A bill for an act

relating to the operation of state government; making certain changes in agriculture, fuel, and veterans policy; establishing or changing certain programs, requirements, and procedures; regulating certain activities; establishing a planning group and a working group; amending Minnesota Statutes 2006, sections 13.785, by adding a subdivision; 18B.065, subdivisions 2, 7; 18B.07, subdivision 2; 18D.305, subdivision 2; 18E.04, subdivision 2; 28A.03, by adding a subdivision; 28A.08; 28A.082, by adding a subdivision; 28A.09, subdivision 1; 29.23; 31.05; 31.171; 41D.01, subdivision 4; 97A.028, subdivision 3; 148.01, subdivision 1, by adding subdivisions; 196.021; 196.03; 197.236; 198.32, subdivision 1; 239.77, as amended; 349.12, subdivision 3a; 609.115, by adding a subdivision; Minnesota Statutes 2007 Supplement, sections 18B.065, subdivisions 1, 2a; 18B.26, subdivision 3; 31.175; 35.244; 41A.105, subdivision 2; 197.791, subdivisions 1, 4, 5; 296A.01, subdivision 8a; Laws 2007, chapter 45, article 1, section 3, subdivisions 3, 4, 5; proposing coding for new law in Minnesota Statutes, chapters 17; 32; 148; 196; 197; repealing Minnesota Statutes 2006, sections 197.236, subdivisions 7, 10; 198.001, subdivisions 6, 9; 198.002, subdivisions 1, 3, 6; 198.003, subdivisions 5, 6; 198.004, subdivision 2; Minnesota Statutes 2007 Supplement, sections 41A.105, subdivision 5; 198.002, subdivision 2; 198.004, subdivision 1; Minnesota Rules, part 9050.0040, subpart 15.

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

ARTICLE 1
AGRICULTURE POLICY

Section 1. **[17.118] LIVESTOCK INVESTMENT GRANT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner may award a livestock investment grant to a person who raises livestock in this state equal to ten percent of the first $500,000 of qualifying expenditures, provided the person makes qualifying expenditures of at least $4,000. The commissioner may award multiple livestock investment grants to a person over the life of the program as long as the cumulative amount does not exceed $50,000.

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

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

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

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

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

(i) raceways used by dairy cows returning from pasture to a central location for milking;

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

(iii) livestock stream crossing stabilization; or

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

(i) freestall barns;

(ii) watering facilities;

(iii) feed storage and handling equipment;

(iv) milking parlors;

(v) robotic equipment;

(vi) scales;

(vii) milk storage and cooling facilities;

(viii) bulk tanks;

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

(x) manure pumping and storage facilities;

(xi) swine farrowing facilities;

(xii) swine and cattle finishing barns;

(xiii) calving facilities;

(xiv) digesters;

(xv) equipment used to produce energy;

(xvi) on-farm processing facilities and equipment; and

(xvii) fences.

Except for qualifying pasture development expenditures under clause (2), qualifying expenditures only include amounts that are allowed to be capitalized and deducted under either section 167 or 179 of the Internal Revenue Code in computing federal taxable income. Qualifying expenditures do not include an amount paid to refinance existing debt.

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

Subd. 3. **Eligibility.** (a) To be eligible for a livestock investment grant, a person must:

(1) be a resident of Minnesota or an entity authorized to farm in this state under section 500.24, subdivision 3;

(2) be the principal operator of the farm;

(3) hold an appropriate feedlot registration; and

(4) apply to the commissioner on forms prescribed by the commissioner including a statement of the qualifying expenditures made during the qualifying period along with any proof or other documentation the commissioner may require.

(b) The $50,000 maximum grant applies at the entity level for partnerships, S corporations, C corporations, trusts, and estates as well as at the individual level. In the case of married individuals, the grant is limited to $50,000 for a married couple.

Subd. 4. **Process.** The commissioner shall review completed applications and award grants to eligible applicants in the order in which applications were received by the commissioner. The commissioner shall certify eligible applications up to the amount appropriated for a fiscal year. The commissioner must place any additional eligible applications on a waiting list and, notwithstanding subdivision 2, paragraph (c), give them priority during the next fiscal year. The commissioner shall notify in writing any applicant who applies for a grant and is ineligible under the provisions of this section as well as any applicant whose application is received or reviewed after the fiscal year funding limit has been reached.

