~~
 2.31 of agriculture.

3.1 Subd. 8. ~~Wholesale produce~~ Farm products dealer. (a) ~~"Wholesale produce dealer"~~
 3.2 ~~or "dealer at wholesale"~~ "Farm products dealer," "dealer of farm products," or "dealer"
 3.3 means:

3.4 ~~(1) a any person operating as a retail food handler, wholesale food handler, wholesale~~
 3.5 ~~food processor or manufacturer, or food broker~~ who buys from or contracts with a seller
 3.6 for production or sale of ~~produce in wholesale lots~~ perishable farm products for resale;

3.7 ~~(2) a person engaging in the business of a broker or agent, who handles or deals in~~
 3.8 ~~produce for a commission or fee;~~

3.9 ~~(3) a truck owner or operator who buys produce in wholesale lots for resale; and~~

3.10 ~~(4) a person engaged in the business of a cannery, food manufacturer, or food processor,~~
 3.11 ~~who purchases produce in wholesale lots as a part of that business.~~

3.12 ~~(b) For purposes of paragraph (a), "wholesale lots" means purchases from Minnesota~~
 3.13 ~~sellers must total more than \$12,000 annually.~~

3.14 ~~(c) "Wholesale produce dealer" or "dealer at wholesale"~~ (b) "Farm products dealer,"
 3.15 "dealer of farm products," or "dealer" does not include:

3.16 (1) a truck owner and operator who regularly engages in the business of transporting
 3.17 freight, including ~~produce~~ perishable farm products, for a transportation fee only, and who
 3.18 does not purchase, contract to purchase, or sell produce;

3.19 (2) a marketing cooperative association in which substantially all of the voting stock is
 3.20 held by patrons who patronize the association and in which at least 75 percent of the business
 3.21 of the association is transacted with member or stockholder patrons;

3.22 (3) a person who purchases ~~Minnesota seasonally grown perishable fresh fruits and~~
 3.23 ~~vegetables,~~ perishable farm products and pays in cash, including lawful money of the United
 3.24 States, a cashier's check, a certified check, or a bank draft; or

3.25 (4) a person who handles and deals in only canned, packaged, or processed ~~produce or~~
 3.26 ~~packaged dairy~~ perishable farm products that are no longer perishable as determined by the
 3.27 commissioner by rule; ~~or.~~

3.28 ~~(5) retail merchants who purchase produce, defined in subdivision 2, directly from~~
 3.29 ~~farmers, which in the aggregate does not exceed \$500 per month.~~

3.30 Subd. 10. **Seller.** "Seller" means a farmer or ~~wholesale produce dealer~~ perishable farm
 3.31 products supplier, whether the person is the owner of the ~~produce~~ perishable farm products
 3.32 or produces it for another person who holds title to it.

4.1 Subd. 11. **Person.** "Person" has the meaning given in section 34A.01, subdivision 10.

4.2 Subd. 12. **Miscellaneous terms.** "Retail food handler," "wholesale food handler,"
4.3 "wholesale food processor or manufacturer," and "food broker" have the meanings given
4.4 in section 28A.05.

4.5 Sec. 3. Minnesota Statutes 2018, section 27.03, subdivision 3, is amended to read:

4.6 Subd. 3. **Brokers.** (a) A ~~wholesale produce~~ farm products dealer operating as a broker,
4.7 upon negotiating the sale of perishable farm products, ~~shall~~ must issue to both buyer and
4.8 seller a written memorandum of sale before the close of the next business day showing the
4.9 price, date of delivery, quality, and other details of the transaction.

4.10 (b) The memorandum required in paragraph (a) must have an individual identifying
4.11 number printed upon it. Numbers must be organized and printed on the memoranda so that
4.12 each memorandum can be identified and accounted for sequentially. Unused or damaged
4.13 memoranda must be retained by the broker for accounting purposes.

4.14 (c) A ~~wholesale produce~~ dealer operating as a broker may not alter the terms of a
4.15 transaction specified on the original memorandum of sale required in paragraph (a) without
4.16 the consent of both parties to the transaction. Upon making a change, the broker is required
4.17 to issue a clearly marked corrected memorandum of sale indicating the date and time when
4.18 the adjustment or change was made. The broker shall transmit the corrected memorandum
4.19 to both the buyer and seller before the close of the next business day.

4.20 Sec. 4. Minnesota Statutes 2018, section 27.03, subdivision 4, is amended to read:

4.21 Subd. 4. **Payments for produce perishable farm products.** If there is a contract between
4.22 a seller and a ~~wholesale produce~~ farm products dealer to buy ~~produce~~ perishable farm
4.23 products, the ~~wholesale produce~~ farm products dealer must pay for the ~~produce that is~~
4.24 perishable farm products delivered to the ~~wholesale produce~~ farm products dealer at the
4.25 time and in the manner specified in the contract with the seller. If the due date is not set by
4.26 the contract, the ~~wholesale produce~~ farm products dealer ~~shall~~ must pay for the ~~produce by~~
4.27 ~~ten~~ perishable farm products within 30 days after delivery or taking possession of the ~~produce~~
4.28 perishable farm products. A payment received after the due date must include payment of
4.29 12 percent annual interest prorated for the number of days past the due date.

4.30 Sec. 5. Minnesota Statutes 2018, section 27.0405, subdivision 1, is amended to read:

4.31 Subdivision 1. **Production and review of information.** (a) Upon special order, the
4.32 commissioner may require ~~persons engaged in the business of a~~ farm products dealer at

5.1 ~~wholesale~~ to file at the time and in the manner the commissioner directs, sworn or unsworn
 5.2 reports or answers in writing to specific questions on any matter which the commissioner
 5.3 may investigate.

5.4 (b) For the purposes of this section, the commissioner or the commissioner's authorized
 5.5 agents may audit and review any records relating to the financial condition of any farm
 5.6 products dealer ~~at wholesale~~ and any transactions between the dealer and persons entitled
 5.7 to the protections of this chapter, if the records are in the possession of or under the case,
 5.8 custody, or control of the dealer or the dealer's authorized agent.

5.9 Sec. 6. Minnesota Statutes 2018, section 27.06, is amended to read:

5.10 **27.06 COMPLAINTS TO COMMISSIONER, HEARING; ACTION ON BOND.**

5.11 A person claiming to be damaged by a breach of the conditions of a ~~bond given by a~~
 5.12 ~~licensee~~ sales contract may submit a complaint to the commissioner within 40 days after
 5.13 the due date. The complaint must be a written statement of the facts constituting the
 5.14 complaint. After receiving a filed complaint, the commissioner ~~shall~~ must investigate the
 5.15 charges made and may have the matter heard as a contested case pursuant to chapter 14 if
 5.16 an affected party requests a hearing.

5.17 Sec. 7. Minnesota Statutes 2018, section 27.07, is amended to read:

5.18 **27.07 GRADES ESTABLISHED; INSPECTION.**

5.19 Subdivision 1. **Commissioner's power.** The commissioner shall have power to establish
 5.20 grades on all ~~produce~~ perishable farm products and when ~~deemed~~ necessary shall provide
 5.21 for inspecting and grading ~~produce~~ perishable farm products subject to sale at ~~such~~ marketing
 5.22 points within the state as the commissioner may designate.

5.23 Subd. 2. **Certificates.** The commissioner shall ~~provide for the issuing of~~ issue certificates
 5.24 of inspection showing the grade, quality, and conditions of ~~the produce~~ perishable farm
 5.25 products, and may charge and collect a reasonable fee ~~therefor, a schedule thereof to be~~
 5.26 ~~adopted and published from time to time. Such certificates~~ for the issuance of a certificate
 5.27 of inspection. A certificate of inspection ~~shall be~~ is prima facie evidence in all courts of this
 5.28 state as to the grade, quality, and condition of ~~the produce~~ perishable farm products at the
 5.29 time the inspection was made.

5.30 Subd. 3. **Application for inspector's services.** Any person who wants ~~produce~~ perishable
 5.31 farm products or a perishable farm products sales transaction to be inspected may apply to
 5.32 the commissioner for the service of an inspector and, if it appears to the commissioner that

6.1 the perishable farm products volume of the ~~produce~~ is sufficient to justify the request, the
6.2 commissioner may grant the service upon terms and conditions fixed by the commissioner
6.3 and this section.

6.4 Subd. 4. **Deposit agreement.** The commissioner may require an agreement, prior to the
6.5 establishment of the inspection service, requiring the user of the inspection service to at all
6.6 times have on deposit with the department a sufficient amount of money to pay the estimated
6.7 costs of such inspection service for a period of not less than 15 days in advance. When any
6.8 such agreement shall terminate by action of either party thereto, the commissioner shall pay
6.9 to the depositor any money remaining to the depositor's credit after the deduction of the
6.10 costs at the time such agreement terminates.

6.11 Subd. 5. **Fees.** Fees for inspection shall be determined by the commissioner and shall
6.12 be reviewed and adjusted every six months. In determining the fees to be charged, the
6.13 commissioner shall take into consideration fees charged in other states offering similar
6.14 inspection services to the end that the fees charged will provide a competitive marketing
6.15 position for Minnesota ~~produce~~ perishable farm products.

6.16 Subd. 6. **Cooperative agreements; fees; account.** The commissioner may collect fees
6.17 as provided for in cooperative agreements between the commissioner and the United States
6.18 Department of Agriculture for the inspection of ~~fresh fruits, vegetables, and other~~ perishable
6.19 farm products. The fees and interest attributable to money in the account must be deposited
6.20 in the agricultural fund and credited to a fruit and vegetables inspection account. Money in
6.21 the account, including interest earned, is appropriated to the commissioner to administer
6.22 the cooperative agreements.

6.23 Sec. 8. Minnesota Statutes 2018, section 27.08, is amended to read:

6.24 **27.08 FILING BRAND OR LABEL; PERMIT.**

6.25 Any person producing, manufacturing, or handling, perishable farm products in this
6.26 state, ~~any of the products mentioned in section 27.01~~, except cheese and butter, and preparing,
6.27 packing, and offering ~~the same~~ perishable farm products for sale, may file with the
6.28 commissioner a brand or label, ~~and~~. The applicant may place upon this brand or label ~~such~~
6.29 a descriptive or locative matter, as ~~shall be~~ approved by the commissioner. The commissioner
6.30 may issue to ~~such~~ an applicant for brands and labels a permit to use the same, subject to
6.31 ~~such~~ the rules and restrictions as to quality of product so branded as the commissioner may
6.32 determine. The brand or label shall be recorded in the office of the commissioner and any
6.33 person who shall, without authority of the commissioner, brand and label therewith products

7.1 or commodities of a quality below the standard permitted under the brand or label, shall be
7.2 subject to the penal provisions of section 27.19.

7.3 Sec. 9. Minnesota Statutes 2018, section 27.09, is amended to read:

7.4 **27.09 INSPECTION CERTIFICATE.**

7.5 When ~~produce is~~ perishable farm products are ready for sale, or ~~is on its~~ are on the way
7.6 to market, the owner ~~thereof, or the~~ conveyor, ~~or the~~ prospective buyer, or any other interested
7.7 party, person with an interest in the perishable farm products may ~~call for and shall be~~
7.8 entitled to request an inspection of such produce and to an inspection certificate, as provided
7.9 for in the perishable farm products under section 27.07.

7.10 Sec. 10. Minnesota Statutes 2018, section 27.10, is amended to read:

7.11 **27.10 PRODUCE EXAMINED, WHEN PERISHABLE FARM PRODUCTS**
7.12 **EXAMINATION.**

7.13 (a) When ~~produce is~~ perishable farm products are shipped to or received by a farm
7.14 products dealer at wholesale for handling, purchase, or sale in this state ~~at any market point~~
7.15 ~~therein giving inspection service, as provided for in section 27.07,~~ and the farm products
7.16 dealer at wholesale finds the ~~same~~ perishable farm products to be in a spoiled, damaged,
7.17 unmarketable, or unsatisfactory condition, ~~unless both parties shall waive inspection before~~
7.18 ~~sale or other disposition thereof,~~ the dealer ~~shall cause the same to be~~ must have the
7.19 perishable farm products examined by an inspector assigned by the commissioner for that
7.20 purpose, ~~and~~. The inspector ~~shall~~ must execute and deliver a certificate to the applicant
7.21 ~~thereof~~ farm products dealer stating the day, the time and place of the inspection, and the
7.22 condition of the produce and mail or deliver a copy of the certificate to the shipper ~~thereof~~
7.23 of the perishable farm products.

7.24 (b) This section does not apply when the parties to the perishable farm products sales
7.25 contract waive the inspection requirement.

7.26 Sec. 11. Minnesota Statutes 2018, section 27.11, is amended to read:

7.27 **27.11 SHIPMENTS ON CONSIGNMENT.**

7.28 When any farm products dealer at wholesale to whom ~~produce has~~ perishable farm
7.29 products have been shipped or consigned for sale on a commission basis or on consignment
7.30 or under any circumstances ~~wherein~~ where the title to the ~~produce~~ perishable farm products
7.31 remains with the shipper, ~~has received the same,~~ the dealer ~~shall~~ must, within a reasonable

8.1 time thereafter, ~~make a written~~ report to the shipper, ~~which report shall include~~ the exact
8.2 time of arrival, and the quantity, quality, and price per unit of the ~~produce and at the same~~
8.3 ~~time shall~~ perishable farm products. The dealer must pay the shipper the net amount due at
8.4 the time the report required under this section is made.

8.5 Sec. 12. Minnesota Statutes 2018, section 27.13, is amended to read:

8.6 **27.13 INVESTIGATION OF COMPLAINTS; ~~SUSPENSION OR REVOCATION~~**
8.7 **OF LICENSE**.

8.8 (a) The commissioner is authorized to: (1) receive complaints against any ~~persons~~ person
8.9 dealing in, shipping, transporting, storing, or selling ~~produce, and shall have authority to~~
8.10 perishable farm products; (2) make any and all necessary investigations relative to the
8.11 handling of, or storing, shipping, or dealing in ~~produce at wholesale and shall, at all times,~~
8.12 ~~have access to~~ perishable farm products; and (3) enter with reasonable notice all buildings,
8.13 yards, warehouses, storage and transportation facilities in which any produce is perishable
8.14 farm products are kept, stored, handled or transacted. ~~For the purpose of enforcing the~~
8.15 ~~provisions of sections 27.01 to 27.14 and 27.19, the commissioner shall have the authority,~~
8.16 ~~upon complaint being filed for any alleged violation of the provisions thereof, or the rules~~
8.17 ~~issued thereunder, or upon information furnished by an inspector of the Department of~~
8.18 ~~Agriculture, to suspend while violation continues or revoke any license issued by the~~
8.19 ~~commissioner upon ten days notice to the licensee and an opportunity to be heard. Where~~
8.20 ~~the public interest requires it the commissioner may suspend a license after such notice~~
8.21 ~~pending hearing and decision.~~

8.22 (b) The commissioner ~~shall have, and is hereby granted, full authority to~~ may: (1) issue
8.23 subpoenas requiring the attendance of witnesses before the commissioner, with books,
8.24 papers, and other documents, articles, or instruments, ~~and to~~; (2) compel the disclosure by
8.25 such witnesses of all facts known to them relative to ~~the~~ a matter under investigation, ~~and~~
8.26 ~~shall have full authority to~~; and (3) administer oaths and ~~to~~ take testimony; ~~and~~.

