

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH LEGISLATURE

S.F. No. 1160

(SENATE AUTHORS: SPARKS, Koenen and Eken)

DATE	D-PG	OFFICIAL STATUS
03/07/2013	685	Introduction and first reading Referred to Jobs, Agriculture and Rural Development
03/11/2013	781	Author added Eken
04/02/2013	1418a 1668	Comm report: To pass as amended Second reading
04/19/2013	2507a 2508	Special Order: Amended Third reading Passed

A bill for an act

1.1 relating to agriculture; making policy, technical, conforming, and clarifying
1.2 changes to provisions related to agricultural law; modifying provisions related
1.3 to pesticide control, agricultural resource loan and ethanol development, the
1.4 Rural Finance Authority, grain buyers, and other agriculture-related provisions;
1.5 providing a sunset date for the cellulosic ethanol production goal; extending
1.6 the sunset for the Minnesota Agricultural Education Leadership Council and
1.7 farmer-lender mediation; directing the NextGen Energy Board to examine
1.8 biobased chemical production; converting the ethanol minimum content
1.9 requirement to a biofuel requirement; expanding the petroleum replacement
1.10 goal; repealing E20 mandate language; modifying noxious weed law; modifying
1.11 definition of E85; requiring reports; amending Minnesota Statutes 2012, sections
1.12 17.118, subdivision 2; 18.77, subdivisions 3, 4, 10, 12; 18.78, subdivision 3;
1.13 18.79, subdivisions 6, 13; 18.82, subdivision 1; 18.91, subdivisions 1, 2; 18B.01,
1.14 by adding a subdivision; 18B.07, subdivisions 4, 5, 7; 18B.26, subdivision 3;
1.15 18B.305; 18B.316, subdivisions 1, 3, 4, 8, 9; 18B.37, subdivision 4; 31.94;
1.16 41A.10, subdivision 2, by adding a subdivision; 41A.105, subdivisions 1a,
1.17 3, 5; 41A.12, subdivision 3, by adding a subdivision; 41B.04, subdivision 9;
1.18 41D.01, subdivision 4; 116J.437, subdivision 1; 116V.01, subdivision 2; 223.17,
1.19 by adding a subdivision; 232.22, by adding a subdivision; 239.051, by adding
1.20 subdivisions; 239.761, subdivision 3; 239.791, subdivisions 1, 2a, 2b; 239.7911;
1.21 296A.01, subdivision 19, by adding a subdivision; 583.215; proposing coding for
1.22 new law in Minnesota Statutes, chapter 18; repealing Minnesota Statutes 2012,
1.23 sections 18.91, subdivisions 3, 5; 18B.07, subdivision 6; 239.791, subdivision 1a.

1.24
1.25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1

POLICY AND TECHNICAL CHANGES

1.26
1.27
1.28 Section 1. Minnesota Statutes 2012, section 17.118, subdivision 2, is amended to read:

1.29 Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this
1.30 subdivision have the meanings given them.

2.1 (b) "Livestock" means beef cattle, dairy cattle, swine, poultry, goats, mules, farmed
2.2 cervidae, ratitae, bison, sheep, horses, and llamas.

2.3 (c) "Qualifying expenditures" means the amount spent for:

2.4 (1) the acquisition, construction, or improvement of buildings or facilities for the
2.5 production of livestock or livestock products;

2.6 (2) the development of pasture for use by livestock including, but not limited to, the
2.7 acquisition, development, or improvement of:

2.8 (i) lanes used by livestock that connect pastures to a central location;

2.9 (ii) watering systems for livestock on pasture including water lines, booster pumps,
2.10 and well installations;

2.11 (iii) livestock stream crossing stabilization; and

2.12 (iv) fences; or

2.13 (3) the acquisition of equipment for livestock housing, confinement, feeding, and
2.14 waste management including, but not limited to, the following:

2.15 (i) freestall barns;

2.16 (ii) watering facilities;

2.17 (iii) feed storage and handling equipment;

2.18 (iv) milking parlors;

2.19 (v) robotic equipment;

2.20 (vi) scales;

2.21 (vii) milk storage and cooling facilities;

2.22 (viii) bulk tanks;

2.23 (ix) computer hardware and software and associated equipment used to monitor
2.24 the productivity and feeding of livestock;

2.25 (x) manure pumping and storage facilities;

2.26 (xi) swine farrowing facilities;

2.27 (xii) swine and cattle finishing barns;

2.28 (xiii) calving facilities;

2.29 (xiv) digesters;

2.30 (xv) equipment used to produce energy;

2.31 (xvi) on-farm processing facilities equipment;

2.32 (xvii) fences; and

2.33 (xviii) livestock pens and corrals and sorting, restraining, and loading chutes.

2.34 Except for qualifying pasture development expenditures under clause (2), qualifying
2.35 expenditures only include amounts that are allowed to be capitalized and deducted under

3.1 either section 167 or 179 of the Internal Revenue Code in computing federal taxable
3.2 income. Qualifying expenditures do not include an amount paid to refinance existing debt.

3.3 ~~(d) "Qualifying period" means, for a grant awarded during a fiscal year, that full~~
3.4 ~~calendar year of which the first six months precede the first day of the current fiscal year. For~~
3.5 ~~example, an eligible person who makes qualifying expenditures during calendar year 2008~~
3.6 ~~is eligible to receive a livestock investment grant between July 1, 2008, and June 30, 2009.~~

3.7 Sec. 2. Minnesota Statutes 2012, section 18B.01, is amended by adding a subdivision
3.8 to read:

3.9 Subd. 4a. **Bulk pesticide storage facility.** "Bulk pesticide storage facility" means a
3.10 facility that is required to have a permit under section 18B.14.

3.11 Sec. 3. Minnesota Statutes 2012, section 18B.07, subdivision 4, is amended to read:

3.12 Subd. 4. **Pesticide storage safeguards at application sites.** A person may not
3.13 allow a pesticide, rinsate, or unrinsed pesticide container to be stored, kept, or to remain in
3.14 or on any site without safeguards adequate to prevent an incident. Pesticides may not be
3.15 stored in the immediate area of an open drain, unless a safeguard is provided.

3.16 Sec. 4. Minnesota Statutes 2012, section 18B.07, subdivision 5, is amended to read:

3.17 Subd. 5. **Use of public water supplies for filling application equipment.** (a) A
3.18 person may not fill pesticide application equipment directly from a public water supply,
3.19 as defined in section 144.382, or from public waters, as defined in section 103G.005,
3.20 subdivision 15, unless the outlet from the public water supply is equipped with a backflow
3.21 prevention device that complies with and is installed in accordance with the Minnesota
3.22 Plumbing Code under Minnesota Rules. A nurse tank not connected to the water supply,
3.23 an atmospheric vacuum breaker, an air gap that is 2.0 times the effective diameter of the
3.24 outlet, a pressurized vacuum breaker, or a reduced pressure principle backflow prevention
3.25 device must also comply with the requirements under the Minnesota Plumbing Code
3.26 under Minnesota Rules, parts 4715.2000 to 4715.2280.

3.27 (b) Cross connections between a water supply use for filling pesticide application
3.28 equipment are prohibited.

3.29 (c) This subdivision does not apply to permitted applications of aquatic pesticides to
3.30 public waters.

3.31 Sec. 5. Minnesota Statutes 2012, section 18B.07, subdivision 7, is amended to read:

4.1 Subd. 7. ~~Cleaning equipment in or near surface water~~ Pesticide handling

4.2 restrictions. (a) A person may not:

4.3 (1) clean pesticide application equipment in surface waters of the state; or

4.4 (2) fill or clean pesticide application equipment adjacent to surface waters,
4.5 ditches, or wells where, because of the slope or other conditions, pesticides or materials
4.6 contaminated with pesticides could enter or contaminate the surface waters, groundwater,
4.7 or wells, as a result of overflow, leakage, or other causes.