Subd. 5. **Livestock investment grant account.** A livestock investment grant account is hereby established in the agricultural fund to receive general fund appropriations and money transferred from other accounts. Any interest earned on money in the account accrues to the account. Money in the account is appropriated to the commissioner for the purposes of the livestock investment grant program, including costs incurred to administer the program.

Sec. 2. Minnesota Statutes 2007 Supplement, section 18B.065, subdivision 1, is amended to read:

Subdivision 1. **Collection and disposal.** The commissioner of agriculture shall establish and operate a program to collect and dispose of waste pesticides. The program must be made available to ~~agriculture~~ agricultural and residential pesticide end users whose waste generating activity occurs in this state.

EFFECTIVE DATE. This section is effective July 1, 2008, and applies to all cooperative agreements entered into by the commissioner of agriculture and local units of government for waste pesticide collection and disposal after that date.

Sec. 3. Minnesota Statutes 2006, section 18B.065, subdivision 2, is amended to read:

Subd. 2. **Implementation.** (a) The commissioner may obtain a United States Environmental Protection Agency hazardous waste identification number to manage the waste pesticides collected.

(b) The commissioner may not limit the type and quantity of waste pesticides accepted for collection and may not assess pesticide end users for portions of the costs incurred.

Sec. 4. Minnesota Statutes 2007 Supplement, section 18B.065, subdivision 2a, is amended to read:

Subd. 2a. **Disposal site requirement.** (a) For agricultural waste pesticides, the commissioner must designate a place in each county of the state that is available at least every ~~other~~ year for persons to dispose of unused portions of agricultural pesticides ~~in accordance with subdivision 1~~. The commissioner shall consult with the person responsible for solid waste management and disposal in each county to determine an appropriate location and to advertise each collection event.

(b) For residential waste pesticides, the commissioner must provide periodic disposal opportunities each year in each county. As provided under subdivision 7, the commissioner may enter into agreements with county or regional solid waste management entities to provide these collections and shall provide these entities with funding for all costs incurred including, but not limited to, related supplies, transportation, advertising, and disposal costs as well as reasonable overhead costs.

(c) The person responsible for waste pesticide collections under paragraphs (a) and (b) shall record information on each waste pesticide product collected including, but not limited to, the product name, active ingredient or ingredients, and the quantity. The person must submit this information to the commissioner at least annually.

EFFECTIVE DATE. This section is effective July 1, 2008, and applies to all cooperative agreements entered into by the commissioner of agriculture and local units of government for waste pesticide collection and disposal after that date.

Sec. 5. Minnesota Statutes 2006, section 18B.065, subdivision 7, is amended to read:

Subd. 7. **Cooperative agreements.** The commissioner may enter into cooperative agreements with state agencies and local units of government for administration of the waste pesticide collection program. The commissioner shall ensure that the program is carried out in all counties. If the commissioner cannot contract with another party to administer the program in a county, the commissioner shall perform collections according to the provisions of this section.

Sec. 6. Minnesota Statutes 2006, section 18B.07, subdivision 2, is amended to read:

Subd. 2. **Prohibited pesticide use.** (a) A person may not use, store, handle, distribute, or dispose of a pesticide, rinsate, pesticide container, or pesticide application equipment in a manner:

(1) that is inconsistent with a label or labeling as defined by FIFRA;

(2) that endangers humans, damages agricultural products, food, livestock, fish, or wildlife; or

(3) that will cause unreasonable adverse effects on the environment.

(b) A person may not direct a pesticide onto property beyond the boundaries of the target site. A person may not apply a pesticide resulting in damage to adjacent property.

(c) A person may not directly apply a pesticide on a human by overspray or target site spray, except when:

(1) the pesticide is intended for use on a human;

(2) the pesticide application is for mosquito control operations;

(3) the pesticide application is for control of gypsy moth, forest tent caterpillar, or other pest species, as determined by the commissioner, and the pesticide used is a biological agent; or

(4) the pesticide application is for a public health risk, as determined by the commissioner of health, and the commissioner of health, in consultation with the commissioner of agriculture, determines that the application is warranted based on the commissioner's balancing of the public health risk with the risk that the pesticide application poses to the health of the general population, with special attention to the health of children.