8.27 (c) The commissioner ~~shall thereafter give the~~ must provide a complainant a written
8.28 report of the investigation conducted under this section. ~~Such report shall be~~ The report is
8.29 prima facie evidence of the matters ~~therein~~ contained in the report. ~~All parties disobeying~~
8.30 ~~the orders or subpoenas of the commissioner shall be~~ A party violating a commissioner's
8.31 order or subpoena is guilty of contempt as in proceedings in district courts of the state and
8.32 may be punished in like manner.

9.1 Sec. 13. Minnesota Statutes 2018, section 27.131, is amended to read:

9.2 **27.131 MEDIATION AND ARBITRATION.**

9.3 A contract for ~~produce~~ perishable farm products between a buyer and a seller must
9.4 contain language providing for resolution of contract disputes by either mediation or
9.5 arbitration. If there is a contract dispute, either party may make a written request to the
9.6 ~~department~~ commissioner for mediation or arbitration, as specified in the contract to facilitate
9.7 resolution of the dispute.

9.8 Sec. 14. Minnesota Statutes 2018, section 27.133, is amended to read:

9.9 **27.133 PARENT COMPANY LIABILITY.**

9.10 If a ~~wholesale produce~~ farm products dealer is a subsidiary of another corporation,
9.11 partnership, or association, the parent corporation, partnership, or association is liable to a
9.12 seller for the amount of any unpaid claim or contract performance claim if the ~~wholesale~~
9.13 ~~produce~~ farm products dealer fails to pay or perform according to the terms of the contract
9.14 and this chapter.

9.15 Sec. 15. Minnesota Statutes 2018, section 27.137, subdivision 5, is amended to read:

9.16 Subd. 5. **Proceeds.** "Proceeds" means whatever is received upon the sale, exchange,
9.17 collection, or transfer of ~~produce, products of produce, or proceeds from the produce or~~
9.18 ~~products of produce~~ perishable farm products or manufactured farm products.

9.19 Sec. 16. Minnesota Statutes 2018, section 27.137, subdivision 7, is amended to read:

9.20 Subd. 7. ~~**Products of produce**~~ **Manufactured farm products.** "~~Products of produce~~"
9.21 "Manufactured farm products" means products derived from ~~produce~~ perishable farm
9.22 products through manufacturing, processing, or packaging.

9.23 Sec. 17. Minnesota Statutes 2018, section 27.137, subdivision 9, is amended to read:

9.24 Subd. 9. **Trust assets.** "Trust assets" means ~~produce, products of produce, and proceeds~~
9.25 ~~from the produce or products of produce~~ perishable farm products or manufactured farm
9.26 products and proceeds from the perishable or manufactured farm products.

10.1 Sec. 18. Minnesota Statutes 2018, section 27.137, subdivision 10, is amended to read:

10.2 Subd. 10. ~~Wholesale produce~~ Farm products dealer. "~~Wholesale produce~~ Farm
10.3 products dealer" has the meaning given in section 27.01, subdivision 8, ~~and includes the~~
10.4 ~~person whether or not the person is licensed.~~

10.5 Sec. 19. Minnesota Statutes 2018, section 27.138, is amended to read:

10.6 **27.138 ~~WHOLESALE PRODUCE~~ FARM PRODUCTS DEALERS' TRUST.**

10.7 Subdivision 1. **Trust establishment and maintenance.** (a) ~~The produce and products~~
10.8 ~~of produce of a wholesale produce dealer~~ A farm products dealer's perishable farm products
10.9 and manufactured farm products and proceeds related to the sale of a farm products dealer's
10.10 perishable farm products or manufactured farm products are held in trust for the benefit of
10.11 unpaid sellers.

10.12 (b) The trust assets are to be maintained as a nonsegregated floating trust. Commingling
10.13 of the trust assets is contemplated.

10.14 (c) The ~~wholesale produce~~ farm products dealer must maintain the trust assets in a
10.15 manner that makes the trust assets freely available to satisfy the amounts owed to unpaid
10.16 sellers and may not divert trust assets in a manner that impairs the ability of unpaid sellers
10.17 to recover amounts due.

10.18 (d) A ~~wholesale produce~~ farm products dealer must maintain the trust assets in trust until
10.19 payment has been made in full to unpaid sellers. Payment is not made if a seller receives a
10.20 payment instrument that is dishonored.

10.21 (e) A ~~wholesale produce~~ farm products dealer holds trust assets in trust for the seller,
10.22 except that the ~~wholesale produce~~ farm products dealer may transfer title to trust assets if
10.23 the proceeds of the transfer are maintained as trust assets. Until a seller is paid, a ~~wholesale~~
10.24 ~~produce~~ farm products dealer ~~does~~ must not transfer title to trust assets:

10.25 (1) in a transaction made to another ~~wholesale produce~~ farm products dealer;

10.26 (2) in a transaction intended to impair the ability of unpaid sellers to recover amounts
10.27 due; or

10.28 (3) for which the value is inadequate to satisfy filed beneficiaries notices.

10.29 Subd. 2. **Sellers' rights to trust assets.** (a) An unpaid seller may recover trust assets for
10.30 the net amount unpaid after the due date after allowing deductions of contemplated expenses
10.31 or advances made in connection with the transaction. An amount is considered unpaid if a
10.32 seller receives a payment instrument that is dishonored.

11.1 (b) An unpaid seller may recover trust assets after filing a beneficiaries notice with the
11.2 ~~wholesale produce~~ farm products dealer to whom the ~~produce was~~ perishable farm products
11.3 were transferred and the commissioner, and after filing in the central filing system under
11.4 section 336.9-501 as if the trust were a security interest in the trust assets by 40 days after
11.5 the due date for the payment to the seller or 40 days after a payment instrument to the seller
11.6 for the ~~produce~~ perishable farm products is dishonored, whichever is later.

11.7 Subd. 3. **Beneficiaries notice.** (a) A beneficiaries notice must be in writing and in a
11.8 form prescribed by the commissioner.

11.9 (b) The beneficiaries notice must contain:

11.10 (1) the name and address of the seller;

11.11 (2) the name and address of the ~~wholesale produce~~ farm products dealer maintaining
11.12 the trust assets;

11.13 (3) the ~~produce~~ perishable farm products, amount of ~~produce~~ product, amount to be paid
11.14 the seller, and the due date of transactions that are unpaid or, if appropriate, the date a
11.15 payment instrument was dishonored; and

11.16 (4) a description of the trust assets.

11.17 (c) The filing officer ~~shall~~ must enter on the initial financing statement filed pursuant
11.18 to this section the time of day and date of filing. The filing officer ~~shall~~ must accept filings,
11.19 amendments, and terminations of an initial financing statement filed pursuant to this section
11.20 and charge the same filing fees as provided in section 336.9-525. An initial financing
11.21 statement filed pursuant to this section is void and may be removed from the filing system
11.22 18 months after the date of filing. The beneficiaries notice may be physically destroyed 30
11.23 months after the date of filing.

11.24 Subd. 4. **Priority of unpaid sellers' interests in trust assets.** (a) The unpaid seller's
11.25 interest in trust assets is paramount to all other liens, security interests, and encumbrances
11.26 in the trust assets. An unpaid seller who recovers trust assets recovers them free of any liens,
11.27 security interests, or encumbrances.

11.28 (b) If the trust assets are inadequate to pay unpaid sellers the amount due, the unpaid
11.29 sellers shall share proportionately in the trust assets.

11.30 Subd. 5. **Recovery actions.** An action to recover trust assets may be brought in district
11.31 court in a county where trust assets are located after the beneficiaries notice is filed. The
11.32 beneficiaries notice may be amended, except the amount due, by leave of the court in

12.1 furtherance of justice. An action to recover trust assets is barred if it is not brought by 18
12.2 months after the date the beneficiaries notice is filed.

12.3 Subd. 6. **Terminations of beneficiaries notice.** A seller must terminate a beneficiaries
12.4 notice by ten days after the amount due for the ~~wholesale produce~~ farm products dealer is
12.5 paid. The commissioner may terminate a beneficiaries notice upon request and demonstration
12.6 by the ~~wholesale produce~~ farm products dealer that the amounts due under the beneficiaries
12.7 notice have been paid.

12.8 Sec. 20. Minnesota Statutes 2018, section 27.19, subdivision 1, is amended to read:

12.9 Subdivision 1. **Prohibited acts.** (a) A person subject to the provisions of this section
12.10 and sections 27.01 to 27.14 ~~may~~ must not:

12.11 ~~(1) operate or advertise to operate as a dealer at wholesale without a license;~~

12.12 ~~(2)~~ (1) make any false statement or report as to the grade, condition, markings, quality,
12.13 or quantity of produce, as defined in section 27.069, received or delivered, or act in any
12.14 manner to deceive a consignor or purchaser;

12.15 ~~(3)~~ (2) refuse to accept a shipment contracted for by the person, unless the refusal is
12.16 based upon the showing of a state inspection certificate secured with reasonable promptness
12.17 after the receipt of the shipment showing that the kind and quality of produce, as defined
12.18 in section 27.069, is other than that purchased or ordered by the person;

12.19 ~~(4)~~ (3) fail to account or make a settlement for ~~produce~~ perishable farm products within
12.20 the required time;

12.21 ~~(5)~~ (4) violate or fail to comply with the terms or conditions of a contract entered into
12.22 by the person for the purchase, production, or sale of ~~produce~~ perishable farm products;

12.23 ~~(6)~~ (5) purchase for a person's own account any produce received on consignment, either
12.24 directly or indirectly, without the consent of the consignor;

12.25 ~~(7)~~ (6) issue a false or misleading market quotation, or cancel a quotation during the
12.26 period advertised by the person;

12.27 ~~(8)~~ (7) increase the sales charges on ~~produce~~ perishable farm products shipped to the
12.28 person by means of "dummy" or fictitious sales;

12.29 ~~(9)~~ (8) receive decorative forest products and the products of farms and waters from
12.30 foreign states or countries for sale or resale, either within or outside of the state, and give
12.31 the purchaser the impression, through any method of advertising or description, that the
12.32 ~~produce is~~ perishable farm products are of Minnesota origin;

13.1 ~~(10) fail to notify in writing all suppliers of produce of the protection afforded to suppliers~~
13.2 ~~by the person's licensee bond, including: availability of a bond, notice requirements, and~~
13.3 ~~any other conditions of the bond;~~

13.4 ~~(11) make a false statement to the commissioner on an application for license or bond~~
13.5 ~~or in response to written questions from the commissioner regarding the license or bond;~~

13.6 ~~(12)~~ (9) commit to pay and not pay in full for all ~~produce~~ perishable farm products
13.7 committed for. A processor may not pay an amount less than the full contract price if the
13.8 crop produced is satisfactory for processing and is not harvested for reasons within the
13.9 processor's control. If the processor sets the date for planting, then bunching, unusual yields,
13.10 and a processor's inability or unwillingness to harvest must be considered to be within the
13.11 processor's control. Under this clause growers must be compensated for passed acreage at
13.12 the same rate for grade and yield as they would have received had the crop been harvested
13.13 in a timely manner minus any contractual provision for green manure or feed value. Both
13.14 parties are excused from payment or performance for crop conditions that are beyond the
13.15 control of the parties; or

13.16 ~~(13)~~ (10) discriminate between different sections, localities, communities, or cities, or
13.17 between persons in the same community, by purchasing ~~produce~~ perishable farm products
13.18 from farmers of the same grade, quality, and kind, at different prices, except that price
13.19 differentials are allowed if directly related to the costs of transportation, shipping, and
13.20 handling of the ~~produce~~ perishable farm products and a person is allowed to meet the prices
13.21 of a competitor in good faith, in the same locality for the same grade, quality, and kind of
13.22 ~~produce~~ perishable farm products. A showing of different prices by the commissioner is
13.23 prima facie evidence of discrimination.

13.24 (b) Any person violating any provision of this chapter, or any rule adopted under this
13.25 chapter, is guilty of a misdemeanor.

13.26 ~~(b)~~ (c) A separate violation occurs with respect to each different person involved, each
13.27 purchase or transaction involved, and each false statement.

13.28 (d) Any prosecuting officer to whom the commissioner reports a violation of this chapter,
13.29 or a violation of any rule adopted under this chapter, must bring appropriate proceedings
13.30 in a proper court without delay for the enforcement of the penalties under this chapter.

13.31 Sec. 21. REPEALER.

13.32 Minnesota Statutes 2018, sections 13.6435, subdivision 5; 27.03, subdivision 1; 27.04;
13.33 and 27.041, are repealed.

14.1 **ARTICLE 2**
14.2 **SEED LAW**

14.3 Section 1. Minnesota Statutes 2018, section 21.72, subdivision 11, is amended to read:

14.4 Subd. 11. **Screenings.** "Screenings" means chaff, florets, immature or broken seed, weed
14.5 seeds, inert matter, and other foreign material removed in any way from any seeds or grains
14.6 in any kind of cleaning and processing, or obtained from any other source.

14.7 Sec. 2. Minnesota Statutes 2018, section 21.72, subdivision 14, is amended to read:

14.8 Subd. 14. **Noxious weed seeds.** "Noxious weed seeds" includes restricted and prohibited
14.9 noxious weed seeds as defined in ~~subdivision~~ subdivisions 15 and 16.

14.10 Sec. 3. Minnesota Statutes 2018, section 21.72, subdivision 15, is amended to read:

14.11 Subd. 15. **Restricted weed seeds.** "Restricted weed seeds" are those weed seeds ~~which,~~
14.12 ~~if present in weed-seed infested agricultural seeds and grains, or screenings, shall not be~~
14.13 ~~present singly or collectively in excess of the rate of 90 per pound. Restricted weed seeds~~
14.14 ~~are seeds of buckhorn plantain (*Plantago lanceolata*), dodder (*Cuscuta* spp.), Frenchweed~~
14.15 ~~(*Thlaspi arvense*), hoary alyssum (*Berteroa incana*), horse nettle (*Solanum carolinense*),~~
14.16 ~~wild mustard (*Brassica* spp.), quack grass (*Agropyron repens*), Canada thistle (*Cirsium*~~
14.17 ~~*arvense*), field bindweed (*Convolvulus arvensis*), leafy spurge (*Euphorbia esula*), perennial~~
14.18 ~~peppergrass (*Cardaria draba*), perennial sow thistle (*Sonchus arvensis*), and Russian~~
14.19 ~~knapweed (*Centaurea repens*)~~ placed on the list provided under section 21.85, subdivision
14.20 15.