4.8 (b) This subdivision does not apply to permitted application of aquatic pesticides to
4.9 public waters.

4.10 Sec. 6. Minnesota Statutes 2012, section 18B.26, subdivision 3, is amended to read:

4.11 Subd. 3. **Registration application and gross sales fee.** (a) For an agricultural
4.12 pesticide, a registrant shall pay an annual registration application fee for each agricultural
4.13 pesticide of \$350. The fee is due by December 31 preceding the year for which the
4.14 application for registration is made. The fee is nonrefundable.

4.15 (b) For a nonagricultural pesticide, a registrant shall pay a minimum annual
4.16 registration application fee for each nonagricultural pesticide of \$350. The fee is due by
4.17 December 31 preceding the year for which the application for registration is made. The
4.18 fee is nonrefundable. The registrant of a nonagricultural pesticide shall pay, in addition to
4.19 the \$350 minimum fee, a fee of 0.5 percent of annual gross sales of the nonagricultural
4.20 pesticide in the state and the annual gross sales of the nonagricultural pesticide sold into
4.21 the state for use in this state. ~~The commissioner may not assess a fee under this paragraph~~
4.22 ~~if the amount due based on percent of annual gross sales is less than \$10~~ No fee is required
4.23 if the fee due amount based on percent of annual gross sales of a nonagricultural pesticide
4.24 is less than \$10. The registrant shall secure sufficient sales information of nonagricultural
4.25 pesticides distributed into this state from distributors and dealers, regardless of distributor
4.26 location, to make a determination. Sales of nonagricultural pesticides in this state and
4.27 sales of nonagricultural pesticides for use in this state by out-of-state distributors are not
4.28 exempt and must be included in the registrant's annual report, as required under paragraph
4.29 (g), and fees shall be paid by the registrant based upon those reported sales. Sales of
4.30 nonagricultural pesticides in the state for use outside of the state are exempt from the
4.31 gross sales fee in this paragraph if the registrant properly documents the sale location and
4.32 distributors. A registrant paying more than the minimum fee shall pay the balance due by
4.33 March 1 based on the gross sales of the nonagricultural pesticide by the registrant for the
4.34 preceding calendar year. A pesticide determined by the commissioner to be a sanitizer or
4.35 disinfectant is exempt from the gross sales fee.

5.1 (c) For agricultural pesticides, a licensed agricultural pesticide dealer or licensed
5.2 pesticide dealer shall pay a gross sales fee of 0.55 percent of annual gross sales of the
5.3 agricultural pesticide in the state and the annual gross sales of the agricultural pesticide
5.4 sold into the state for use in this state.

5.5 (d) In those cases where a registrant first sells an agricultural pesticide in or into the
5.6 state to a pesticide end user, the registrant must first obtain an agricultural pesticide dealer
5.7 license and is responsible for payment of the annual gross sales fee under paragraph (c),
5.8 record keeping under paragraph (i), and all other requirements of section 18B.316.

5.9 (e) If the total annual revenue from fees collected in fiscal year 2011, 2012, or 2013,
5.10 by the commissioner on the registration and sale of pesticides is less than \$6,600,000, the
5.11 commissioner, after a public hearing, may increase proportionally the pesticide sales and
5.12 product registration fees under this chapter by the amount necessary to ensure this level
5.13 of revenue is achieved. The authority under this section expires on June 30, 2014. The
5.14 commissioner shall report any fee increases under this paragraph 60 days before the fee
5.15 change is effective to the senate and house of representatives agriculture budget divisions.

5.16 (f) An additional fee of 50 percent of the registration application fee must be paid by
5.17 the applicant for each pesticide to be registered if the application is a renewal application
5.18 that is submitted after December 31.

5.19 (g) A registrant must annually report to the commissioner the amount, type and
5.20 annual gross sales of each registered nonagricultural pesticide sold, offered for sale, or
5.21 otherwise distributed in the state. The report shall be filed by March 1 for the previous
5.22 year's registration. The commissioner shall specify the form of the report or approve
5.23 the method for submittal of the report and may require additional information deemed
5.24 necessary to determine the amount and type of nonagricultural pesticide annually
5.25 distributed in the state. The information required shall include the brand name, United
5.26 States Environmental Protection Agency registration number, and amount of each
5.27 nonagricultural pesticide sold, offered for sale, or otherwise distributed in the state, but
5.28 the information collected, if made public, shall be reported in a manner which does not
5.29 identify a specific brand name in the report.

5.30 (h) A licensed agricultural pesticide dealer or licensed pesticide dealer must annually
5.31 report to the commissioner the amount, type, and annual gross sales of each registered
5.32 agricultural pesticide sold, offered for sale, or otherwise distributed in the state or into the
5.33 state for use in the state. The report must be filed by January 31 for the previous year's
5.34 sales. The commissioner shall specify the form, contents, and approved electronic method
5.35 for submittal of the report and may require additional information deemed necessary to
5.36 determine the amount and type of agricultural pesticide annually distributed within the

6.1 state or into the state. The information required must include the brand name, United States
 6.2 Environmental Protection Agency registration number, and amount of each agricultural
 6.3 pesticide sold, offered for sale, or otherwise distributed in the state or into the state.

6.4 (i) A person who registers a pesticide with the commissioner under paragraph (b),
 6.5 or a registrant under paragraph (d), shall keep accurate records for five years detailing
 6.6 all distribution or sales transactions into the state or in the state and subject to a fee and
 6.7 surcharge under this section.

6.8 (j) The records are subject to inspection, copying, and audit by the commissioner
 6.9 and must clearly demonstrate proof of payment of all applicable fees and surcharges
 6.10 for each registered pesticide product sold for use in this state. A person who is located
 6.11 outside of this state must maintain and make available records required by this subdivision
 6.12 in this state or pay all costs incurred by the commissioner in the inspecting, copying, or
 6.13 auditing of the records.

6.14 (k) The commissioner may adopt by rule regulations that require persons subject
 6.15 to audit under this section to provide information determined by the commissioner to be
 6.16 necessary to enable the commissioner to perform the audit.

6.17 (l) A registrant who is required to pay more than the minimum fee for any pesticide
 6.18 under paragraph (b) must pay a late fee penalty of \$100 for each pesticide application fee
 6.19 paid after March 1 in the year for which the license is to be issued.

6.20 Sec. 7. Minnesota Statutes 2012, section 18B.305, is amended to read:

6.21 **18B.305 PESTICIDE EDUCATION AND TRAINING.**

6.22 Subdivision 1. **Education and training.** (a) The commissioner, as the lead agency,
 6.23 shall develop, implement or approve, and evaluate, in conjunction consultation with the
 6.24 University of Minnesota Extension Service, the Minnesota State Colleges and Universities
 6.25 system, and other educational institutions, innovative educational and training programs
 6.26 addressing pesticide concerns including:

- 6.27 (1) water quality protection;
 6.28 (2) endangered species protection;
 6.29 (3) minimizing pesticide residues in food and water;
 6.30 (4) worker protection and applicator safety;
 6.31 (5) chronic toxicity;
 6.32 (6) integrated pest management and pest resistance; ~~and~~
 6.33 (7) pesticide disposal;
 6.34 (8) pesticide drift;

7.1 (9) relevant laws including pesticide labels and labeling and state and federal rules
 7.2 and regulations; and

7.3 (10) current science and technology updates.

7.4 (b) The commissioner shall appoint educational planning committees which must
 7.5 include representatives of industry and applicators.

7.6 (c) Specific current regulatory concerns must be discussed and, if appropriate,
 7.7 incorporated into each training session. Relevant changes to pesticide product labels or
 7.8 labeling or state and federal rules and regulations may be included.

7.9 (d) The commissioner may approve programs from private industry, higher
 7.10 education institutions, and nonprofit organizations that meet minimum requirements for
 7.11 education, training, and certification.