14.21 Sec. 4. Minnesota Statutes 2018, section 21.72, is amended by adding a subdivision to
14.22 read:

14.23 Subd. 16. **Prohibited noxious weed seeds.** "Prohibited noxious weed seeds" are those
14.24 weed seeds placed on the list provided under section 21.85, subdivision 15.

14.25 Sec. 5. Minnesota Statutes 2018, section 21.73, subdivision 1, is amended to read:

14.26 Subdivision 1. **Infested feed grain; screenings.** It is unlawful for any person to feed or
14.27 to sell, offer for sale, or expose for sale, or transport, to the consumer, for feeding purposes,
14.28 any weed-seed infested agricultural seeds and grains, or screenings, if:

14.29 (1) ~~containing~~ restricted noxious weed seeds are present singly or collectively in excess
14.30 of the ~~legal limit~~ rate of 90 per pound;

15.1 (2) ~~containing~~ prohibited noxious weed seeds are present; or

15.2 (3) they contain more than ten percent total weed seeds by weight.

15.3 Sec. 6. Minnesota Statutes 2018, section 21.74, is amended to read:

15.4 **21.74 EXCEPTIONS.**

15.5 The provisions of section 21.73 shall not apply to:

15.6 (1) Agricultural seeds and grains, or screenings, not intended for feeding purposes;

15.7 (2) Weed-seed infested agricultural seeds and grains, or screenings, being transported
15.8 upon any public highway to or from a cleaning or processing establishment for cleaning or
15.9 processing, which same are carried or transported in such vehicles or containers as will
15.10 prevent the leaking or scattering thereof;

15.11 (3) Weed-seed infested agricultural seeds and grains, or screenings, which have first
15.12 been devitalized by grinding, heating, chemical treatment, or any other suitable method;

15.13 (4) The sale of weed-seed infested agricultural seeds and grains, or screenings, to each
15.14 other by jobbers, manufacturers, or processors who mix or grind concentrated commercial
15.15 feeding stuff for sale; provided that the restrictions applying to clause (2), are complied
15.16 with;

15.17 (5) The sale of weed-seed infested agricultural seeds and grains, or screenings, by any
15.18 vendor to a consumer, provided that the restrictions set forth in clauses (2) and (3) are
15.19 complied with. However, where the vendor is not equipped to devitalize weed seeds, the
15.20 vendor may sell weed-seed infested agricultural seeds, grains, or screenings only to a
15.21 consumer who holds a permit issued by the commissioner for such a purchase. The
15.22 commissioner shall issue such a permit annually to a consumer only if the consumer has
15.23 the necessary facilities for devitalization, as determined by the commissioner, or has access
15.24 to such facilities. The consumer shall devitalize such weed-seed infested agricultural seeds,
15.25 grains, or screenings. The commissioner may revoke a permit after due notice and a hearing
15.26 if the consumer does not comply with the provisions of this clause. The provisions of this
15.27 clause shall not apply to the sale at a farm auction of a vendors agricultural seeds or grains
15.28 for feeding or processing purposes. "Farm auction" for the purpose of this clause means the
15.29 final sale at auction of the personal property of the farmer to the highest bidder. However,
15.30 if such agricultural seeds and grains are sold under variety names, and in such manner and
15.31 at such prices as to indicate that it is intended to use the seeds and grains for seeding purposes,
15.32 the seeds and grains are then subject to all laws relating to cleaning, testing, and labeling
15.33 of agricultural seed as set forth in the agricultural seed laws and the agricultural weed laws

16.1 of the state of Minnesota and such rules as have been promulgated by the commissioner of
16.2 agriculture thereunder; and

16.3 (6) Weed-seed infested agricultural seed and grains or screenings, produced by the farmer
16.4 and fed on the farmer's own farm, provided it does not contain restricted or prohibited
16.5 noxious weed seeds in excess of the legal limit.

16.6 Sec. 7. Minnesota Statutes 2018, section 21.75, subdivision 1, is amended to read:

16.7 Subdivision 1. **Enforcement; rulemaking.** ~~The duty of enforcing sections 21.71 to~~
16.8 ~~21.78 and carrying out the provisions and requirements thereof is vested in the commissioner~~
16.9 ~~of agriculture. The commissioner, personally or through agents, shall~~ The commissioner
16.10 must enforce sections 21.71 to 21.78. The commissioner must:

16.11 (1) sample, inspect, make analysis of, and test weed-seed infested agricultural seeds and
16.12 grains, or screenings, transported, sold, or offered, or exposed for sale within this state for
16.13 any purpose, at such time and place, and to such extent as the commissioner may deem
16.14 necessary to determine whether such weed-seed infested agricultural seeds and grain, or
16.15 screenings, is in compliance with the provisions of sections 21.71 to 21.78, and to notify
16.16 promptly the person who transported, sold, offered, or exposed the weed-seed infested
16.17 agricultural seeds and grains, or screenings, for sale of any violation; and

16.18 (2) prescribe and, after public hearing following due public notice, adopt such rules as
16.19 may be necessary to secure the efficient enforcement of sections 21.71 to 21.78. ~~Such rules~~
16.20 ~~are to be adopted in accordance with the law; and~~

16.21 (3) ~~Prescribe and, after public hearing following due public notice, establish, add to, or~~
16.22 ~~subtract therefrom by rules a restricted noxious weed-seed list.~~

16.23 Sec. 8. Minnesota Statutes 2018, section 21.81, is amended by adding a subdivision to
16.24 read:

16.25 Subd. 14a. **Labeler.** "Labeler" means the person whose complete name and address
16.26 appears on the label of agricultural, vegetable, flower, tree, shrub, or any other seed for sale
16.27 within this state, or the person identified by the code designation on the label as authorized
16.28 by Code of Federal Regulations, title 7, section 201.23.

17.1 Sec. 9. Minnesota Statutes 2018, section 21.81, is amended by adding a subdivision to
17.2 read:

17.3 Subd. 21a. **Recommended Uniform State Seed Law.** "Recommended Uniform State
17.4 Seed Law" refers to the Association of American Seed Control Officials guidelines for seed
17.5 law.

17.6 Sec. 10. Minnesota Statutes 2018, section 21.82, is amended by adding a subdivision to
17.7 read:

17.8 Subd. 9. **Hemp seed.** To comply with the hemp requirements in chapter 18K, a hemp
17.9 seed labeler must test the hemp parent plants used to produce the hemp seed at the appropriate
17.10 developmental stage and obtain a certificate of analysis showing that the hemp seed was
17.11 produced from hemp parent plants with less than 0.3 percent total delta-9
17.12 tetrahydrocannabinol concentration.

17.13 Sec. 11. Minnesota Statutes 2018, section 21.84, is amended to read:

17.14 **21.84 RECORDS.**

17.15 ~~Each person whose name appears on the label of agricultural, vegetable, flower,~~
17.16 ~~wildflower, tree, or shrub seeds subject to section 21.82 or 21.83 shall~~ (a) A labeler must
17.17 keep (1) for three years complete records of each seed lot of agricultural, vegetable, flower,
17.18 ~~wildflower, tree, or shrub seed~~ sold in this state, and ~~shall keep (2) for one year a file sample~~
17.19 of each seed lot of seed after disposition of the lot.

17.20 (b) The labeler must retain the following information as part of the complete record for
17.21 each seed lot sold:

17.22 (1) the lot number or other lot identification;

17.23 (2) a copy of the genuine grower's or tree seed collector's declaration, or a similar
17.24 document containing the same information;

17.25 (3) copies of invoices showing the sale of each seed lot, including the name of the person
17.26 the seed was sold to, the amount sold, the date of sale, the name of the kind or the kind and
17.27 variety of the seed, and the lot number;

17.28 (4) a copy of the label that was attached to or accompanied the seed lot;

17.29 (5) a copy of the field and final certification documents, if applicable;

17.30 (6) a copy of each testing report of the seed for labeling purposes; and

18.1 (7) a file sample of the seed lot which is representative of the seed lot and of sufficient
18.2 size to constitute an official sample in accordance with section 201.43 of the Federal Seed
18.3 Act regulations.

18.4 Sec. 12. Minnesota Statutes 2018, section 21.85, subdivision 2, is amended to read:

18.5 Subd. 2. **Seed laboratory.** (a) The commissioner ~~shall~~ must establish and maintain a
18.6 seed laboratory for seed testing, employing necessary agents and assistants to administer
18.7 and enforce sections 21.80 to 21.92, who shall be governed by chapter 43A.

18.8 (b) The laboratory procedures for testing official seed samples are the procedures set
18.9 forth in the Rules for Testing Seeds that is published annually by the Association of Official
18.10 Seed Analysts. If a laboratory procedure rule does not exist for a particular type of seed,
18.11 then laboratory procedures from other recognized seed testing sources may be used, including
18.12 procedures under the Code of Federal Regulations, title 7, part 201, or the International
18.13 Rules for Testing Seeds.

18.14 (c) The commissioner must apply the following tolerances when comparing the label
18.15 claims made for required label categories, minimum standards not specifically required to
18.16 be labeled, or other label claims that can be verified by laboratory analysis:

18.17 (1) tolerances for pure seed, weed seed, other crop seed, and inert matter according to
18.18 Code of Federal Regulations, title 7, section 201.60, including additional tolerances for
18.19 chaffy seeds and mixtures containing chaffy seeds;

18.20 (2) tolerances for the presence of prohibited noxious weed seeds and rate of occurrence
18.21 of restricted weed seeds according to Code of Federal Regulations, title 7, section 201.65;

18.22 (3) tolerances for germination, hard seed, dormant seed, total viable seed, and pure live
18.23 seed percentages of kinds of seeds required to be labeled as agricultural seed according to
18.24 Code of Federal Regulations, title 7, section 201.63; and

18.25 (4) minimum germination standards:

18.26 (i) for vegetable seed germination, in accordance with section 21.82, subdivision 7,
18.27 paragraph (a), and the germination standards for vegetable seeds prepared for use by home
18.28 gardeners in Code of Federal Regulations, title 7, section 201.31; and

18.29 (ii) for flower seed germination, in accordance with section 21.82, subdivision 8,
18.30 paragraph (a), and the germination standards for flower seeds prepared for use by home
18.31 gardeners as listed in the Recommended Uniform State Seed Law.

19.1 Sec. 13. Minnesota Statutes 2018, section 21.85, subdivision 15, is amended to read:

19.2 Subd. 15. **Prohibited and restricted seeds.** The commissioner ~~shall~~, in consultation
19.3 with the Seed Program Advisory Committee, must determine species that are considered
19.4 prohibited weed seeds and restricted noxious weed seeds and the allowable rate of occurrence
19.5 of restricted noxious weed seeds: subject to sections 21.80 to 21.92. The commissioner must
19.6 prepare, publish, and revise at least once every three years, a list of prohibited and restricted
19.7 noxious weed seeds. The commissioner must distribute the list to the public and may request
19.8 the help of the United States Department of Agriculture's published All-States Noxious
19.9 Weed Seed List or any other organization that the commissioner considers appropriate to
19.10 assist in the distribution. The commissioner may, in consultation with the Seed Program
19.11 Advisory Committee, accept and consider noxious weed seed designation petitions from
19.12 Minnesota citizens or Minnesota organizations or associations including the Noxious Weed
19.13 Advisory Committee.

19.14 Sec. 14. **[21.851] ADVISORY COMMITTEE; MEMBERSHIP.**

19.15 Subdivision 1. **Duties.** The commissioner must consult with the Seed Program Advisory
19.16 Committee to advise the commissioner concerning responsibilities under the seed regulatory
19.17 program. The committee must evaluate species for invasiveness, difficulty of control, cost
19.18 of control, benefits, and amount of injury caused by each species. For each species evaluated,
19.19 the committee must recommend to the commissioner whether a species should be listed as
19.20 a prohibited noxious weed seed or restricted noxious weed seed or not be listed. Species
19.21 designated as prohibited or restricted noxious weed seeds must be reevaluated every three
19.22 years for a recommendation on whether or not the designated species need to remain on the
19.23 noxious weed seed lists. The committee must also advise the commissioner on the
19.24 implementation of the Minnesota Seed Law. Members of the committee are not entitled to
19.25 reimbursement of expenses nor payment of per diem. Members serve two-year terms with
19.26 subsequent reappointment by the commissioner.

19.27 Subd. 2. **Membership.** The commissioner must appoint members to include
19.28 representatives from:

19.29 (1) the College of Food, Agricultural and Natural Resource Sciences or Extension at the
19.30 University of Minnesota;

19.31 (2) Minnesota Crop Improvement;

19.32 (3) the seed industry in Minnesota, a minimum of six members with representation from
19.33 multinational, national, regional, and Minnesota seed companies;

20.1 (4) the grain industry in Minnesota;

20.2 (5) farmers in Minnesota;

20.3 (6) other state and federal agencies with an interest in seed; and

20.4 (7) other members as needed.

20.5 Subd. 3. **Organization.** The committee must select a chair from its membership. Meetings
20.6 of the committee may be called by or at the direction of the commissioner or the chair.

20.7 Sec. 15. Minnesota Statutes 2018, section 21.86, subdivision 2, is amended to read:

20.8 Subd. 2. **Miscellaneous violations.** No person may:

20.9 (a) detach, alter, deface, or destroy any label required in sections 21.82 and 21.83, alter
20.10 or substitute seed in a manner that may defeat the purposes of sections 21.82 and 21.83, or
20.11 alter or falsify any seed tests, laboratory reports, records, or other documents to create a
20.12 misleading impression as to kind, variety, history, quality, or origin of the seed;

20.13 (b) hinder or obstruct in any way any authorized person in the performance of duties
20.14 under sections 21.80 to 21.92;

20.15 (c) fail to comply with a "stop sale" order or to move or otherwise handle or dispose of
20.16 any lot of seed held under a stop sale order or attached tags, except with express permission
20.17 of the enforcing officer for the purpose specified;

20.18 (d) use the word "type" in any labeling in connection with the name of any agricultural
20.19 seed variety;

20.20 (e) use the word "trace" as a substitute for any statement which is required; ~~or~~

20.21 (f) plant any agricultural seed which the person knows contains weed seeds or noxious
20.22 weed seeds in excess of the limits for that seed; or

20.23 (g) advertise or sell seed containing patented, protected, or proprietary varieties used
20.24 without permission of the patent or certificate holder of the intellectual property associated
20.25 with the variety of seed.