7.12 Subd. 2. **Training manual and examination development.** The commissioner, in
 7.13 ~~conjunction~~ consultation with the University of Minnesota Extension Service and other
 7.14 higher education institutions, shall continually revise and update pesticide applicator
 7.15 training manuals and examinations. The manuals and examinations must be written to meet
 7.16 or exceed the minimum standards required by the United States Environmental Protection
 7.17 Agency and pertinent state specific information. Questions in the examinations must be
 7.18 determined by the commissioner in consultation with other responsible agencies. Manuals
 7.19 and examinations must include pesticide management practices that discuss prevention of
 7.20 pesticide occurrence in ~~groundwaters~~ groundwater and surface water of the state.

7.21 Sec. 8. Minnesota Statutes 2012, section 18B.316, subdivision 1, is amended to read:

7.22 Subdivision 1. **Requirement.** (a) A person must not ~~distribute~~ offer for sale or sell
 7.23 an agricultural pesticide in the state or into the state without first obtaining an agricultural
 7.24 pesticide dealer license.

7.25 (b) Each location or place of business from which an agricultural pesticide is
 7.26 ~~distributed~~ offered for sale or sold in the state or into the state is required to have a
 7.27 separate agricultural pesticide dealer license.

7.28 (c) A person who is a licensed pesticide dealer under section 18B.31 is not required
 7.29 to also be licensed under this subdivision.

7.30 Sec. 9. Minnesota Statutes 2012, section 18B.316, subdivision 3, is amended to read:

7.31 Subd. 3. **Resident agent.** A person required to be licensed under subdivisions 1
 7.32 and 2, or a person licensed as a pesticide dealer pursuant to section 18B.31 and who
 7.33 operates from a location or place of business outside the state and who ~~distributes~~ offers

8.1 for sale or sells an agricultural pesticide into the state, must continuously maintain in
8.2 this state the following:

8.3 (1) a registered office; and

8.4 (2) a registered agent, who may be either a resident of this state whose business
8.5 office or residence is identical with the registered office under clause (1), a domestic
8.6 corporation or limited liability company, or a foreign corporation of limited liability
8.7 company authorized to transact business in this state and having a business office identical
8.8 with the registered office.

8.9 A person licensed under this section or section 18B.31 shall annually file with the
8.10 commissioner, either at the time of initial licensing or as part of license renewal, the name,
8.11 address, telephone number, and e-mail address of the licensee's registered agent.

8.12 For licensees under section 18B.31 who are located in the state, the licensee is
8.13 the registered agent.

8.14 Sec. 10. Minnesota Statutes 2012, section 18B.316, subdivision 4, is amended to read:

8.15 Subd. 4. **Responsibility.** The resident agent is responsible for the acts of a licensed
8.16 agricultural pesticide dealer, or of a licensed pesticide dealer under section 18B.31 who
8.17 operates from a location or place of business outside the state and who ~~distributes~~ offers
8.18 for sale or sells an agricultural pesticide into the state, as well as the acts of the employees
8.19 of those licensees.

8.20 Sec. 11. Minnesota Statutes 2012, section 18B.316, subdivision 8, is amended to read:

8.21 Subd. 8. **Report of sales and payment to commissioner.** A person who is an
8.22 agricultural pesticide dealer, or is a licensed pesticide dealer under section 18B.31, who
8.23 ~~distributes~~ offers for sale or sells an agricultural pesticide in or into the state, and a
8.24 pesticide registrant pursuant to section 18B.26, subdivision 3, paragraph (d), shall no
8.25 later than January 31 of each year report and pay applicable fees on annual gross sales
8.26 of agricultural pesticides to the commissioner pursuant to requirements under section
8.27 18B.26, subdivision 3, paragraphs (c) and (h).

8.28 Sec. 12. Minnesota Statutes 2012, section 18B.316, subdivision 9, is amended to read:

8.29 Subd. 9. **Application.** (a) A person must apply to the commissioner for an
8.30 agricultural pesticide dealer license on forms and in a manner approved by the
8.31 commissioner.

8.32 (b) The applicant must be the person in charge of each location or place of business
8.33 from which agricultural pesticides are ~~distributed~~ offered for sale or sold in or into the state.

9.1 (c) The commissioner may require that the applicant provide information regarding
 9.2 the applicant's proposed operations and other information considered pertinent by the
 9.3 commissioner.

9.4 (d) The commissioner may require additional demonstration of licensee qualification
 9.5 if the licensee has had a license suspended or revoked, or has otherwise had a history of
 9.6 violations in another state or violations of this chapter.

9.7 (e) A licensed agricultural pesticide dealer who changes the dealer's address or place
 9.8 of business must immediately notify the commissioner of the change.

9.9 (f) Beginning January 1, 2011, an application for renewal of an agricultural pesticide
 9.10 dealer license is complete only when a report and any applicable payment of fees under
 9.11 subdivision 8 are received by the commissioner.

9.12 Sec. 13. Minnesota Statutes 2012, section 18B.37, subdivision 4, is amended to read:

9.13 Subd. 4. ~~Storage, handling, Incident response, and disposal plan.~~ A pesticide
 9.14 dealer, agricultural pesticide dealer, or a commercial, noncommercial, or structural pest
 9.15 control applicator ~~or the business that the applicator is employed by~~ business must develop
 9.16 and maintain a an incident response plan that describes its pesticide storage, handling,
 9.17 ~~incident response, and disposal practices~~ the actions that will be taken to prevent and
 9.18 respond to pesticide incidents. The plan must contain the same information as forms
 9.19 provided by the commissioner. The plan must be kept at a principal business site or location
 9.20 within this state and must be submitted to the commissioner upon request ~~on forms provided~~
 9.21 ~~by the commissioner. The plan must be available for inspection by the commissioner.~~

9.22 Sec. 14. Minnesota Statutes 2012, section 31.94, is amended to read:

9.23 **31.94 COMMISSIONER DUTIES.**

9.24 (a) In order to promote opportunities for organic agriculture in Minnesota, the
 9.25 commissioner shall:

9.26 (1) survey producers and support services and organizations to determine
 9.27 information and research needs in the area of organic agriculture practices;

9.28 (2) work with the University of Minnesota to demonstrate the on-farm applicability
 9.29 of organic agriculture practices to conditions in this state;

9.30 (3) direct the programs of the department so as to work toward the promotion of
 9.31 organic agriculture in this state;

9.32 (4) inform agencies of how state or federal programs could utilize and support
 9.33 organic agriculture practices; and

10.1 (5) work closely with producers, the University of Minnesota, the Minnesota Trade
 10.2 Office, and other appropriate organizations to identify opportunities and needs as well
 10.3 as ensure coordination and avoid duplication of state agency efforts regarding research,
 10.4 teaching, marketing, and extension work relating to organic agriculture.

10.5 (b) By November 15 of each year that ends in a zero or a five, the commissioner,
 10.6 in conjunction with the task force created in paragraph (c), shall report on the status of
 10.7 organic agriculture in Minnesota to the legislative policy and finance committees and
 10.8 divisions with jurisdiction over agriculture. The report must include available data on
 10.9 organic acreage and production, available data on the sales or market performance of
 10.10 organic products, and recommendations regarding programs, policies, and research efforts
 10.11 that will benefit Minnesota's organic agriculture sector.

10.12 (c) A Minnesota Organic Advisory Task Force shall advise the commissioner and the
 10.13 University of Minnesota on policies and programs that will improve organic agriculture in
 10.14 Minnesota, including how available resources can most effectively be used for outreach,
 10.15 education, research, and technical assistance that meet the needs of the organic agriculture
 10.16 community. The task force must consist of the following residents of the state:

- 10.17 (1) three organic farmers ~~using organic agriculture methods~~;
- 10.18 (2) one wholesaler or distributor of organic products;
- 10.19 (3) one representative of organic certification agencies;
- 10.20 (4) two organic processors;
- 10.21 (5) one representative from University of Minnesota Extension;
- 10.22 (6) one University of Minnesota faculty member;
- 10.23 (7) one representative from a nonprofit organization representing producers;
- 10.24 (8) two public members;
- 10.25 (9) one representative from the United States Department of Agriculture;
- 10.26 (10) one retailer of organic products; and
- 10.27 (11) one organic consumer representative.