20.26 Sec. 16. Minnesota Statutes 2018, section 21.89, subdivision 2, is amended to read:

20.27 Subd. 2. **Permits; issuance and revocation.** The commissioner shall issue a permit to
20.28 the ~~initial~~ labeler of agricultural, vegetable, flower, and wildflower seeds which are sold
20.29 for use in Minnesota and which conform to and are labeled under sections 21.80 to 21.92.

21.1 Permit fees are determined based on the first sale in the state. Any sale after the first sale
 21.2 does not increase the permit fee. The categories of permits are as follows:

21.3 (1) for ~~initial~~ labelers who sell 50,000 pounds or less of agricultural, native grasses, or
 21.4 wildflower seed each calendar year, an annual permit issued for a fee established in section
 21.5 21.891, subdivision 2, paragraph (b);

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

21.11 (3) for ~~initial~~ labelers who sell more than 50,000 pounds of agricultural, native grasses,
 21.12 or wildflower seed each calendar year, a permanent permit issued for a fee established in
 21.13 section 21.891, subdivision 2, paragraph (d).

21.14 In addition, the person shall furnish to the commissioner an itemized statement of all
 21.15 seeds sold in Minnesota for the periods established by the commissioner. This statement
 21.16 shall be delivered, along with the payment of the fee, based upon the amount and type of
 21.17 seed sold, to the commissioner no later than 30 days after the end of each reporting period.
 21.18 Any person holding a permit shall show as part of the analysis labels or invoices on all
 21.19 agricultural, vegetable, flower, wildflower, tree, or shrub seeds all information the
 21.20 commissioner requires. The commissioner may revoke any permit in the event of failure to
 21.21 comply with applicable laws and rules.

21.22 Sec. 17. Minnesota Statutes 2018, section 21.89, subdivision 4, is amended to read:

21.23 Subd. 4. **Exemptions.** ~~An initial~~ A labeler who sells for use in Minnesota agricultural,
 21.24 vegetable, or flower seeds must have a seed fee permit unless the agricultural, vegetable,
 21.25 or flower seeds are of the breeder or foundation seed classes of varieties developed by
 21.26 publicly financed research agencies intended for the purpose of increasing the quantity of
 21.27 seed available.

21.28 Sec. 18. Minnesota Statutes 2018, section 21.891, subdivision 2, is amended to read:

21.29 Subd. 2. **Seed fee permits.** (a) ~~An initial~~ A labeler who wishes to sell seed in Minnesota
 21.30 must comply with section 21.89, subdivisions 1 and 2, and the procedures in this subdivision.
 21.31 Each ~~initial~~ labeler who wishes to sell seed in Minnesota must apply to the commissioner
 21.32 to obtain a permit. The application must contain the name and address of the applicant, the

22.1 application date, and the name and title of the applicant's contact person. Permit fees are
22.2 based on the initial sale of seed in Minnesota.

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

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

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

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

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

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

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

22.13 (6) for gross sales of \$500,001 to \$1,000,000, the annual permit fee is \$3,000; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23.25 **Sec. 19. REPEALER.**

23.26 Minnesota Statutes 2018, section 21.81, subdivision 12, is repealed.

23.27 **ARTICLE 3**

23.28 **NOXIOUS WEEDS**

23.29 Section 1. Minnesota Statutes 2018, section 18.77, subdivision 8a, is amended to read:

23.30 Subd. 8a. **Noxious weed management plan.** "Noxious weed management plan" means
23.31 controlling or eradicating noxious weeds in the manner designated in a management plan
23.32 developed for the ~~area or site~~ location where the infestations are found using specific

24.1 strategies or methods that are to be used singly or in combination to achieve control or
24.2 eradication.

24.3 Sec. 2. Minnesota Statutes 2018, section 18.77, subdivision 13, is amended to read:

24.4 Subd. 13. ~~Weed management area~~ **Noxious weed management site.** "~~Weed~~
24.5 ~~management area~~" "Noxious weed management site" means a designated area where special
24.6 or unique noxious weed control or eradication strategies or methods are used according to
24.7 a specific management plan developed for each management area established.

24.8 Sec. 3. Minnesota Statutes 2018, section 18.77, is amended by adding a subdivision to
24.9 read:

24.10 Subd. 14. **Cooperative weed management areas or CWMA.** "Cooperative weed
24.11 management areas" or "CWMA" means partnership organizations formed with the goal
24.12 of managing invasive plants across jurisdictional and land ownership boundaries through
24.13 collective planning and sharing of knowledge and resources.

24.14 Sec. 4. Minnesota Statutes 2018, section 18.77, is amended by adding a subdivision to
24.15 read:

24.16 Subd. 15. **Biological control of plants.** "Biological control of plants" means the reduction
24.17 of noxious weed or invasive plant populations through the use of natural enemies such as
24.18 parasitoids, predators, pathogens, antagonists, or competitors to suppress noxious weed or
24.19 invasive plant populations.

24.20 Sec. 5. Minnesota Statutes 2018, section 18.77, is amended by adding a subdivision to
24.21 read:

24.22 Subd. 16. **Appropriate disposal site.** "Appropriate disposal site" means a facility that
24.23 lawfully destroys noxious weeds and noxious weed propagating parts.

24.24 Sec. 6. Minnesota Statutes 2018, section 18.77, is amended by adding a subdivision to
24.25 read:

24.26 Subd. 17. **Invasive plant.** "Invasive plant" means a nonnative species whose introduction
24.27 and establishment causes, or may cause, economic or environmental harm or harm to human
24.28 health.

25.1 Sec. 7. Minnesota Statutes 2018, section 18.771, is amended to read:

25.2 **18.771 NOXIOUS WEED CATEGORIES.**

25.3 (a) For purposes of designation under section 18.79, subdivision 13, noxious weed
25.4 category means each of the following categories:

25.5 (1) the prohibited-eradicate noxious weeds category;

25.6 (2) the prohibited-control noxious weeds category;

25.7 (3) the restricted noxious weeds category;

25.8 (4) the specially regulated plants category; and

25.9 (5) the county noxious weeds category.

25.10 (b) ~~Prohibited~~ The "prohibited-eradicate noxious weeds" category includes noxious
25.11 weeds that must be ~~controlled or~~ eradicated on all lands within the state. Transportation of
25.12 ~~a prohibited noxious weed's propagating parts is restricted by permit~~ the propagating parts
25.13 of prohibited-eradicate noxious weeds is prohibited except as allowed ~~by~~ under section
25.14 18.82. ~~Prohibited~~ Prohibited-eradicate noxious weeds may not be sold or propagated in
25.15 Minnesota. ~~There are two regulatory listings for prohibited noxious weeds in Minnesota:~~
25.16 Noxious weeds that are designated as prohibited-eradicate noxious weeds and placed on
25.17 the prohibited-eradicate noxious weeds list are plants that are not currently known to be
25.18 present in Minnesota or are not widely established in the state. All prohibited-eradicate
25.19 noxious weeds must be eradicated.

25.20 ~~(1) the noxious weed eradicate list is established. Prohibited noxious weeds placed on~~
25.21 ~~the noxious weed eradicate list are plants that are not currently known to be present in~~
25.22 ~~Minnesota or are not widely established. These species must be eradicated; and~~

25.23 ~~(2) the noxious weed control list is established. Prohibited noxious weeds placed on the~~
25.24 ~~noxious weed control list are plants that are already established throughout Minnesota or~~
25.25 ~~regions of the state. Species on this list must at least be controlled.~~

25.26 (c) The "prohibited-control noxious weeds" category includes noxious weeds that must
25.27 be controlled on all lands within the state. Transportation of the propagating parts of
25.28 prohibited-control noxious weeds is prohibited except as allowed under section 18.82.
25.29 Prohibited-control noxious weeds may not be propagated or sold in Minnesota. Noxious
25.30 weeds that are designated as prohibited-control noxious weeds and placed on the
25.31 prohibited-control noxious weeds list are plants that are already established throughout the

26.1 state or regions of the state. At minimum, these species must be controlled in a way that
26.2 prevents spread of these species by seed or vegetative means.

26.3 ~~(e)~~ (d) The "restricted noxious weeds" category includes noxious weeds and their
26.4 propagating parts that may not be imported, sold, or transported in the state, except as
26.5 allowed by permit under section 18.82. Noxious weeds that are designated as restricted and
26.6 placed on the restricted list may be plants that are widely distributed in Minnesota, but for
26.7 which the only feasible means of control is to prevent their spread by prohibiting the
26.8 importation, sale, and transportation of their propagating parts in the state, except as allowed
26.9 by section 18.82 and for which a requirement of eradication or control would not be feasible
26.10 on a statewide basis using existing practices.

26.11 ~~(d)~~ (e) The "specially regulated plants" category includes noxious weeds that may be
26.12 native species or nonnative species that have demonstrated economic value, but also have
26.13 the potential to cause harm in noncontrolled environments. Plants designated as specially
26.14 regulated have been determined to pose ecological, economical, or human or animal health
26.15 concerns. Species-specific management plans or rules that define the use and management
26.16 requirements for these plants must be developed by the commissioner of agriculture for
26.17 each plant designated as specially regulated. The commissioner must also take measures to
26.18 minimize the potential for harm caused by these plants.

26.19 ~~(e)~~ (f) The "county noxious weeds" category includes noxious weeds that are designated
26.20 by individual county boards to be enforced as prohibited noxious weeds within the county's
26.21 jurisdiction and must be approved by the commissioner of agriculture, in consultation with
26.22 the Noxious Weed Advisory Committee. Each county board must submit newly proposed
26.23 county noxious weeds to the commissioner of agriculture for review. Approved county
26.24 noxious weeds shall also be posted with the county's general weed notice prior to May 15
26.25 each year. Counties are solely responsible for developing county noxious weed lists and
26.26 their enforcement.

26.27 Sec. 8. Minnesota Statutes 2018, section 18.78, subdivision 1, is amended to read:

26.28 Subdivision 1. **Generally.** A person owning land, a person occupying land, or a person
26.29 responsible for the maintenance of public land ~~shall control or eradicate~~ must manage all
26.30 noxious weeds, according to the noxious weed categories under section 18.771, on the land
26.31 at a time and in a manner ordered by an inspector or county-designated employee.

27.1 Sec. 9. Minnesota Statutes 2018, section 18.78, subdivision 3, is amended to read:

27.2 Subd. 3. ~~Weed control agreement~~ **Noxious weed management plan.** The
27.3 commissioner, municipality, or county agricultural inspector or county-designated employee
27.4 may enter into ~~a weed control~~ an agreement with a landowner or noxious weed management
27.5 ~~area site~~ group to establish a mutually agreed-upon noxious weed management plan for up
27.6 to three years duration, whereby a noxious weed problem will be controlled without additional
27.7 enforcement action. If a property owner fails to comply with the noxious weed management
27.8 plan, an individual notice may be served.

27.9 Sec. 10. Minnesota Statutes 2018, section 18.79, subdivision 6, is amended to read:

27.10 Subd. 6. **Training for control or eradication of noxious weeds.** The commissioner
27.11 shall conduct initial training considered necessary for inspectors and county-designated
27.12 employees in the enforcement of the Minnesota Noxious Weed Law. The ~~director~~ dean of
27.13 University of Minnesota Extension may conduct educational programs for the general public
27.14 that will aid compliance with the Minnesota Noxious Weed Law. Upon request, the
27.15 commissioner may provide information and other technical assistance to the county
27.16 agricultural inspector or county-designated employee to aid in the performance of
27.17 responsibilities specified by the county board under section 18.81, subdivisions 1a and 1b.

27.18 Sec. 11. Minnesota Statutes 2018, section 18.79, subdivision 10, is amended to read:

27.19 Subd. 10. **Prosecution.** On finding that a person has violated sections 18.76 to 18.91,
27.20 ~~the county agricultural~~ inspector or county-designated employee may start court proceedings
27.21 in the locality in which the violation occurred. The county attorney may prosecute actions
27.22 under sections 18.76 to 18.91 within the county attorney's jurisdiction.

27.23 Sec. 12. Minnesota Statutes 2018, section 18.79, subdivision 15, is amended to read:

27.24 Subd. 15. **Noxious weed management.** The commissioner, in consultation with the
27.25 Noxious Weed Advisory Committee, shall develop management strategies and criteria for
27.26 each noxious weed category listed in section 18.771 and each individually listed species.

27.27 Sec. 13. Minnesota Statutes 2018, section 18.79, subdivision 18, is amended to read:

27.28 Subd. 18. **Noxious weed education and notification.** (a) The commissioner shall
27.29 disseminate information and conduct educational campaigns with respect to control of
27.30 noxious weeds or invasive plants to enhance regulatory compliance and voluntary efforts
27.31 to eliminate or manage these plants. The commissioner shall call and attend meetings and

28.1 conferences dealing with the subject of noxious weeds. The commissioner shall maintain
28.2 on the department's website noxious weed management information including but not limited
28.3 to the roles and responsibilities of citizens and government entities under sections 18.76 to
28.4 18.91 and specific guidance as to whom a person should contact to report a noxious weed
28.5 issue.

28.6 (b) The commissioner shall post notice on the department's website ~~and alert~~ when a
28.7 weed on the eradicate list is confirmed for the first time in a county. The commissioner may
28.8 notify appropriate media outlets when a weed on the eradicate list is confirmed for the first
28.9 time in a county.

28.10 Sec. 14. Minnesota Statutes 2018, section 18.79, subdivision 21, is amended to read:

28.11 Subd. 21. Noxious weed management area site. The commissioner, in consultation
28.12 with the Noxious Weed Advisory Committee, may establish a noxious weed management
28.13 ~~area~~ site to include a part of one or more counties or all of one or more counties of this state
28.14 and shall include all the land within the boundaries of the area established. Noxious weed
28.15 management plans developed for a noxious weed management ~~area~~ site must be reviewed
28.16 and approved by the commissioner ~~and~~ in consultation with the Noxious Weed Advisory
28.17 Committee. Noxious weed management ~~areas~~ sites may seek funding under section 18.90.

28.18 Sec. 15. Minnesota Statutes 2018, section 18.82, is amended to read:

28.19 **18.82 TRANSPORTATION OF NOXIOUS WEED PROPAGATING PARTS IN**
28.20 **~~INFESTED MATERIAL OR EQUIPMENT.~~**

28.21 Subdivision 1. **Permits.** Transporting noxious weed propagating parts without a permit
28.22 is prohibited, except as provided in section 21.74. If a person wants to transport noxious
28.23 weed propagating parts along a public highway roadway, including materials or equipment
28.24 containing the propagating parts of noxious weeds ~~designated as noxious by the~~
28.25 ~~commissioner~~, the person must secure a written permit for transportation ~~of the material or~~
28.26 ~~equipment~~ from an inspector or county-designated employee. Inspectors or county-designated
28.27 employees may issue permits to persons residing or operating within their jurisdiction. A
28.28 permit is not required for the transport of noxious weeds for the purpose of destroying
28.29 propagating parts at ~~a Department of Agriculture-approved~~ an appropriate disposal site.
28.30 Anyone transporting noxious weed propagating parts for the purpose of disposal at an
28.31 ~~approved~~ appropriate disposal site shall ensure that all materials are contained in a manner
28.32 that prevents escape during transport and complies with section 115A.931. A person must

29.1 obtain a permit before possessing noxious weeds with propagating parts for research,
29.2 education and outreach, or other reasons approved by the commissioner.