10.28 The commissioner, in consultation with the director of the Minnesota Agricultural
 10.29 Experiment Station; the dean and director of University of Minnesota Extension; and the
 10.30 dean of the College of Food, Agricultural and Natural Resource Sciences, shall appoint
 10.31 members to serve ~~staggered two~~ three-year terms.

10.32 Compensation and removal of members are governed by section 15.059, subdivision
 10.33 6. The task force must meet at least twice each year and expires on June 30, ~~2013~~ 2016.

10.34 (d) For the purposes of expanding, improving, and developing production and
 10.35 marketing of the organic products of Minnesota agriculture, the commissioner may
 10.36 receive funds from state and federal sources and spend them, including through grants or

11.1 contracts, to assist producers and processors to achieve certification, to conduct education
11.2 or marketing activities, to enter into research and development partnerships, or to address
11.3 production or marketing obstacles to the growth and well-being of the industry.

11.4 (e) The commissioner may facilitate the registration of state organic production
11.5 and handling operations including those exempt from organic certification according to
11.6 Code of Federal Regulations, title 7, section 205.101, and certification agents operating
11.7 within the state.

11.8 Sec. 15. Minnesota Statutes 2012, section 41A.105, subdivision 5, is amended to read:

11.9 Subd. 5. **Expiration.** This section expires June 30, ~~2014~~ 2015.

11.10 Sec. 16. Minnesota Statutes 2012, section 41A.12, subdivision 3, is amended to read:

11.11 Subd. 3. **Oversight.** The commissioner, in consultation with the chairs and ranking
11.12 minority members of the house of representatives and senate committees with jurisdiction
11.13 over agriculture finance, must allocate available funds among eligible uses, develop
11.14 competitive eligibility criteria, and award funds on a needs basis. By February 1 each
11.15 year, the commissioner shall report to the legislature on the allocation among eligible uses
11.16 and any financial assistance provided under this section.

11.17 Sec. 17. Minnesota Statutes 2012, section 41A.12, is amended by adding a subdivision
11.18 to read:

11.19 Subd. 3a. **Grant awards.** Grant projects may continue for up to three years.
11.20 Multiyear projects must be reevaluated by the commissioner before second- and third-year
11.21 funding is approved. A project is limited to one grant for its funding.

11.22 Sec. 18. Minnesota Statutes 2012, section 41B.04, subdivision 9, is amended to read:

11.23 Subd. 9. **Restructured loan agreement.** (a) For a deferred restructured loan, all
11.24 payments on the primary and secondary principal, all payments of interest on the secondary
11.25 principal, and an agreed portion of the interest payable to the eligible agricultural lender
11.26 on the primary principal must be deferred to the end of the term of the loan.

11.27 (b) Interest on secondary principal must accrue at a below market interest rate.

11.28 (c) At the conclusion of the term of the restructured loan, the borrower owes primary
11.29 principal, secondary principal, and deferred interest on primary and secondary principal.
11.30 However, part of this balloon payment may be forgiven following an appraisal by the
11.31 lender and the authority to determine the current market value of the real estate subject to
11.32 the mortgage. If the current market value of the land after appraisal is less than the amount

12.1 of debt owed by the borrower to the lender and authority on this obligation, that portion of
 12.2 the obligation that exceeds the current market value of the real property must be forgiven
 12.3 by the lender and the authority in the following order:

12.4 (1) deferred interest on secondary principal;

12.5 (2) secondary principal;

12.6 (3) deferred interest on primary principal;

12.7 (4) primary principal as provided in an agreement between the authority and the
 12.8 lender; and

12.9 (5) accrued but not deferred interest on primary principal.

12.10 (d) For an amortized restructured loan, payments must include installments on
 12.11 primary principal and interest on the primary principal. An amortized restructured loan
 12.12 must be amortized over a time period and upon terms to be established by the authority by
 12.13 rule.

12.14 (e) A borrower may prepay the restructured loan, with all primary and secondary
 12.15 principal and interest and deferred interest at any time ~~without prepayment penalty~~.

12.16 (f) The authority may not participate in refinancing a restructured loan at the
 12.17 conclusion of the restructured loan.

12.18 Sec. 19. Minnesota Statutes 2012, section 41D.01, subdivision 4, is amended to read:

12.19 Subd. 4. **Expiration.** This section expires on June 30, ~~2013~~ 2018.

12.20 Sec. 20. Minnesota Statutes 2012, section 116V.01, subdivision 2, is amended to read:

12.21 Subd. 2. **Board of directors.** (a) The board of directors of the Agricultural
 12.22 Utilization Research Institute is comprised of:

12.23 (1) the chairs of the senate and the house of representatives standing committees
 12.24 with jurisdiction over agriculture finance or the chair's designee;

12.25 (2) two representatives of statewide farm organizations;

12.26 (3) two representatives of agribusiness; and

12.27 (4) ~~three~~ five representatives of the commodity promotion councils.

12.28 (b) A person who has been appointed pursuant to paragraph (a), clauses (2) to (4),
 12.29 and has served for four or more terms, shall not be reappointed to the board of directors.

12.30 Sec. 21. Minnesota Statutes 2012, section 223.17, is amended by adding a subdivision
 12.31 to read:

13.1 Subd. 7a. **Bond requirements; claims.** For entities licensed under this chapter
 13.2 and chapter 232, the bond requirements and claims against the bond are governed under
 13.3 section 232.22, subdivision 6a.

13.4 Sec. 22. Minnesota Statutes 2012, section 232.22, is amended by adding a subdivision
 13.5 to read:

13.6 Subd. 6a. **Bond determinations.** If a public grain warehouse operator is licensed
 13.7 under both this chapter and chapter 223, the warehouse shall have its bond determined
 13.8 by its gross annual grain purchase amount or its annual average grain storage value,
 13.9 whichever is greater. For those entities licensed under this chapter and chapter 223, the
 13.10 entire bond shall be available to any claims against the bond for claims filed under this
 13.11 chapter and chapter 223.

13.12 Sec. 23. Minnesota Statutes 2012, section 296A.01, subdivision 19, is amended to read:

13.13 Subd. 19. **E85.** "E85" means a petroleum product that is a blend of agriculturally
 13.14 derived denatured ethanol and gasoline or natural gasoline that typically contains not more
 13.15 than 85 percent ethanol by volume, but at a minimum must contain 60 percent ethanol by
 13.16 volume. For the purposes of this chapter, the energy content of E85 will be considered to be
 13.17 82,000 BTUs per gallon. E85 produced for use as a motor fuel in alternative fuel vehicles
 13.18 as defined in subdivision 5 must comply with ASTM specification ~~D5798-07~~ D5798-11.

13.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.

13.20 Sec. 24. Minnesota Statutes 2012, section 583.215, is amended to read:

13.21 **583.215 EXPIRATION.**

13.22 Sections 336.9-601, subsections (h) and (i); 550.365; 559.209; 582.039; and 583.20
 13.23 to 583.32, expire June 30, ~~2013~~ 2015.

13.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

13.25 Sec. 25. **WASTE PESTICIDE REPORTING; 2013, 2014, AND 2015.**

13.26 Notwithstanding the recording and reporting requirements of Minnesota Statutes,
 13.27 section 18B.065, subdivision 2a, paragraph (d), persons are not required to record or
 13.28 report agricultural or nonagricultural waste pesticide collected after the effective date of
 13.29 this section in 2013, 2014, and 2015. The commissioner shall analyze existing collection
 13.30 data to identify trends that will inform future collection strategies to better meet the needs
 13.31 and nature of current waste pesticide streams. By January 15, 2015, the commissioner

14.1 shall report analysis, recommendations, and proposed policy changes to this program to
 14.2 legislative committees with jurisdiction over agriculture finance and policy.

14.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

14.4 Sec. 26. **UPDATE REQUIRED; REPORT.**

14.5 No later than December 31, 2017, the commissioner of agriculture must use
 14.6 existing pesticide regulatory account resources to update and modify applicator education
 14.7 and training materials as required in section 7. No later than January 15, 2015, the
 14.8 commissioner must report to the legislative committees and divisions with jurisdiction over
 14.9 agriculture policy and finance regarding the agency's progress and a schedule of additional
 14.10 activities the commissioner will accomplish to meet the December 31, 2017, deadline.

14.11 Sec. 27. **REVISOR'S INSTRUCTION.**

14.12 The revisor of statutes shall renumber Minnesota Statutes, section 18B.01,
 14.13 subdivision 4a, as subdivision 4b and correct any cross-references.

14.14 Sec. 28. **REPEALER.**

14.15 Minnesota Statutes 2012, section 18B.07, subdivision 6, is repealed.

14.16 **ARTICLE 2**

14.17 **BIOFUELS**

14.18 Section 1. Minnesota Statutes 2012, section 41A.10, subdivision 2, is amended to read:

14.19 Subd. 2. **Cellulosic biofuel production goal.** The state cellulosic biofuel production
 14.20 goal is one-quarter of the total amount necessary for ~~ethanol~~ biofuel use required under
 14.21 section 239.791, subdivision ~~4a~~ 1, by 2015 or when cellulosic biofuel facilities in the state
 14.22 attain a total annual production level of 60,000,000 gallons, whichever is first.

14.23 Sec. 2. Minnesota Statutes 2012, section 41A.10, is amended by adding a subdivision
 14.24 to read:

14.25 Subd. 3. **Expiration.** This section expires January 1, 2015.

14.26 Sec. 3. Minnesota Statutes 2012, section 41A.105, subdivision 1a, is amended to read:

14.27 Subd. 1a. **Definitions.** For the purpose of this section:

14.28 (1) "biobased chemical" means a polymer, monomer, chemical, plastic, or
 14.29 formulated product that is not sold primarily for the use as food, feed, or fuel and that has a

15.1 biobased content percentage of at least 25 percent as determined by testing representative
 15.2 samples using American Society for Testing and Materials specification D6866;

15.3 ~~(1)~~ (2) "biobutanol facility" means a facility at which biobutanol is produced; and

15.4 ~~(2)~~ (3) "biobutanol" means fermentation isobutyl alcohol that is derived from
 15.5 agricultural products, including potatoes, cereal grains, cheese whey, and sugar beets;
 15.6 forest products; or other renewable resources, including residue and waste generated
 15.7 from the production, processing, and marketing of agricultural products, forest products,
 15.8 and other renewable resources.

15.9 Sec. 4. Minnesota Statutes 2012, section 41A.105, subdivision 3, is amended to read:

15.10 Subd. 3. **Duties.** The board shall research and report to the commissioner of
 15.11 agriculture and to the legislature recommendations as to how the state can invest its
 15.12 resources to most efficiently achieve energy independence, agricultural and natural
 15.13 resources sustainability, and rural economic vitality. The board shall:

15.14 (1) examine the future of fuels, such as synthetic gases, biobutanol, hydrogen,
 15.15 methanol, biodiesel, and ethanol within Minnesota;

15.16 (2) examine the opportunity for biobased chemical production by integrated
 15.17 biorefineries or stand-alone facilities that use agricultural and forestry feedstocks;

15.18 ~~(2)~~ (3) develop equity grant programs to assist locally owned facilities;

15.19 ~~(3)~~ (4) study the proper role of the state in creating financing and investing and
 15.20 providing incentives;

15.21 ~~(4)~~ (5) evaluate how state and federal programs, including the Farm Bill, can best
 15.22 work together and leverage resources;

15.23 ~~(5)~~ (6) work with other entities and committees to develop a clean energy program;
 15.24 and

15.25 ~~(6)~~ (7) report to the legislature before February 1 each year with recommendations
 15.26 as to appropriations and results of past actions and projects.

15.27 Sec. 5. Minnesota Statutes 2012, section 116J.437, subdivision 1, is amended to read:

15.28 Subdivision 1. **Definitions.** (a) For the purpose of this section, the following terms
 15.29 have the meanings given.

15.30 (b) "Green economy" means products, processes, methods, technologies, or services
 15.31 intended to do one or more of the following:

15.32 (1) increase the use of energy from renewable sources, including through achieving
 15.33 the renewable energy standard established in section 216B.1691;

16.1 (2) achieve the statewide energy-savings goal established in section 216B.2401,
16.2 including energy savings achieved by the conservation investment program under section
16.3 216B.241;

16.4 (3) achieve the greenhouse gas emission reduction goals of section 216H.02,
16.5 subdivision 1, including through reduction of greenhouse gas emissions, as defined in
16.6 section 216H.01, subdivision 2, or mitigation of the greenhouse gas emissions through,
16.7 but not limited to, carbon capture, storage, or sequestration;

16.8 (4) monitor, protect, restore, and preserve the quality of surface waters, including
16.9 actions to further the purposes of the Clean Water Legacy Act as provided in section
16.10 114D.10, subdivision 1;

16.11 (5) expand the use of biofuels, including by expanding the feasibility or reducing the
16.12 cost of producing biofuels or the types of equipment, machinery, and vehicles that can
16.13 use biofuels, including activities to achieve the ~~biofuels 25 by 2025 initiative in sections~~
16.14 ~~41A.10, subdivision 2, and 41A.11~~ petroleum replacement goal in section 239.7911; or

16.15 (6) increase the use of green chemistry, as defined in section 116.9401.

16.16 For the purpose of clause (3), "green economy" includes strategies that reduce carbon
16.17 emissions, such as utilizing existing buildings and other infrastructure, and utilizing mass
16.18 transit or otherwise reducing commuting for employees.

16.19 Sec. 6. Minnesota Statutes 2012, section 239.051, is amended by adding a subdivision
16.20 to read:

16.21 Subd. 1a. **Advanced biofuel.** "Advanced biofuel" has the meaning given in Public
16.22 Law 110-140, title 2, subtitle A, section 201.

16.23 Sec. 7. Minnesota Statutes 2012, section 239.051, is amended by adding a subdivision
16.24 to read:

16.25 Subd. 5a. **Biofuel.** "Biofuel" means a renewable fuel with an approved pathway
16.26 under authority of the federal Energy Policy Act of 2005, Public Law 109-58, as amended
16.27 by the federal Energy Independence and Security Act of 2007, Public Law 110-140,
16.28 and approved for sale by the United States Environmental Protection Agency. The term
16.29 "biofuel" includes both advanced and conventional biofuels.

16.30 Sec. 8. Minnesota Statutes 2012, section 239.051, is amended by adding a subdivision
16.31 to read:

16.32 Subd. 7a. **Conventional biofuel.** "Conventional biofuel" means ethanol derived
16.33 from cornstarch, as defined in Public Law 110-140, title 2, subtitle A, section 201.

17.1 Sec. 9. Minnesota Statutes 2012, section 239.761, subdivision 3, is amended to read:

17.2 Subd. 3. **Gasoline.** (a) Gasoline that is not blended with ~~ethanol~~ biofuel must not be
 17.3 contaminated with water or other impurities and must comply with ASTM specification
 17.4 D4814-08b. Gasoline that is not blended with ~~ethanol~~ biofuel must also comply with the
 17.5 volatility requirements in Code of Federal Regulations, title 40, part 80.