29.3 Subd. 2. **Conditions of permit issuance.** The following conditions must be met before
29.4 a permit under subdivision 1 may be issued:

29.5 (1) any material or equipment containing noxious weed propagating parts that is about
29.6 to be transported along a public ~~highway~~ roadway must be in a container that is sufficiently
29.7 tight and closed or otherwise covered to prevent the blowing or scattering of the material
29.8 along the highway or on other lands or water; ~~and~~

29.9 (2) the destination for unloading and the use of the material or equipment containing
29.10 noxious weed propagating parts must be stated on the permit along with the method that
29.11 will be used to destroy the viability of the propagating parts and thereby prevent ~~their~~ the
29.12 material being dumped or scattered upon land or water; and

29.13 (3) the applicant for a permit for possession of noxious weed propagating parts must
29.14 agree to follow the guidelines listed on the permit by the inspector.

29.15 Subd. 3. **Duration of permit; revocation.** A permit under subdivision 1 is valid for up
29.16 to one year after the date it is issued unless otherwise specified by the inspector or
29.17 county-designated employee issuing the permit. The permit may be revoked if an inspector
29.18 or county-designated employee determines that the applicant has not complied with this
29.19 section.

29.20 Sec. 16. Minnesota Statutes 2018, section 18.90, is amended to read:

29.21 **18.90 GRANT PROGRAM.**

29.22 (a) From funds available in the noxious weed and invasive plant species assistance
29.23 account established in section 18.89, the commissioner shall administer a grant program to
29.24 assist counties and municipalities and other weed management entities in the cost of
29.25 implementing and maintaining noxious weed control programs and in addressing special
29.26 weed control problems. The commissioner shall receive applications by counties,
29.27 municipalities, noxious weed management ~~areas~~ sites, and weed management entities for
29.28 assistance under this section and, in consultation with the Noxious Weed Advisory
29.29 Committee, award grants for any of the following eligible purposes:

29.30 (1) to conduct applied research to solve locally significant weed management problems;

30.1 (2) to demonstrate innovative control methods or land management practices which have
30.2 the potential to reduce landowner costs to control noxious weeds or improve the effectiveness
30.3 of noxious weed control;

30.4 (3) to encourage the ongoing support of noxious weed management ~~areas~~ sites;

30.5 (4) to respond to introductions or infestations of invasive plants that threaten or potentially
30.6 threaten the productivity of cropland and rangeland over a wide area;

30.7 (5) to respond to introductions or infestations of invasive plant species that threaten or
30.8 potentially threaten the productivity of biodiversity of wildlife and fishery habitats on public
30.9 and private lands;

30.10 (6) to respond to special weed control problems involving weeds not included in the list
30.11 of noxious weeds published and distributed by the commissioner;

30.12 (7) to conduct monitoring or surveillance activities to detect, map, or determine the
30.13 distribution of invasive plant species and to determine susceptible locations for the
30.14 introduction or spread of invasive plant species; and

30.15 (8) to conduct educational activities.

30.16 (b) The commissioner shall select and prioritize applications for assistance under this
30.17 section based on the following considerations:

30.18 (1) the seriousness of the noxious weed or invasive plant problem or potential problem
30.19 addressed by the project;

30.20 (2) the ability of the project to provide timely intervention to save current and future
30.21 costs of control and eradication;

30.22 (3) the likelihood that the project will prevent or resolve the problem or increase
30.23 knowledge about resolving similar problems in the future;

30.24 (4) the extent to which the project will leverage federal funds and other nonstate funds;

30.25 (5) the extent to which the applicant has made progress in addressing noxious weed or
30.26 invasive plant problems;

30.27 (6) the extent to which the project will provide a comprehensive approach to the control
30.28 or eradication of noxious weeds;

30.29 (7) the extent to which the project will reduce the total population or area of infestation
30.30 of a noxious weed;

31.1 (8) the extent to which the project uses the principles of integrated vegetation management
31.2 and sound science; and

31.3 (9) other factors that the commissioner determines to be relevant.

31.4 (c) Nothing in this section may be construed to relieve a person of the duty or
31.5 responsibility to control the spread of noxious weeds on lands owned and controlled by the
31.6 person.

31.7 Sec. 17. Minnesota Statutes 2018, section 18.91, subdivision 2, is amended to read:

31.8 Subd. 2. **Membership.** The commissioner shall appoint members, which shall include
31.9 representatives from the following:

31.10 (1) the Department of Horticultural Science, agronomy, and forestry at the University
31.11 of Minnesota;

31.12 (2) the Department of Agronomy at the University of Minnesota;

31.13 (3) the Department of Forest Resources at the University of Minnesota;

31.14 ~~(2)~~ (4) the nursery and landscape industry in Minnesota;

31.15 ~~(3)~~ (5) the seed industry in Minnesota;

31.16 ~~(4)~~ (6) the Department of Agriculture;

31.17 ~~(5)~~ (7) the Department of Natural Resources;

31.18 ~~(6)~~ (8) a conservation organization;

31.19 ~~(7)~~ (9) an environmental organization;

31.20 ~~(8)~~ (10) at least two farm organizations;

31.21 ~~(9)~~ (11) the county agricultural inspectors;

31.22 ~~(10)~~ (12) city, township, and county governments;

31.23 (13) township governments;

31.24 (14) county governments;

31.25 ~~(11)~~ (15) the Department of Transportation;

31.26 ~~(12)~~ (16) the University of Minnesota Extension;

31.27 ~~(13)~~ (17) the timber and forestry industry in Minnesota;

31.28 ~~(14)~~ (18) the Board of Water and Soil Resources;

- 32.1 ~~(15)~~ (19) soil and water conservation districts;
- 32.2 ~~(16)~~ (20) the Minnesota Association of County Land Commissioners; and
- 32.3 ~~(17)~~ (21) other members as needed.

ARTICLE 4

MISCELLANEOUS PROVISIONS

32.6 Section 1. Minnesota Statutes 2018, section 13.6435, subdivision 4a, is amended to read:

32.7 Subd. 4a. **Industrial hemp background check licensing data.** ~~Criminal history records~~
 32.8 Certain data provided to the commissioner by a first-time licensee or applicant for a license
 32.9 to grow or process industrial hemp for commercial purposes are is classified under section
 32.10 18K.04, ~~subdivision 2.~~

32.11 Sec. 2. [17.055] EMERGING FARMERS.

32.12 Subdivision 1. **Emerging farmer working group.** To advise the commissioner and
 32.13 legislature regarding the development and implementation of programs and initiatives that
 32.14 support emerging farmers in this state, the commissioner must periodically convene a
 32.15 working group consisting, to the extent possible, of persons who are, and organizations that
 32.16 represent, farmers or aspiring farmers who are women, veterans, persons with disabilities,
 32.17 American Indian or Alaskan Natives, members of a community of color, young, and urban,
 32.18 and any other emerging farmers as determined by the commissioner. No later than January
 32.19 15 each year, the commissioner must update the chairs and ranking minority members of
 32.20 the legislative committees and divisions with jurisdiction over agriculture regarding the
 32.21 working group's activities and recommendations.

32.22 Subd. 2. **Expiration.** This section expires August 1, 2025.

32.23 Sec. 3. Minnesota Statutes 2018, section 17.117, subdivision 4, is amended to read:

32.24 Subd. 4. **Definitions.** (a) For the purposes of this section, the terms defined in this
 32.25 subdivision have the meanings given them.

32.26 (b) "Agricultural and environmental revolving accounts" means accounts in the
 32.27 agricultural fund, controlled by the commissioner, which hold funds available to the program.

32.28 (c) "Agriculture supply business" means a person, partnership, joint venture, corporation,
 32.29 limited liability company, association, firm, public service company, or cooperative that
 32.30 provides materials, equipment, or services to farmers or agriculture-related enterprises.

33.1 (d) "Allocation" means the funds awarded to an applicant for implementation of best
33.2 management practices through a competitive or noncompetitive application process.

33.3 (e) "Applicant" means a local unit of government eligible to participate in this program
33.4 that requests an allocation of funds as provided in subdivision 6b.

33.5 (f) "Best management practices" has the meaning given in sections 103F.711, subdivision
33.6 3, and 103H.151, subdivision 2. Best management practices also means other practices,
33.7 techniques, and measures that have been demonstrated to the satisfaction of the
33.8 commissioner: (1) to prevent or reduce adverse environmental impacts by using the most
33.9 effective and practicable means of achieving environmental goals; or (2) to achieve drinking
33.10 water quality standards under chapter 103H or under Code of Federal Regulations, title 40,
33.11 parts 141 and 143, as amended.

33.12 (g) "Borrower" means a farmer, an agriculture supply business, or a rural landowner
33.13 applying for a low-interest loan.

33.14 (h) "Commissioner" means the commissioner of agriculture, including when the
33.15 commissioner is acting in the capacity of chair of the Rural Finance Authority, or the designee
33.16 of the commissioner.

33.17 (i) "Committed project" means an eligible project scheduled to be implemented at a
33.18 future date:

33.19 ~~(1) that has been approved and certified by the local government unit; and,~~

33.20 ~~(2) for which a local lender has obligated itself to offer a loan.~~

33.21 (j) "Comprehensive water management plan" means a state-approved and locally adopted
33.22 plan authorized under section 103B.231, 103B.255, 103B.311, 103C.331, 103D.401, or
33.23 103D.405.

33.24 (k) "Cost incurred" means expenses for implementation of a project accrued because
33.25 the borrower has agreed to purchase equipment or is obligated to pay for services or materials
33.26 already provided as a result of implementing an approved eligible project.

33.27 (l) "Farmer" means a person, partnership, joint venture, corporation, limited liability
33.28 company, association, firm, public service company, or cooperative that regularly participates
33.29 in physical labor or operations management of farming and files a Schedule F as part of
33.30 filing United States Internal Revenue Service Form 1040 or indicates farming as the primary
33.31 business activity under Schedule C, K, or S, or any other applicable report to the United
33.32 States Internal Revenue Service.

34.1 (m) "Lender agreement" means an agreement entered into between the commissioner
34.2 and a local lender which contains terms and conditions of participation in the program.

34.3 (n) "Local government unit" means a county, soil and water conservation district, or an
34.4 organization formed for the joint exercise of powers under section 471.59 with the authority
34.5 to participate in the program.

34.6 (o) "Local lender" means a local government unit as defined in paragraph (n); a local
34.7 unit of government with taxing or special assessment authority, such as a watershed district,
34.8 a drainage authority, or a township; a state or federally chartered bank; a savings association;
34.9 a state or federal credit union; Agribank and its affiliated organizations; or a nonprofit
34.10 economic development organization or other financial lending institution approved by the
34.11 commissioner.

34.12 (p) "Local revolving loan account" means the account held by a local government unit
34.13 and a local lender into which principal repayments from borrowers are deposited and new
34.14 loans are issued in accordance with the requirements of the program and lender agreements.

34.15 (q) "Nonpoint source" has the meaning given in section 103F.711, subdivision 6.

34.16 (r) "Program" means the agriculture best management practices loan program in this
34.17 section.

34.18 (s) "Project" means one or more components or activities located within Minnesota that
34.19 are required by the local government unit to be implemented for satisfactory completion of
34.20 an eligible best management practice.

34.21 (t) "Rural landowner" means the owner of record of Minnesota real estate located in an
34.22 area determined by the local government unit to be rural after consideration of local land
34.23 use patterns, zoning regulations, jurisdictional boundaries, local community definitions,
34.24 historical uses, and other pertinent local factors.

34.25 (u) "Water-quality cooperative" has the meaning given in section 115.58, paragraph (d),
34.26 except as expressly limited in this section.

34.27 Sec. 4. Minnesota Statutes 2018, section 17.117, subdivision 5, is amended to read:

34.28 Subd. 5. **Uses of funds.** (a) Use of funds under this section must be in compliance with
34.29 the rules and regulations of the funding source or appropriation. Use of funds from the
34.30 Public Facilities Authority must comply with the federal Water Pollution Control Act,
34.31 section 446A.07, and eligible activities listed in the intended use plan authorized in section
34.32 446A.07, subdivision 4.

35.1 (b) In the event of a conflict between this section and a law appropriating money for
 35.2 this program, the law appropriating money for this program governs.

35.3 Sec. 5. Minnesota Statutes 2018, section 17.117, subdivision 16, is amended to read:

35.4 Subd. 16. **Liens against property.** (a) The amount of loans and accruing interest made
 35.5 by ~~counties~~ a county, home rule charter city, statutory city, or town acting as a local lender
 35.6 lender under this section is a lien against the real property for which the improvement was
 35.7 made and must be assessed against the property or properties benefited unless the amount
 35.8 is prepaid. The lien is a special assessment under chapter 429 and repayments may be
 35.9 collected as a special assessment as provided for in section 429.101 or by charter. An amount
 35.10 loaned under the program and its accruing interest assessed against the property is a priority
 35.11 lien only against subsequent liens.

35.12 (b) The county, home rule charter city, statutory city, or town may bill amounts due on
 35.13 the loan on the tax statement for the property. Enforcement of the lien created by this
 35.14 subdivision must, at the county's, home rule charter city's, statutory city's, or town's option,
 35.15 be in the manner set forth in chapter 580 or 581. When the amount due and all interest has
 35.16 been paid, the county, home rule charter city, statutory city, or town shall file a satisfaction
 35.17 of the lien created under this subdivision.

35.18 (c) A county, home rule charter city, statutory city, or town may also secure amounts
 35.19 due on a loan under this section by taking a purchase money security interest in equipment
 35.20 in accordance with chapter 336, article 9, and may enforce the purchase money security
 35.21 interest in accordance with chapters 336, article 9, and 565.