17.6 (b) After gasoline is sold, transferred, or otherwise removed from a refinery or
 17.7 terminal, a person responsible for the product:

17.8 (1) may blend the gasoline with agriculturally derived ethanol as provided in
 17.9 subdivision 4;

17.10 (2) shall not blend the gasoline with any oxygenate other than ~~denatured,~~
 17.11 ~~agriculturally derived ethanol~~ biofuel;

17.12 (3) shall not blend the gasoline with other petroleum products that are not gasoline
 17.13 or ~~denatured, agriculturally derived ethanol~~ biofuel;

17.14 (4) shall not blend the gasoline with products commonly and commercially known
 17.15 as casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or
 17.16 natural gasoline; and

17.17 (5) may blend the gasoline with a detergent additive, an antiknock additive, or an
 17.18 additive designed to replace tetra-ethyl lead, that is registered by the EPA.

17.19 Sec. 10. Minnesota Statutes 2012, section 239.791, subdivision 1, is amended to read:

17.20 Subdivision 1. **Minimum ~~ethanol~~ biofuel content required.** (a) Except as provided
 17.21 in subdivisions 10 to 14, a person responsible for the product shall ensure that all gasoline
 17.22 sold or offered for sale in Minnesota must contain at least the quantity of ~~ethanol~~ biofuel
 17.23 required by clause (1) or (2), ~~whichever is greater~~ at the option of the person responsible
 17.24 for the product:

17.25 (1) the greater of:

17.26 (i) 10.0 percent ~~denatured ethanol~~ conventional biofuel by volume; or

17.27 (2) (ii) the maximum percent of ~~denatured ethanol~~ conventional biofuel by volume
 17.28 authorized in a waiver granted by the United States Environmental Protection Agency; or

17.29 (2) 10.0 percent of a biofuel, other than a conventional biofuel, by volume authorized
 17.30 in a waiver granted by the United States Environmental Protection Agency or a biofuel
 17.31 formulation registered by the United States Environmental Protection Agency under
 17.32 United States Code, title 42, section 7545.

17.33 (b) For purposes of enforcing the ~~minimum ethanol~~ requirement of paragraph (a),
 17.34 clause (1), item (i), a gasoline/ethanol gasoline/biofuel blend will be construed to be in
 17.35 compliance if the ~~ethanol~~ biofuel content, exclusive of denaturants and other permitted

18.1 components, comprises not less than 9.2 percent by volume and not more than 10.0 percent
 18.2 by volume of the blend as determined by an appropriate United States Environmental
 18.3 Protection Agency or American Society of Testing Materials standard method of analysis
 18.4 of alcohol/ether content in engine fuels.

18.5 (c) ~~The provisions of this subdivision are suspended during any period of time that~~
 18.6 ~~subdivision 1a, paragraph (a), is in effect.~~ The aggregate amount of biofuel blended
 18.7 pursuant to this subdivision may be any biofuel; however, conventional biofuel must
 18.8 comprise no less than the portion specified on and after the specified dates:

18.9	<u>(1)</u>	<u>July 1, 2013</u>	<u>90 percent</u>
18.10	<u>(2)</u>	<u>January 1, 2015</u>	<u>80 percent</u>
18.11	<u>(3)</u>	<u>January 1, 2017</u>	<u>70 percent</u>
18.12	<u>(4)</u>	<u>January 1, 2020</u>	<u>60 percent</u>
18.13	<u>(5)</u>	<u>January 1, 2025</u>	<u>no minimum</u>

18.14 Sec. 11. Minnesota Statutes 2012, section 239.791, subdivision 2a, is amended to read:

18.15 Subd. 2a. **Federal Clean Air Act waivers; conditions.** (a) Before a waiver granted
 18.16 by the United States Environmental Protection Agency under ~~section 211(f)(4) of the~~
 18.17 ~~Clean Air Act~~, United States Code, title 42, section 7545, ~~subsection (f), paragraph (4),~~
 18.18 may alter the minimum content level required by subdivision 1, paragraph (a), clause ~~(2)~~;
 18.19 ~~or subdivision 1a, paragraph (a), clause (2) (1), item (ii)~~, the waiver must:

18.20 (1) apply to all gasoline-powered motor vehicles irrespective of model year; and

18.21 (2) allow for special regulatory treatment of Reid vapor pressure under Code of
 18.22 Federal Regulations, title 40, section 80.27, paragraph (d), for blends of gasoline and
 18.23 ethanol up to the maximum percent of denatured ethanol by volume authorized under
 18.24 the waiver.

18.25 (b) The minimum ~~ethanol~~ biofuel requirement in subdivision 1, paragraph (a), clause
 18.26 ~~(2), or subdivision 1a, paragraph (a), clause (2), (1), item (ii)~~, shall, upon the grant of the
 18.27 federal waiver, be effective the day after the commissioner of commerce publishes notice
 18.28 in the State Register. In making this determination, the commissioner shall consider the
 18.29 amount of time required by refiners, retailers, pipeline and distribution terminal companies,
 18.30 and other fuel suppliers, acting expeditiously, to make the operational and logistical changes
 18.31 required to supply fuel in compliance with the minimum ~~ethanol~~ biofuel requirement.

18.32 Sec. 12. Minnesota Statutes 2012, section 239.791, subdivision 2b, is amended to read:

18.33 Subd. 2b. **Limited liability waiver.** No motor fuel shall be deemed to be a defective
 18.34 product by virtue of the fact that the motor fuel is formulated or blended pursuant to
 18.35 the requirements of subdivision 1, paragraph (a), clause ~~(2)~~, ~~or subdivision 1a (1), item~~

19.1 (ii), under any theory of liability except for simple or willful negligence or fraud. This
 19.2 subdivision does not preclude an action for negligent, fraudulent, or willful acts. This
 19.3 subdivision does not affect a person whose liability arises under chapter 115, water
 19.4 pollution control; 115A, waste management; 115B, environmental response and liability;
 19.5 115C, leaking underground storage tanks; or 299J, pipeline safety; under public nuisance
 19.6 law for damage to the environment or the public health; under any other environmental or
 19.7 public health law; or under any environmental or public health ordinance or program of a
 19.8 municipality as defined in section 466.01.

19.9 Sec. 13. Minnesota Statutes 2012, section 239.7911, is amended to read:

19.10 **239.7911 PETROLEUM REPLACEMENT PROMOTION.**

19.11 Subdivision 1. **Petroleum replacement goal.** The tiered petroleum replacement
 19.12 goal of the state of Minnesota is that biofuel comprises at least the specified portion of
 19.13 total gasoline sold or offered for sale in this state by each specified year:

19.14 ~~(1) at least 20 percent of the liquid fuel sold in the state is derived from renewable~~
 19.15 ~~sources by December 31, 2015; and~~

19.16 ~~(2) at least 25 percent of the liquid fuel sold in the state is derived from renewable~~
 19.17 ~~sources by December 31, 2025.~~

19.18	<u>(1)</u>	<u>2015</u>	<u>14 percent</u>
19.19	<u>(2)</u>	<u>2017</u>	<u>18 percent</u>
19.20	<u>(3)</u>	<u>2020</u>	<u>25 percent</u>
19.21	<u>(4)</u>	<u>2025</u>	<u>30 percent</u>

19.22 Subd. 2. **Promotion of renewable liquid fuels.** (a) The commissioner of agriculture,
 19.23 in consultation with the commissioners of commerce and the Pollution Control Agency,
 19.24 shall identify and implement activities necessary ~~for the widespread use of renewable~~
 19.25 ~~liquid fuels in the state~~ to achieve the goals in subdivision 1. Beginning November 1,
 19.26 2005, and continuing through 2015, the commissioners, or their designees, shall work with
 19.27 representatives from the renewable fuels industry, petroleum retailers, refiners, automakers,
 19.28 small engine manufacturers, and other interested groups, ~~to~~ The representatives shall assist
 19.29 the commissioners in carrying out the activities in paragraph (b) and eliminating barriers to
 19.30 the use of greater biofuel blends in this state. The representatives must coordinate efforts
 19.31 with the NextGen Energy Board, the biodiesel task force, and the Renewable Energy
 19.32 Roundtable and develop annual recommendations for administrative and legislative action.