35.22 Sec. 6. Minnesota Statutes 2018, section 18G.09, is amended to read:

35.23 **18G.09 SHIPMENT OF PLANT PESTS AND BIOLOGICAL CONTROL AGENTS.**

35.24 ~~Shipment, introduction into, or release in Minnesota of (1) a plant pest, noxious weed,~~
 35.25 ~~or other organism that may directly or indirectly affect Minnesota's plant life as a harmful~~
 35.26 ~~or dangerous pest, parasite, or predator of other organisms, or (2) an arthropod, is prohibited,~~
 35.27 ~~except under permit issued by the commissioner.~~

35.28 ~~No~~ (a) A person may not sell, offer for sale, move, convey, transport, deliver, ship, or
 35.29 offer for shipment any plant pest, noxious weed, or biological control agent without a permit
 35.30 from the United States Department of Agriculture, Animal and Plant Health Inspection
 35.31 Service or its state equivalent. A permit may be issued only after the commissioner
 35.32 determines that the proposed shipment or use will not create a hazard to the agricultural,

36.1 forest, or horticultural interests of this state or the state's general environmental quality. For
36.2 interstate movement, the permit must be affixed conspicuously to the exterior of each
36.3 shipping container, box, package, or appliance; accompany each shipping container, box,
36.4 package, or appliance; or comply with other directions of the commissioner. ~~This section~~
36.5 ~~does not apply to intrastate shipments of federal or state-approved biological control agents~~
36.6 ~~used in this state for control of plant pests.~~ Shipping containers must be escape-proof and
36.7 the commissioner shall specify labeling and shipping protocols.

36.8 (b) This section does not apply to:

36.9 (1) intrastate shipments of federal- or state-approved biological control agents used in
36.10 this state for control of plant pests; and

36.11 (2) interstate shipments of organisms that the United States Department of Agriculture
36.12 has specifically identified as not needing a permit for movement.

36.13 Sec. 7. Minnesota Statutes 2018, section 18K.02, is amended by adding a subdivision to
36.14 read:

36.15 Subd. 1a. **Applicant.** "Applicant" means an individual who submits an application for
36.16 a license as required under this chapter. If the applicant is an entity, applicant means the
36.17 owner or most responsible individual in charge of the entity.

36.18 Sec. 8. Minnesota Statutes 2018, section 18K.02, is amended by adding a subdivision to
36.19 read:

36.20 Subd. 1b. **Authorized representative.** "Authorized representative" means any individual
36.21 authorized by the licensee to make changes to the license and share data on behalf of the
36.22 licensee.

36.23 Sec. 9. Minnesota Statutes 2018, section 18K.02, is amended by adding a subdivision to
36.24 read:

36.25 Subd. 2a. **Entity.** "Entity" means a corporation, joint stock company, association, limited
36.26 partnership, limited liability partnership, limited liability company, irrevocable trust, estate,
36.27 charitable organization, or other similar organization, including any such organization
36.28 participating in hemp production as a partner in a general partnership, a participant in a joint
36.29 venture, or a participant in a similar organization.

37.1 Sec. 10. Minnesota Statutes 2018, section 18K.02, is amended by adding a subdivision to
37.2 read:

37.3 Subd. 5. **Processing.** "Processing" means rendering by refinement hemp plants or hemp
37.4 plant parts from their natural or original state after harvest. Processing includes but is not
37.5 limited to decortication, devitalization, chopping, crushing, extraction, and packaging.
37.6 Processing does not include typical farm operations such as sorting, grading, baling, and
37.7 harvesting.

37.8 Sec. 11. Minnesota Statutes 2018, section 18K.02, is amended by adding a subdivision to
37.9 read:

37.10 Subd. 6. **Processing location.** "Processing location" means any area, building, plant, or
37.11 facility registered with and approved by the commissioner in which a licensee converts raw
37.12 hemp into a marketable product.

37.13 Sec. 12. Minnesota Statutes 2018, section 18K.02, is amended by adding a subdivision to
37.14 read:

37.15 Subd. 7. **Processor.** "Processor" means a person or business that converts raw hemp
37.16 into a product.

37.17 Sec. 13. Minnesota Statutes 2018, section 18K.04, subdivision 1, is amended to read:

37.18 Subdivision 1. **Requirement; issuance; presumption.** (a) A person must obtain a license
37.19 from the commissioner before (1) growing industrial hemp for commercial or research
37.20 purposes, and (2) before processing industrial hemp for commercial purposes.

37.21 (b) To obtain a license under paragraph (a), a person must apply to the commissioner
37.22 in the form prescribed by the commissioner and must pay the annual registration and
37.23 inspection fee established by the commissioner in accordance with section 16A.1285,
37.24 subdivision 2.

37.25 (c) For a license to grow industrial hemp for commercial or research purposes, the license
37.26 application must include the name and address of the applicant and the legal description of
37.27 the land area or areas where industrial hemp will be grown by the applicant and any other
37.28 information required under Code of Federal Regulations, title 7, part 990.

37.29 (d) For a license to process industrial hemp for commercial purposes, the license
37.30 application must include the name and address of the applicant, the legal description of the
37.31 processing location, and any other information required by the commissioner.

38.1 (e) A licensee is responsible for compliance with the license requirements irrespective
38.2 of the acts or omissions of an authorized representative acting on behalf of the licensee.

38.3 ~~(b)~~ (f) When an applicant has paid the fee and completed the application process to the
38.4 satisfaction of the commissioner, the commissioner must issue a license which is valid until
38.5 December 31 of the year of application.

38.6 ~~(e)~~ (g) A person licensed under ~~this section~~ paragraph (a) to grow industrial hemp is
38.7 presumed to be growing industrial hemp for commercial or research purposes.

38.8 Sec. 14. Minnesota Statutes 2018, section 18K.04, subdivision 3, is amended to read:

38.9 Subd. 3. **Federal requirements.** The applicant must demonstrate to the satisfaction of
38.10 the commissioner that the applicant has complied with all applicable federal requirements
38.11 pertaining to the processing, production, distribution, and sale of industrial hemp.

38.12 Sec. 15. Minnesota Statutes 2018, section 18K.04, is amended by adding a subdivision to
38.13 read:

38.14 Subd. 4. **Industrial hemp licensing data classification.** (a) In addition to data classified
38.15 pursuant to section 13.41, the following data collected, created, or maintained by the
38.16 commissioner under this chapter is classified as private data, as defined in section 13.02,
38.17 subdivision 12, or nonpublic data, as defined in section 13.02, subdivision 9:

38.18 (1) nondesignated addresses provided by licensees and applicants; and

38.19 (2) data that identify the specific locations where licensees and applicants grow or
38.20 process, or will grow or process, industrial hemp, including but not limited to legal
38.21 descriptions, street addresses, geospatial locations, maps, and property boundaries and
38.22 dimensions.

38.23 (b) The commissioner may disclose data classified as private data or nonpublic data
38.24 under this subdivision if the commissioner determines that there is a substantive threat to
38.25 human health or safety or to the environment, or to aid in the law enforcement process.

38.26 Sec. 16. Minnesota Statutes 2018, section 18K.04, is amended by adding a subdivision to
38.27 read:

38.28 Subd. 5. **Industrial hemp licensing data security and auditing.** (a) The commissioner
38.29 must establish written procedures to ensure that only individuals authorized by law may
38.30 access the private data and nonpublic data identified in subdivision 4. An authorized
38.31 individual's ability to enter, update, or access data must correspond to the official duties or

39.1 training level of the individual and to the statutory authorization granting access for that
39.2 purpose. All queries and responses, including the specific purpose for which data is requested
39.3 and, if applicable, disclosed, and all actions in which data are entered, updated, accessed,
39.4 shared, or disseminated, must be recorded in the data audit trail. Data contained in the audit
39.5 trail are public to the extent the data are not otherwise classified by law.

39.6 (b) The commissioner must immediately and permanently revoke the authorization of
39.7 any individual who willfully entered, updated, accessed, shared, or disseminated data in
39.8 violation of state or federal law. If an individual willfully gained access to data without
39.9 authorization by law, the commissioner must forward the matter to the appropriate
39.10 prosecuting authority for prosecution.

39.11 (c) By January 15 of each odd-numbered year, the commissioner must provide a copy
39.12 of the data audit trail required under paragraph (a) to the commissioner of administration;
39.13 the chairs and ranking members of the legislative committees and divisions with jurisdiction
39.14 over agriculture policy and finance, public safety, and data practices; and the Legislative
39.15 Commission on Data Practices and Personal Data Privacy or its successor commission.

39.16 Sec. 17. Minnesota Statutes 2018, section 18K.06, is amended to read:

39.17 **18K.06 RULEMAKING.**

39.18 (a) The commissioner shall adopt rules governing the production, testing, processing,
39.19 and licensing of industrial hemp. Notwithstanding section 14.125, the commissioner's
39.20 authority to adopt these rules expires June 30, 2022.

39.21 (b) Rules adopted under paragraph (a) must include, but not be limited to, provisions
39.22 governing:

39.23 (1) the supervision and inspection of industrial hemp during its growth and harvest;

39.24 (2) the testing of industrial hemp to determine delta-9 tetrahydrocannabinol levels;

39.25 (3) the use of background check results required under section 18K.04 to approve or
39.26 deny a license application; and

39.27 (4) any other provision or procedure necessary to carry out the purposes of this chapter.

39.28 (c) Rules issued under this section must be consistent with federal law regarding the
39.29 production, distribution, and sale of industrial hemp.

40.1 Sec. 18. Minnesota Statutes 2018, section 25.40, subdivision 1, is amended to read:

40.2 Subdivision 1. **Adoption.** (a) The commissioner may adopt rules for commercial feeds,
40.3 pet foods, and specialty pet foods as are authorized in sections 25.31 to 25.43 and other
40.4 reasonable rules as may be necessary for the efficient enforcement of sections 25.31 to
40.5 25.43. In the interest of uniformity the commissioner shall by rule adopt, unless the
40.6 commissioner determines that they are inconsistent with the provisions of sections 25.31
40.7 to 25.43 or are not appropriate to conditions which exist in this state, the official definitions
40.8 of feed ingredients and official feed terms adopted by the Association of American Feed
40.9 Control Officials and published in the official publication of that organization.

40.10 (b) The Model Pet and Specialty Pet Food Regulation, as adopted by the Association of
40.11 American Feed Control Officials, is adopted as the pet food and specialty pet food rules in
40.12 this state.

40.13 Sec. 19. Minnesota Statutes 2018, section 25.40, subdivision 2, is amended to read:

40.14 Subd. 2. **Notice; public comment.** Before the issuance, amendment, or repeal of any
40.15 rule authorized by sections 25.31 to 25.43, the commissioner shall publish the proposed
40.16 rule, amendment, or notice to repeal an existing rule in a manner reasonably calculated to
40.17 give interested parties, including all current license holders, adequate notice and shall afford
40.18 all interested persons an opportunity to present their views orally or in writing, within a
40.19 reasonable period of time. After consideration of all views presented by interested persons,
40.20 the commissioner shall take appropriate action to issue the proposed rule or to amend or
40.21 repeal an existing rule. The provisions of this subdivision notwithstanding, if the
40.22 commissioner, pursuant to the authority of sections 25.31 to 25.43, adopts the Model Pet
40.23 and Specialty Pet Food Regulation, official definitions of feed ingredients, and official feed
40.24 terms as adopted by the Association of American Feed Control Officials, any amendment
40.25 or modification adopted by the association is adopted automatically under sections 25.31
40.26 to 25.43 without regard to the publication of the notice required by this subdivision unless
40.27 the commissioner, by order specifically determines that the amendment or modification
40.28 shall not be adopted.

40.29 Sec. 20. Minnesota Statutes 2018, section 28A.03, subdivision 8, is amended to read:

40.30 Subd. 8. **Custom processor.** "Custom processor" means a person who ~~slaughters animals~~
40.31 ~~or processes noninspected meat for the owner of the animals, and returns the meat products~~
40.32 ~~derived from the slaughter or processing to the owner.~~ "Custom processor" does not include
40.33 ~~a person who slaughters animals or poultry or processes meat for the owner of the animals~~

41.1 ~~or poultry on the farm or premises of the owner of the animals, meat, or poultry. For the~~
41.2 ~~purpose of this clause, "animals" or "meat" do not include poultry or game animals or meat~~
41.3 ~~derived therefrom~~ conducts activities as defined in section 31A.02, subdivision 5.

41.4 Sec. 21. Minnesota Statutes 2018, section 29.23, subdivision 3, is amended to read:

41.5 Subd. 3. **Egg temperature.** Eggs must be held at a temperature not to exceed 45 degrees
41.6 Fahrenheit (7 degrees Celsius) after being received by the egg handler except for cleaning,
41.7 sanitizing, grading, and further processing when they must immediately be placed under
41.8 refrigeration that is maintained at 45 degrees Fahrenheit (7 degrees Celsius) or below. Eggs
41.9 offered for sale by a retail food handler must be held at a temperature not to exceed ~~41~~ 45
41.10 degrees Fahrenheit (7 degrees Celsius). ~~Equipment in use prior to August 1, 1991, is not~~
41.11 ~~subject to this requirement.~~ Shell eggs that have been frozen must not be offered for sale
41.12 except as approved by the commissioner.

41.13 Sec. 22. Minnesota Statutes 2018, section 31A.02, subdivision 10, is amended to read:

41.14 Subd. 10. **Meat food product; poultry food product.** "Meat food product" or "poultry
41.15 food product" means a product usable as human food and made wholly or in part from meat
41.16 or poultry or a portion of the carcass of cattle, sheep, swine, poultry, wild game or fowl,
41.17 farmed Cervidae, as defined in section 35.153, subdivision 3, llamas, as defined in section
41.18 17.455, subdivision 2, Ratitae, as defined in section 17.453, subdivision 3, or goats. "Meat
41.19 food product" or "poultry food product" does not include products which contain meat,
41.20 poultry, or other portions of the carcasses of cattle, sheep, swine, wild game or fowl, farmed
41.21 Cervidae, llamas, Ratitae, or goats only in a relatively small proportion or that historically
41.22 have not been considered by consumers as products of the meat food industry, and which
41.23 are exempted from definition as a meat food product or poultry food product by the
41.24 commissioner under the conditions the commissioner prescribes to assure that the meat or
41.25 other portions of carcasses contained in the products are not adulterated and that the products
41.26 are not represented as meat food products or poultry food products.

41.27 "Meat food product," as applied to products of equines, has a meaning comparable to
41.28 that for cattle, sheep, swine, wild game or fowl, farmed Cervidae, llamas, Ratitae, and goats.

41.29 Sec. 23. Minnesota Statutes 2018, section 31A.10, is amended to read:

41.30 **31A.10 PROHIBITIONS.**

41.31 No person may, with respect to an animal, carcass, part of a carcass, poultry, poultry
41.32 food product, meat, or meat food product:

42.1 (1) slaughter an animal or prepare an article that is usable as human food, at any
42.2 establishment preparing articles solely for intrastate commerce, except in compliance with
42.3 this chapter;

42.4 (2) sell, transport, offer for sale or transportation, or receive for transportation, in intrastate
42.5 commerce (i) articles which are usable as human food and are adulterated or misbranded
42.6 at the time of sale, transportation, offer for sale or transportation, or receipt for transportation;
42.7 or (ii) articles required to be inspected under sections 31A.01 to 31A.16 that have not been
42.8 inspected and passed;

42.9 (3) do something to an article that is usable as human food while the article is being
42.10 transported in intrastate commerce or held for sale after transportation, which is intended
42.11 to cause or has the effect of causing the article to be adulterated or misbranded; or

42.12 (4) sell, offer for sale, or possess with intent to sell meat derived from custom processing,
42.13 except wild game and fowl products may be donated under sections 17.035; 97A.505,
42.14 subdivision 5; 97A.510; and 97B.303.