19.33 (b) The activities of the commissioners under this subdivision shall include, but not
 19.34 be limited to:

20.1 (1) developing recommendations for specific, cost-effective incentives necessary
 20.2 to expedite the use of greater biofuel blends in this state including, but not limited to,
 20.3 incentives for retailers to install equipment necessary for ~~dispensing~~ to dispense renewable
 20.4 liquid fuels to the public;

20.5 (2) expanding the renewable-fuel options available to Minnesota consumers by
 20.6 obtaining federal approval for the use of ~~E20 and~~ additional blends that contain a greater
 20.7 percentage of ethanol, ~~including but not limited to E30 and E50, as gasoline biofuel;~~

20.8 (3) developing recommendations for ensuring to ensure that motor vehicles and
 20.9 small engine equipment have access to an adequate supply of fuel;

20.10 (4) working with the owners and operators of large corporate automotive fleets in the
 20.11 state to increase their use of renewable fuels; ~~and~~

20.12 (5) working to maintain an affordable retail price for liquid fuels;

20.13 (6) facilitating the production and use of advanced biofuels in this state; and

20.14 (7) developing procedures for reporting the amount and type of biofuel under
 20.15 subdivision 1, and section 239.791, subdivision 1, paragraph (c).

20.16 Sec. 14. Minnesota Statutes 2012, section 296A.01, is amended by adding a
 20.17 subdivision to read:

20.18 Subd. 8b. **Biobutanol.** "Biobutanol" means isobutyl alcohol produced by
 20.19 fermenting agriculturally generated organic material that is to be blended with gasoline,
 20.20 and meets either:

20.21 (1) the initial ASTM Standard Specification for Butanol for Blending with Gasoline
 20.22 for use as an Automotive Spark-Ignition Engine Fuel once it has been released by ASTM
 20.23 for general distribution; or

20.24 (2) in the absence of an ASTM Standard Specification, the following list of
 20.25 requirements:

20.26 (i) visually free of sediment and suspended matter;

20.27 (ii) clear and bright at the ambient temperature of 21 degrees Celsius or the ambient
 20.28 temperature, whichever is higher;

20.29 (iii) free of any adulterant or contaminant that can render it unacceptable for its
 20.30 commonly used applications;

20.31 (iv) contains not less than 96 volume percent isobutyl alcohol;

20.32 (v) contains not more than 0.4 volume percent methanol;

20.33 (vi) contains not more than 1.0 volume percent water as determined by ASTM
 20.34 standard test method E203 or E1064;

- 21.1 (vii) acidity (as acetic acid) of not more than 0.007 mass percent as determined
 21.2 by ASTM standard test method D1613;
 21.3 (viii) solvent washed gum content of not more than 5.0 milligrams per 100 milliliters
 21.4 as determined by ASTM standard test method D381;
 21.5 (ix) sulfur content of not more than 30 parts per million as determined by ASTM
 21.6 standard test method D2622 or D5453; and
 21.7 (x) contains not more than 4 parts per million total inorganic sulfate.

21.8 Sec. 15. **REPEALER.**

21.9 Minnesota Statutes 2012, section 239.791, subdivision 1a, is repealed.

21.10 **ARTICLE 3**

21.11 **MINNESOTA NOXIOUS WEED LAW**

21.12 Section 1. Minnesota Statutes 2012, section 18.77, subdivision 3, is amended to read:

21.13 Subd. 3. **Control.** "Control" means to ~~destroy all or part of the aboveground~~
 21.14 ~~growth of noxious weeds~~ manage or prevent the maturation and spread of propagating
 21.15 parts of noxious weeds from one area to another by a lawful method that does not cause
 21.16 unreasonable adverse effects on the environment as defined in section 18B.01, subdivision
 21.17 31, ~~and prevents the maturation and spread of noxious weed propagating parts from one~~
 21.18 ~~area to another.~~

21.19 Sec. 2. Minnesota Statutes 2012, section 18.77, subdivision 4, is amended to read:

21.20 Subd. 4. **Eradicate.** "Eradicate" means to destroy the aboveground ~~growth and the~~
 21.21 ~~roots~~ and belowground plant parts of noxious weeds by a lawful method ~~that~~ which prevents
 21.22 the maturation and spread of noxious weed propagating parts from one area to another.

21.23 Sec. 3. Minnesota Statutes 2012, section 18.77, subdivision 10, is amended to read:

21.24 Subd. 10. **Permanent pasture, hay meadow, woodlot, and or other noncrop**
 21.25 **area.** "Permanent pasture, hay meadow, woodlot, ~~and~~ or other noncrop area" means an
 21.26 area of predominantly native or seeded perennial plants that can be used for grazing or hay
 21.27 purposes but is not harvested on a regular basis and is not considered to be a growing crop.

21.28 Sec. 4. Minnesota Statutes 2012, section 18.77, subdivision 12, is amended to read:

21.29 Subd. 12. **Propagating parts.** "Propagating parts" means all plant parts, including
 21.30 seeds, that are capable of producing new plants.

22.1 Sec. 5. [18.771] NOXIOUS WEED CATEGORIES.

22.2 (a) For purposes of designation under section 18.79, subdivision 13, noxious weed
22.3 category means each of the following categories.

22.4 (b) "Prohibited noxious weed" includes noxious weeds that must be controlled or
22.5 eradicated on all lands within the state. Transportation of a prohibited noxious weed's
22.6 propagating parts shall be restricted by permit except as allowed by section 18.82.
22.7 Prohibited noxious weeds cannot be sold or propagated in Minnesota. There are two
22.8 regulatory listings for prohibited noxious weeds in Minnesota:

22.9 (1) The "Noxious Weed Eradicate List" is established. Prohibited noxious weeds
22.10 placed on the Noxious Weed Eradicate List are plants that are not currently known to be
22.11 present in Minnesota or are not widely established. These species must be eradicated.

22.12 (2) The "Noxious Weed Control List" is established. Prohibited noxious weeds
22.13 placed on the Noxious Weed Control List are plants that are already established throughout
22.14 Minnesota or regions of the state. Species on this list must at least be controlled.

22.15 (c) "Restricted noxious weeds" includes noxious weeds that are widely distributed
22.16 in Minnesota, but whose only feasible means of control is to prevent their spread by
22.17 prohibiting the importation, sale, and transportation of their propagating parts in the state
22.18 except as allowed by section 18.82.

22.19 (d) "Specially regulated plants" includes noxious weeds that may be native
22.20 species or have demonstrated economic value, but also have the potential to cause harm
22.21 in noncontrolled environments. Plants designated as specially regulated have been
22.22 determined to pose ecological, economical, or human or animal health concerns. Species
22.23 specific management plans or rules that define the use and management requirements
22.24 for these plants must be developed by the commissioner of agriculture for each plant
22.25 designated as specially regulated. The commissioner must also take measures to minimize
22.26 the potential for harm caused by these plants.

22.27 (e) "County noxious weeds" includes noxious weeds that are designated by
22.28 individual county boards to be enforced as prohibited noxious weeds within the county's
22.29 jurisdiction and must be approved by the commissioner of agriculture, in consultation with
22.30 the Noxious Weed Advisory Committee. Each county board must submit newly proposed
22.31 county noxious weeds to the commissioner of agriculture for review. Approved county
22.32 noxious weeds shall also be posted with the county's general weed notice prior to May 15
22.33 each year. Counties are solely responsible for developing county noxious weed lists and
22.34 their enforcement.

22.35 Sec. 6. Minnesota Statutes 2012, section 18.78, subdivision 3, is amended to read:

23.1 Subd. 3. **Cooperative Weed control agreement.** The commissioner, municipality,
 23.2 or county agricultural inspector or county-designated employee may enter into a
 23.3 ~~cooperative~~ weed control agreement with a landowner or weed management area
 23.4 group to establish a mutually agreed-upon noxious weed management plan for up to
 23.5 three years duration, whereby a noxious weed problem will be controlled without
 23.6 additional enforcement action. If a property owner fails to comply with the noxious weed
 23.7 management plan, an individual notice may be served.