42.15 Sec. 24. Minnesota Statutes 2018, section 31A.15, subdivision 1, is amended to read:

42.16 Subdivision 1. **Inspection.** The provisions of sections 31A.01 to 31A.16 requiring
42.17 inspection of the slaughter of animals and the preparation of the carcasses, parts of carcasses,
42.18 meat, poultry, poultry food products, and meat food products at establishments conducting
42.19 slaughter and preparation do not apply:

42.20 (1) to the processing by a person of the person's own animals and the owner's preparation
42.21 and transportation in intrastate commerce of the carcasses, parts of carcasses, meat, poultry,
42.22 poultry food products, and meat food products of those animals exclusively for use by the
42.23 owner and members of the owner's household, nonpaying guests, and employees; or

42.24 (2) to the custom processing by a person of ~~eattle, sheep, swine, poultry, or goats~~ animals,
42.25 wild game, or fowl delivered by the owner for processing, and the preparation or
42.26 transportation in intrastate commerce of the carcasses, parts of carcasses, meat, poultry,
42.27 poultry food products, and meat food products of animals, exclusively for use in the
42.28 household of the owner by the owner and members of the owner's household, nonpaying
42.29 guests, and employees. Meat from custom processing ~~of eattle, sheep, swine, poultry, or~~
42.30 ~~goats~~ must be identified and handled as required by the commissioner, during all phases of
42.31 processing, chilling, cooling, freezing, preparation, storage, and transportation. The custom
42.32 processor may not engage in the business of buying or selling carcasses, parts of carcasses,
42.33 meat, poultry, poultry food products, or meat food products of animals usable as human

43.1 food unless the carcasses, parts of carcasses, meat, poultry, poultry food products, or meat
 43.2 food products have been inspected and passed and are identified as inspected and passed
 43.3 by the Minnesota Department of Agriculture or the United States Department of Agriculture.

43.4 Sec. 25. Minnesota Statutes 2018, section 41B.056, subdivision 4, is amended to read:

43.5 Subd. 4. **Loans.** (a) The authority may disburse loans through an intermediary to farmers
 43.6 who are eligible under subdivision 3. The total accumulative loan principal must not exceed
 43.7 ~~\$10,000~~ \$20,000 per loan.

43.8 (b) Refinancing an existing debt is not an eligible purpose.

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

43.10 (d) A borrower may receive loans, depending on the availability of funds, up to 70
 43.11 percent of the estimated value of the crop or livestock.

43.12 (e) Security for the loan must be a personal note executed by the borrower and any other
 43.13 security required by the intermediary or the authority.

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

43.16 (g) The interest payable on loans for the pilot agricultural microloan program must be
 43.17 at a rate determined by the authority.

43.18 (h) Loans under this program will be made using money in the revolving loan account
 43.19 established under section 41B.06.

43.20 (i) Repayments of financial assistance under this section, including principal and interest,
 43.21 must be deposited into the revolving loan account established under section 41B.06.

43.22 Sec. 26. Minnesota Statutes 2018, section 41D.01, is amended to read:

43.23 **41D.01 MINNESOTA ~~AGRICULTURE~~ AGRICULTURAL EDUCATION**
 43.24 **LEADERSHIP COUNCIL.**

43.25 Subdivision 1. **Establishment; membership.** (a) The Minnesota ~~Agriculture~~ Agricultural
 43.26 Education Leadership Council is established. The council is composed of ~~17~~ 16 members
 43.27 as follows:

43.28 (1) ~~the chair of the University of Minnesota agricultural education program a~~
 43.29 representative of an agricultural education program at a higher education institution that
 43.30 prepares agriculture teachers for licensure;

- 44.1 (2) a representative of the commissioner of education;
- 44.2 (3) a representative of the Minnesota State Colleges and Universities recommended by
44.3 the chancellor;
- 44.4 (4) the president and the president-elect of the Minnesota Association of ~~Agriculture~~
44.5 Agricultural Educators;
- 44.6 (5) a representative of the ~~Future Farmers of America~~ Minnesota FFA Foundation;
- 44.7 (6) a representative of the commissioner of agriculture;
- 44.8 (7) the dean of the College of ~~Agriculture~~, Food, Agricultural and ~~Environmental~~ Natural
44.9 Resource Sciences at the University of Minnesota;
- 44.10 ~~(8) a representative of the Minnesota Private Colleges Council;~~
- 44.11 ~~(9)~~ (8) two members representing ~~agriculture~~ agricultural education and agriculture
44.12 business appointed by the governor;
- 44.13 ~~(10)~~ (9) the chair and ranking minority member of the a senate ~~Committee on Agriculture,~~
44.14 ~~General Legislation and Veterans Affairs~~ committee with jurisdiction over agriculture;
- 44.15 ~~(11)~~ (10) the chair and ranking minority member of the a house of representatives
44.16 ~~Committee on Agriculture~~ committee with jurisdiction over agriculture;
- 44.17 ~~(12) the ranking minority member of the senate~~ ~~Committee on Agriculture, General~~
44.18 ~~Legislation and Veterans Affairs,~~ and (11) a member of the a senate ~~Education~~ ~~Committee~~
44.19 committee with jurisdiction over education designated by the Subcommittee on Committees
44.20 of the Committee on Rules and Administration; and
- 44.21 ~~(13) the ranking minority member of the house of representatives~~ ~~Agriculture~~ ~~Committee,~~
44.22 ~~and~~ (12) a member of the a house of representatives ~~Education~~ ~~Committee~~ committee with
44.23 jurisdiction over education designated by the speaker.
- 44.24 (b) An ex officio member of the council under paragraph (a), clause ~~(1)~~, (4), (7), ~~(10)~~
44.25 ~~(9)~~, ~~(11)~~ (10), ~~(12)~~ (11), or ~~(13)~~ (12), may designate a permanent or temporary replacement
44.26 member representing the same constituency.
- 44.27 Subd. 2. **Powers and duties.** Specific powers and duties of the council are to:
- 44.28 (1) develop recommendations to the legislature and the governor and provide review
44.29 for ~~agriculture~~ agricultural education programs in Minnesota;
- 44.30 (2) establish a grant program to foster and encourage the development of secondary and
44.31 postsecondary ~~agriculture~~ agricultural education programs;

45.1 (3) coordinate and articulate Minnesota's ~~agriculture~~ agricultural education policy across
45.2 all programs and institutions;

45.3 (4) identify the critical needs for ~~agriculture~~ agricultural educators;

45.4 (5) serve as a link between the agribusiness sector and the ~~agriculture~~ agricultural
45.5 education system to communicate mutual concerns, needs, and projections;

45.6 (6) establish and maintain an increased awareness of ~~agriculture~~ agricultural education
45.7 and its continued need to all citizens of Minnesota;

45.8 (7) operate the Minnesota Center for ~~Agriculture~~ Agricultural Education created in
45.9 section 41D.03;

45.10 (8) gain broad public support for ~~agriculture~~ agricultural education in Minnesota; and

45.11 (9) report annually on its activities to the ~~senate Agriculture and Rural Development~~
45.12 ~~Committee and the house of representatives Agriculture Committee~~ legislative committees
45.13 with jurisdiction over agriculture policy.

45.14 Subd. 3. **Council officers; terms and compensation of appointees; staff.** (a) The ~~chair~~
45.15 chairs of the ~~senate Agriculture, General Legislation and Veterans Affairs Committee and~~
45.16 ~~the chair of the house of representatives Agriculture Committee~~ legislative committees with
45.17 jurisdiction over agriculture policy, or their designees, are the cochairs of the council.

45.18 (b) The council's membership terms, compensation, filling of vacancies, and removal
45.19 of members are as provided in section 15.0575.

45.20 (c) The council may employ an executive director and any other staff to carry out its
45.21 functions.

45.22 Sec. 27. Minnesota Statutes 2018, section 41D.02, is amended to read:

45.23 **41D.02 ~~AGRICULTURE~~ AGRICULTURAL EDUCATION GRANT PROGRAM.**

45.24 Subdivision 1. **Establishment.** The Minnesota ~~Agriculture~~ Agricultural Education
45.25 Leadership Council shall establish a program to provide grants under subdivisions 2 and 3
45.26 to educational institutions and other appropriate entities for secondary and postsecondary
45.27 ~~agriculture~~ agricultural education programs.

45.28 Subd. 2. **Elementary and secondary agricultural education.** The council may provide
45.29 grants for:

45.30 (1) planning and establishment costs for elementary and secondary ~~agriculture~~ agricultural
45.31 education programs;

46.1 (2) new instructional and communication technologies; and

46.2 (3) curriculum updates.

46.3 Subd. 3. **Postsecondary education.** The council may provide grants for:

46.4 (1) new instructional and communication technologies; and

46.5 (2) special project funding, including programming, in-service training, and support
46.6 staff.

46.7 Sec. 28. Minnesota Statutes 2018, section 41D.03, is amended to read:

46.8 **41D.03 MINNESOTA CENTER FOR ~~AGRICULTURE~~ AGRICULTURAL**
46.9 **EDUCATION.**

46.10 Subdivision 1. **Governance.** The Minnesota Center for ~~Agriculture~~ Agricultural Education
46.11 is governed by the Minnesota ~~Agriculture~~ Agricultural Education Leadership Council.

46.12 Subd. 2. **Powers and duties of council.** (a) The council has the powers necessary for
46.13 the care, management, and control of the Minnesota Center for ~~Agriculture~~ Agricultural
46.14 Education and all its real and personal property. The powers shall include, but are not limited
46.15 to, those listed in this subdivision.

46.16 (b) The council may employ necessary employees, and contract for other services to
46.17 ensure the efficient operation of the Center for ~~Agriculture~~ Agricultural Education.

46.18 (c) The council may receive and award grants. The council may establish a charitable
46.19 foundation and accept, in trust or otherwise, any gift, grant, bequest, or devise for educational
46.20 purposes and hold, manage, invest, and dispose of them and the proceeds and income of
46.21 them according to the terms and conditions of the gift, grant, bequest, or devise and its
46.22 acceptance. The council shall adopt internal procedures to administer and monitor aids and
46.23 grants.

46.24 (d) The council may establish or coordinate evening, continuing education, and summer
46.25 programs for teachers and pupils.

46.26 (e) The council may determine the location for the Minnesota Center for ~~Agriculture~~
46.27 Agricultural Education and any additional facilities related to the center, including the
46.28 authority to lease a temporary facility.

46.29 (f) The council may enter into contracts with other public and private agencies and
46.30 institutions for building maintenance services if it determines that these services could be
46.31 provided more efficiently and less expensively by a contractor than by the council itself.

47.1 The council may also enter into contracts with public or private agencies and institutions,
47.2 school districts or combinations of school districts, or educational cooperative service units
47.3 to provide supplemental educational instruction and services.

47.4 Subd. 3. **Center account.** There is established in the state treasury a center for ~~agriculture~~
47.5 agricultural education account in the special revenue fund. All money collected by the
47.6 council, including rental income, shall be deposited in the account. Money in the account,
47.7 including interest earned, is appropriated to the council for the operation of its services and
47.8 programs.

47.9 Subd. 4. **Employees.** The employees hired under this subdivision and any other necessary
47.10 employees hired by the council shall be employees of the University of Minnesota.

47.11 Subd. 5. **Policies.** The council may adopt administrative policies about the operation of
47.12 the center.

47.13 Subd. 6. **Public postsecondary institutions; providing space.** Public postsecondary
47.14 institutions shall provide space for the Minnesota Center for ~~Agriculture~~ Agricultural
47.15 Education at a reasonable cost to the center to the extent that space is available at the public
47.16 postsecondary institutions.

47.17 Subd. 7. **Purchasing instructional items.** Technical educational equipment may be
47.18 procured for programs of the Minnesota Center for ~~Agriculture~~ Agricultural Education by
47.19 the council either by brand designation or in accordance with standards and specifications
47.20 the council may adopt, notwithstanding chapter 16C.

47.21 Sec. 29. Minnesota Statutes 2018, section 41D.04, is amended to read:

47.22 **41D.04 RESOURCE, MAGNET, AND OUTREACH PROGRAMS.**

47.23 Subdivision 1. **Resource and outreach.** The center shall offer resource and outreach
47.24 programs and services statewide aimed at the enhancement of ~~agriculture~~ agricultural
47.25 education opportunities for pupils in elementary and secondary school.

47.26 Subd. 2. **Center responsibilities.** The center shall:

47.27 (1) provide information and technical services to agriculture teachers, professional
47.28 agriculture organizations, school districts, and the Department of Education;

47.29 (2) gather and conduct research in ~~agriculture~~ agricultural education;

47.30 (3) design and promote ~~agriculture~~ agricultural education opportunities for all Minnesota
47.31 pupils in elementary and secondary schools; and

48.1 (4) serve as liaison for the Department of Education to national organizations for
48.2 ~~agriculture~~ agricultural education.

48.3 Sec. 30. Minnesota Statutes 2019 Supplement, section 223.16, subdivision 4, is amended
48.4 to read:

48.5 Subd. 4. **Grain.** "Grain" means ~~any cereal grain, coarse grain, or oilseed in unprocessed~~
48.6 ~~form for which a standard has been established by the United States Secretary of Agriculture,~~
48.7 ~~dry edible beans, or other agricultural crops designated by the commissioner by rule~~ all
48.8 products commonly referred to as grain, including wheat, corn, oats, barley, rye, rice,
48.9 soybeans, emmer, sorghum, triticale, millet, pulses, dry edible beans, sunflower seed,
48.10 rapeseed, canola, safflower, flaxseed, mustard seed, crambe, sesame seed, and other products
48.11 ordinarily stored in grain warehouses.

48.12 Sec. 31. Minnesota Statutes 2019 Supplement, section 223.177, subdivision 2, is amended
48.13 to read:

48.14 Subd. 2. **Oral contracts.** Any grain buyer entering into a voluntary extension of credit
48.15 contract orally or by phone shall give or mail to the seller a written confirmation conforming
48.16 to the requirements of section 223.175 within ~~ten~~ 30 days of entering the voluntary extension
48.17 of credit contract. Written confirmation of oral contracts must meet the requirements of
48.18 subdivision 3.