23.8 Sec. 7. Minnesota Statutes 2012, section 18.79, subdivision 6, is amended to read:

23.9 Subd. 6. **Training for control or eradication of noxious weeds.** The commissioner
 23.10 shall conduct initial training considered necessary for inspectors and county-designated
 23.11 employees in the enforcement of the Minnesota Noxious Weed Law. The director of
 23.12 the Minnesota Extension Service may conduct educational programs for the general
 23.13 public that will aid compliance with the Minnesota Noxious Weed Law. Upon request,
 23.14 the commissioner may provide information and other technical assistance to the county
 23.15 agricultural inspector or county-designated employee to aid in the performance of
 23.16 responsibilities specified by the county board under section 18.81, subdivisions 1a and 1b.

23.17 Sec. 8. Minnesota Statutes 2012, section 18.79, subdivision 13, is amended to read:

23.18 Subd. 13. **Noxious weed designation.** The commissioner, in consultation with the
 23.19 Noxious Weed Advisory Committee, shall determine which plants are noxious weeds
 23.20 subject to ~~control~~ regulation under sections 18.76 to 18.91. The commissioner shall
 23.21 prepare, publish, and revise as necessary, but at least once every three years, a list of
 23.22 noxious weeds and their designated classification. The list must be distributed to the public
 23.23 by the commissioner who may request the help of the University of Minnesota Extension,
 23.24 the county agricultural inspectors, and any other organization the commissioner considers
 23.25 appropriate to assist in the distribution. The commissioner may, in consultation with
 23.26 the Noxious Weed Advisory Committee, accept and consider noxious weed designation
 23.27 petitions from Minnesota citizens or Minnesota organizations or associations.

23.28 Sec. 9. Minnesota Statutes 2012, section 18.82, subdivision 1, is amended to read:

23.29 Subdivision 1. **Permits.** Except as provided in section 21.74, if a person wants to
 23.30 transport along a public highway materials or equipment containing the propagating
 23.31 parts of weeds designated as noxious by the commissioner, the person must secure a
 23.32 written permit for transportation of the material or equipment from an inspector or
 23.33 county-designated employee. Inspectors or county-designated employees may issue

24.1 permits to persons residing or operating within their jurisdiction. ~~If the noxious weed~~
 24.2 ~~propagating parts are removed from materials and equipment or devitalized before~~
 24.3 ~~being transported, a permit is not needed~~ A permit is not required for the transport of
 24.4 noxious weeds for the purpose of destroying propagating parts at a Department of
 24.5 Agriculture-approved disposal site. Anyone transporting noxious weed propagating parts
 24.6 for the purpose of disposal at an approved site shall ensure that all materials are contained
 24.7 in a manner that prevents escape during transport.

24.8 Sec. 10. Minnesota Statutes 2012, section 18.91, subdivision 1, is amended to read:

24.9 Subdivision 1. **Duties.** The commissioner shall consult with the Noxious Weed
 24.10 Advisory Committee to advise the commissioner concerning responsibilities under
 24.11 the noxious weed control program. The committee shall ~~also~~ evaluate species for
 24.12 invasiveness, difficulty of control, cost of control, benefits, and amount of injury caused
 24.13 by them. For each species evaluated, the committee shall recommend to the commissioner
 24.14 on which noxious weed list or lists, if any, the species should be placed. Species ~~currently~~
 24.15 designated as prohibited or restricted noxious weeds or specially regulated plants must
 24.16 be reevaluated every three years for a recommendation on whether or not they need to
 24.17 remain on the noxious weed lists. The committee shall also advise the commissioner on
 24.18 the implementation of the Minnesota Noxious Weed Law and assist the commissioner in
 24.19 the development of management criteria for each noxious weed category. Members of
 24.20 the committee are not entitled to reimbursement of expenses nor payment of per diem.
 24.21 Members shall serve two-year terms with subsequent reappointment by the commissioner.

24.22 Sec. 11. Minnesota Statutes 2012, section 18.91, subdivision 2, is amended to read:

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

- 24.25 (1) horticultural science, agronomy, and forestry at the University of Minnesota;
- 24.26 (2) the nursery and landscape industry in Minnesota;
- 24.27 (3) the seed industry in Minnesota;
- 24.28 (4) the Department of Agriculture;
- 24.29 (5) the Department of Natural Resources;
- 24.30 (6) a conservation organization;
- 24.31 (7) an environmental organization;
- 24.32 (8) at least two farm organizations;
- 24.33 (9) the county agricultural inspectors;
- 24.34 (10) city, township, and county governments;

- 25.1 (11) the Department of Transportation;
- 25.2 (12) the University of Minnesota Extension;
- 25.3 (13) the timber and forestry industry in Minnesota;
- 25.4 (14) the Board of Water and Soil Resources; ~~and~~
- 25.5 (15) soil and water conservation districts;
- 25.6 (16) Minnesota Association of County Land Commissioners; and
- 25.7 (17) members as needed.

25.8 Sec. 12. **REPEALER.**

25.9 Minnesota Statutes 2012, section 18.91, subdivisions 3 and 5, are repealed.

APPENDIX
Article locations in S1160-2

ARTICLE 1	POLICY AND TECHNICAL CHANGES	Page.Ln 1.26
ARTICLE 2	BIOFUELS	Page.Ln 14.16
ARTICLE 3	MINNESOTA NOXIOUS WEED LAW	Page.Ln 21.10

18.91 ADVISORY COMMITTEE; MEMBERSHIP.

Subd. 3. **Additional duties.** The committee shall conduct evaluations of terrestrial plant species to recommend if they need to be designated as noxious weeds and into which noxious weed classification they should be designated, advise the commissioner on the implementation of the Minnesota Noxious Weed Law, and assist the commissioner in the development of management criteria for each noxious weed category.

Subd. 5. **Expiration.** Notwithstanding section 15.059, subdivision 5, the committee expires June 30, 2013.

18B.07 PESTICIDE USE, APPLICATION, AND EQUIPMENT CLEANING.

Subd. 6. **Use of public waters for filling equipment.** (a) A person may not fill pesticide application equipment directly from public or other waters of the state, as defined in section 103G.005, subdivision 15, unless the equipment contains proper and functioning anti-backsiphoning mechanisms. The person may not introduce pesticides into the application equipment until after filling the equipment from the public waters.

(b) This subdivision does not apply to permitted applications of aquatic pesticides to public waters.

239.791 OXYGENATED GASOLINE.

Subd. 1a. **Minimum ethanol content required.** (a) Except as provided in subdivisions 10 to 14, on August 30, 2015, and thereafter, a person responsible for the product shall ensure that all gasoline sold or offered for sale in Minnesota must contain at least the quantity of ethanol required by clause (1) or (2), whichever is greater:

(1) 20 percent denatured ethanol by volume; or

(2) the maximum percent of denatured ethanol by volume authorized in a waiver granted by the United States Environmental Protection Agency.

(b) For purposes of enforcing the minimum ethanol requirement of paragraph (a), clause (1), a gasoline/ethanol blend will be construed to be in compliance if the ethanol content, exclusive of denaturants and other permitted components, comprises not less than 18.4 percent by volume and not more than 20 percent by volume of the blend as determined by an appropriate United States Environmental Protection Agency or American Society of Testing Materials standard method of analysis of alcohol content in motor fuels.

(c) This subdivision expires on December 31, 2014, if by that date:

(1) the commissioner of agriculture certifies and publishes the certification in the State Register that at least 20 percent of the volume of gasoline sold in the state is denatured ethanol; or

(2) federal approval has not been granted under paragraph (a), clause (1). The United States Environmental Protection Agency's failure to act on an application shall not be deemed approval under paragraph (a), clause (1), or a waiver under section 211(f)(4) of the Clean Air Act, United States Code, title 42, section 7545, subsection (f), paragraph (4).