48.19 Sec. 32. Minnesota Statutes 2019 Supplement, section 223.177, subdivision 3, is amended
48.20 to read:

48.21 Subd. 3. **Contracts reduced to writing.** A voluntary extension of credit contract must
48.22 be reduced to writing by the grain buyer, mailed or given to the seller, and signed by both
48.23 buyer and seller within ~~ten~~ 30 days of the date of delivery of the grain. The form of the
48.24 contract shall comply with the requirements of section 223.175. A grain buyer may use an
48.25 electronic version of a voluntary extension of credit contract that contains the same
48.26 information as a written document and that conforms to the requirements of this chapter to
48.27 which a seller has applied an electronic signature in place of a written document. There
48.28 must not at any time be an electronic and paper voluntary extension of credit contract
48.29 representing the same lot of grain.

49.1 Sec. 33. **[343.215] VETERINARIAN IMMUNITY.**

49.2 A licensed veterinarian acting in good faith and in the normal course of business is
 49.3 immune from civil and criminal liability in any action arising in connection with the report
 49.4 of a suspected incident of animal cruelty.

49.5 **EFFECTIVE DATE.** This section is effective August 1, 2020, and applies to actions
 49.6 committed on or after that date.

49.7 Sec. 34. Laws 2019, First Special Session chapter 1, article 1, section 2, subdivision 4, is
 49.8 amended to read:

49.9	Subd. 4. Agriculture, Bioenergy, and Bioproduct		
49.10	Advancement	23,653,000	23,654,000

49.11 (a) \$9,300,000 the first year and \$9,300,000
 49.12 the second year are for transfer to the
 49.13 agriculture research, education, extension, and
 49.14 technology transfer account under Minnesota
 49.15 Statutes, section 41A.14, subdivision 3. Of
 49.16 these amounts: at least \$600,000 the first year
 49.17 and \$600,000 the second year are for the
 49.18 Minnesota Agricultural Experiment Station's
 49.19 agriculture rapid response fund under
 49.20 Minnesota Statutes, section 41A.14,
 49.21 subdivision 1, clause (2); \$2,000,000 the first
 49.22 year and \$2,000,000 the second year are for
 49.23 grants to the Minnesota Agriculture Education
 49.24 Leadership Council to enhance agricultural
 49.25 education with priority given to Farm Business
 49.26 Management challenge grants; \$350,000 the
 49.27 first year and \$350,000 the second year are
 49.28 for potato breeding; and \$450,000 the first
 49.29 year and \$450,000 the second year are for the
 49.30 cultivated wild rice breeding project at the
 49.31 North Central Research and Outreach Center
 49.32 to include a tenure track/research associate
 49.33 plant breeder. The commissioner shall transfer
 49.34 the remaining funds in this appropriation each

50.1 year to the Board of Regents of the University
50.2 of Minnesota for purposes of Minnesota
50.3 Statutes, section 41A.14. Of the amount
50.4 transferred to the Board of Regents, up to
50.5 \$1,000,000 each year is for research on avian
50.6 influenza.

50.7 To the extent practicable, money expended
50.8 under Minnesota Statutes, section 41A.14,
50.9 subdivision 1, clauses (1) and (2), must
50.10 supplement and not supplant existing sources
50.11 and levels of funding. The commissioner may
50.12 use up to one percent of this appropriation for
50.13 costs incurred to administer the program.

50.14 (b) \$14,353,000 the first year and \$14,354,000
50.15 the second year are for the agricultural growth,
50.16 research, and innovation program in
50.17 Minnesota Statutes, section 41A.12. Except
50.18 as provided below, the commissioner may
50.19 allocate the appropriation each year among
50.20 the following areas: facilitating the start-up,
50.21 modernization, improvement, or expansion of
50.22 livestock operations including beginning and
50.23 transitioning livestock operations with
50.24 preference given to robotic dairy-milking
50.25 equipment; providing funding not to exceed
50.26 \$400,000 each year to develop and enhance
50.27 farm-to-school markets for Minnesota farmers
50.28 by providing more fruits, vegetables, meat,
50.29 grain, and dairy for Minnesota children in
50.30 school and child care settings including, at the
50.31 commissioner's discretion, reimbursing
50.32 schools for purchases from local farmers;
50.33 assisting value-added agricultural businesses
50.34 to begin or expand, to access new markets, or
50.35 to diversify, including aquaponics systems;

51.1 providing funding not to exceed \$300,000
51.2 each year for urban youth agricultural
51.3 education or urban agriculture community
51.4 development; providing funding not to exceed
51.5 \$300,000 each year for the good food access
51.6 program under Minnesota Statutes, section
51.7 17.1017; facilitating the start-up,
51.8 modernization, or expansion of other
51.9 beginning and transitioning farms including
51.10 by providing loans under Minnesota Statutes,
51.11 section 41B.056; sustainable agriculture
51.12 on-farm research and demonstration;
51.13 development or expansion of food hubs and
51.14 other alternative community-based food
51.15 distribution systems; enhancing renewable
51.16 energy infrastructure and use; crop research
51.17 including basic and applied turf seed research;
51.18 Farm Business Management tuition assistance;
51.19 and good agricultural practices/good handling
51.20 practices certification assistance. The
51.21 commissioner may use up to 6.5 percent of
51.22 this appropriation for costs incurred to
51.23 administer the program.

51.24 Of the amount appropriated for the agricultural
51.25 growth, research, and innovation program in
51.26 Minnesota Statutes, section 41A.12:

51.27 (1) \$1,000,000 the first year and \$1,000,000
51.28 the second year are for distribution in equal
51.29 amounts to each of the state's county fairs to
51.30 preserve and promote Minnesota agriculture;

51.31 (2) \$2,500,000 the first year and \$2,500,000
51.32 the second year are for incentive payments
51.33 under Minnesota Statutes, sections 41A.16,
51.34 41A.17, and 41A.18. Notwithstanding
51.35 Minnesota Statutes, section 16A.28, the first

52.1 year appropriation is available until June 30,
52.2 2021, and the second year appropriation is
52.3 available until June 30, 2022. If this
52.4 appropriation exceeds the total amount for
52.5 which all producers are eligible in a fiscal
52.6 year, the balance of the appropriation is
52.7 available for the agricultural growth, research,
52.8 and innovation program. The base amount for
52.9 the allocation under this clause is \$3,000,000
52.10 in fiscal year 2022 and later;

52.11 (3) up to \$5,000,000 the first year is for Dairy
52.12 Assistance, Investment, Relief Initiative
52.13 (DAIRI) grants to Minnesota dairy farmers
52.14 who enroll for five years of coverage under
52.15 the federal dairy margin coverage program
52.16 and produced no more than 16,000,000 pounds
52.17 of milk in 2018. The commissioner must
52.18 award DAIRI grants based on participating
52.19 producers' amount of 2018 milk, up to
52.20 5,000,000 pounds per participating producer,
52.21 at a rate determined by the commissioner
52.22 within the limits of available funding;

52.23 (4) up to \$5,000,000 the second year is for an
52.24 innovative soybean processing and research
52.25 facility at the Ag Innovation Campus;

52.26 (5) \$75,000 the first year is for a grant to
52.27 Greater Mankato Growth, Inc. for assistance
52.28 to agricultural-related businesses to promote
52.29 jobs, innovation, and synergy development;
52.30 and

52.31 (6) \$75,000 the first year and \$75,000 the
52.32 second year are for grants to the Minnesota
52.33 Turf Seed Council for basic and applied
52.34 research.

53.1 The amounts in clauses (3) to (6) are onetime.
53.2 Notwithstanding Minnesota Statutes, section
53.3 16A.28, any unencumbered balance does not
53.4 cancel at the end of the first year and is
53.5 available for the second year and
53.6 appropriations encumbered under contract on
53.7 or before June 30, 2021, for agricultural
53.8 growth, research, and innovation grants are
53.9 available until June 30, 2024.

53.10 The base amount for the agricultural growth,
53.11 research, and innovation program is
53.12 \$14,693,000 in fiscal year 2022 and
53.13 \$14,693,000 in fiscal year 2023, and includes
53.14 funding for incentive payments under
53.15 Minnesota Statutes, sections 41A.16, 41A.17,
53.16 41A.18, and 41A.20.

53.17 The commissioner must consult with the
53.18 commissioner of transportation, the
53.19 commissioner of administration, and local
53.20 units of government to identify at least ten
53.21 parcels of publicly owned land that are suitable
53.22 for urban agriculture.

53.23 **Sec. 35. FARM SAFETY RECOMMENDATIONS.**

53.24 The commissioner of agriculture, in consultation with the Farm Safety Advisory
53.25 Committee, must develop recommendations regarding how best to provide financial and
53.26 technical workplace safety assistance to Minnesota farmers. No later than January 15, 2021,
53.27 the commissioner of agriculture must report to the legislative committees and divisions with
53.28 jurisdiction over agriculture.

53.29 **Sec. 36. BIOFUELS REPORT.**

53.30 The commissioner of agriculture must prepare a report outlining Minnesota's ability to
53.31 meet the petroleum replacement goal in Minnesota Statutes, section 239.7911, and utilize
53.32 biofuels to achieve the greenhouse gas reductions under Minnesota Statutes, chapter 216H.
53.33 No later than January 15, 2021, the commissioner of agriculture must submit the report to

54.1 the chairs and ranking minority members of the legislative committees and divisions with
54.2 jurisdiction over agriculture policy and finance. The report must:

54.3 (1) recommend specific policies that would utilize biofuels to accelerate achievement
54.4 of the petroleum replacement goal and the greenhouse gas reduction goals;

54.5 (2) identify the biofuels infrastructure required to achieve the petroleum replacement
54.6 goal; and

54.7 (3) recommend cost-effective incentives necessary to expedite the use of greater biofuel
54.8 blends in this state, including but not limited to incentives for retailers to install equipment
54.9 necessary to dispense renewable liquid fuels to the public.

13.6435 AGRICULTURAL DATA CODED ELSEWHERE.

Subd. 5. **Wholesale produce dealers.** Financial data submitted by a license applicant are classified under section 27.04, subdivision 2.

21.81 DEFINITIONS.

Subd. 12. **Initial labeler.** "Initial labeler" means a person who is the first to label for sale within this state an agricultural, vegetable, flower, tree, or shrub seed.

27.03 DEALER REGULATION.

Subdivision 1. **License.** A person may not engage in, or purport to be engaged in, or hold out as being engaged in, the business of a dealer at wholesale, or as being a dealer at wholesale, unless licensed and bonded by the commissioner.

27.04 APPLICATION FOR LICENSE.

Subdivision 1. **Issuance.** The commissioner shall issue a wholesale produce dealer's license to engage in the business of a dealer at wholesale to persons submitting an application, paying the prescribed fee, and complying with the conditions in this section.

Subd. 2. **Application contents.** (a) The application must be in writing, accompanied by the prescribed fee, and state:

(1) the place or places where the applicant intends to carry on the business for which the license is desired;

(2) the estimated amount of business to be done monthly;

(3) the amount of business done during the preceding year, if any;

(4) the full names of the persons constituting the firm for a partnership, and for a corporation the names of the officers of the corporation and where incorporated; and

(5) any other information relevant to the conduct of its business as a wholesale produce dealer in the previous five years, as the commissioner may require.

(b) If a contract is used in a transaction, a copy of the contract must also be filed with the commissioner.

(c) Financial data required of an applicant under this section is classified as private data with regard to data on individuals and as nonpublic data with regard to data not on individuals under section 13.02.

Subd. 3. **Filing.** Applications shall be filed annually.

27.041 BONDS; LICENSES.

Subdivision 1. **Bonds.** (a) The applicant required to be bonded shall execute and file with the commissioner a surety bond to the state of Minnesota to be approved by the commissioner, the amount, form, and effective date to be determined by the commissioner with the maximum not to exceed \$1,000,000. In lieu of the surety bond, the commissioner may accept a duly executed letter of credit. The bond or letter of credit shall be conditioned on the faithful performance of the applicant's duties as a dealer at wholesale, including:

(1) the observance of all laws relating to the carrying on of the business of a dealer at wholesale;

(2) payment when due, unless it appears to the commissioner that a voluntary extension of credit has been given on the produce by the seller to the licensee beyond the due date;

(3) the prompt settlement and payment of all claims and charges due the state for services rendered or otherwise;

(4) the prompt reporting of sales as required by law to all persons consigning produce to the licensee for sale on commission; and

(5) the prompt payment to the persons entitled thereto of the proceeds of the sales, less lawful charges, disbursements, and commissions.

(b) The bond shall cover all wholesale produce business subject to the protection outlined in section 27.001 which is:

APPENDIX
Repealed Minnesota Statutes: H4285-2

(1) transacted within this state; or

(2) transacted in part within this state and in part within the states and provinces contiguous with this state and sold by Minnesota sellers.

Subd. 1a. **Additional bonds.** (a) The commissioner, after determining a bond given by a licensee is inadequate for the proper protection of the public, may require the licensee to give additional bonds in amounts as determined by the commissioner, with sureties to be approved by the commissioner, and conditioned as provided in this section.

(b) To set or change the amount of a bond, the commissioner may require a licensee to provide verified statements of the licensee's business.

(c) Failure of the licensee to furnish the information or to give a new or additional bond is cause for:

(1) suspension of the licensee's license for as long as the failure continues; or

(2) revocation of the license, on ten days' notice to the licensee and opportunity to be heard.

(d) If the commissioner determines it is in the public's interest, the commissioner may suspend the license after giving notice and holding a hearing.

Subd. 2. **Licenses.** (a) The license, or a certified copy of the license, must be kept posted in the office of the licensee at each place within the state where the licensee transacts business. A wholesale produce dealer may not appoint, delegate, or authorize a person, firm, or company to purchase produce unless a certified copy, identification card, or truck decal has been issued at the request of the wholesale produce dealer to that person, firm, or company acting as the buyer or agent.

(b) A license expires June 30 following its issuance and must be renewed July 1 of each year.

(c) A license issued under this subdivision is automatically void upon the termination of the surety bond covering the licensed operation.

(d) The fee for each license must include a \$75 registration fee and an additional fee of .045 percent of the total annual dollar amount of produce purchased the previous year from sellers within the state of Minnesota subject to this chapter. Fees may not exceed \$2,000 per license. In addition, a fee of \$20 shall be charged for each certified copy of a license, \$5 for each license identification card, and \$10 for each license identification truck decal.

(e) A penalty amounting to ten percent of the fees due may be imposed by the commissioner for each month for which the fees are delinquent.

(f) A licensee who sells, disposes of, or discontinues the licensee's business during the lifetime of a license shall, at the time the action is taken, notify the commissioner in writing, and upon demand produce before the commissioner a full statement of all assets and liabilities as of the date of transfer or discontinuance of the business.

Subd. 3. **Account; appropriation.** A wholesale produce dealers account is created in the agricultural fund. All fees, charges, and penalties collected under sections 27.01 to 27.069 and 27.11 to 27.19, including interest attributable to that money, must be deposited in the wholesale produce dealers account. Money in the account is appropriated to the commissioner for the purposes of sections 27.01 to 27.069 and 27.11 to 27.19.