(d) For pesticide applications under paragraph (c), clause (2), the following conditions apply:

(1) no practicable and effective alternative method of control exists;

(2) the pesticide is among the least toxic available for control of the target pest; and

(3) notification to residents in the area to be treated is provided at least 24 hours before application through direct notification, posting daily on the treating organization's Web site, if any, and by sending a broadcast e-mail to those persons who request notification of such, of those areas to be treated by adult mosquito control techniques during the next calendar day. For control operations related to human disease, notice under this paragraph may be given less than 24 hours in advance.

(e) For pesticide applications under paragraph (c), clauses (3) and (4), the following conditions apply:

(1) no practicable and effective alternative method of control exists;

(2) the pesticide is among the least toxic available for control of the target pest; and

(3) notification of residents in the area to be treated is provided by direct notification and through publication in a newspaper of general circulation within the affected area.

(f) For purposes of this subdivision, "direct notification" may include mailings, public meetings, posted placards, neighborhood newsletters, or other means of contact designed to reach as many residents as possible. Public meetings held to meet this requirement for adult mosquito control, under paragraph (d), must be held within each city or town where the pesticide treatments are to be made, at a time and location that is convenient for residents of the area where the treatments will occur.

(g) A person may not apply a pesticide in a manner so as to expose a worker in an immediately adjacent, open field.

(h) Except for public health purposes, it is a violation of this chapter to apply for hire a pesticide to the incorrect site or to a site where an application has not been requested, ordered, or contracted for by the property owner or lawful manager or property manager of the site, notwithstanding that the application is done in a manner consistent with the label or labeling.

Sec. 7. Minnesota Statutes 2007 Supplement, section 18B.26, subdivision 3, is amended to read:

Subd. 3. **Application fee.** (a) A registrant shall pay an annual application fee for each pesticide to be registered, and this fee is set at 0.4 percent of annual gross sales within the state and annual gross sales of pesticides used in the state, with a minimum nonrefundable fee of $250. The registrant shall determine when and which pesticides are sold or used in this state. The registrant shall secure sufficient sales information of pesticides distributed into this state from distributors and dealers, regardless of distributor location, to make a determination. Sales of pesticides in this state and sales of pesticides for use in this state by out-of-state distributors are not exempt and must be included in the registrant's annual report, as required under paragraph (c), and fees shall be paid by the registrant based upon those reported sales. Sales of pesticides in the state for use outside of the state are exempt from the application fee in this paragraph if the registrant properly documents the sale location and distributors. A registrant paying more than the minimum fee shall pay the balance due by March 1 based on the gross sales of the pesticide by the registrant for the preceding calendar year. The fee for disinfectants and sanitizers shall be the minimum. The minimum fee is due by December 31 preceding the year for which the application for registration is made. ~~The commissioner shall spend at least $400,000, not including the commissioner's administrative costs, per fiscal year from the pesticide regulatory account for the purposes of the waste pesticide collection program.~~ In each fiscal year, the commissioner shall allocate from the pesticide regulatory account a sum sufficient to collect and dispose of waste pesticides under section 18B.065. However, notwithstanding section 18B.065, if at the end of any fiscal year the balance in the pesticide regulatory account is less than $1,000,000, the commissioner may suspend waste pesticide collections or provide partial payment to a person for waste pesticide collection. The commissioner must notify as soon as possible and no later than August 1 a person under contract to collect waste pesticides of an anticipated suspension or payment reduction.

(b) An additional fee of $100 must be paid by the applicant for each pesticide to be registered if the application is a renewal application that is submitted after December 31.

(c) A registrant must annually report to the commissioner the amount and type of each registered pesticide sold, offered for sale, or otherwise distributed in the state. The report shall be filed by March 1 for the previous year's registration. The commissioner shall specify the form of the report and require additional information deemed necessary to determine the amount and type of pesticides annually distributed in the state. The information required shall include the brand name, amount, and formulation of each pesticide sold, offered for sale, or otherwise distributed in the state, but the information collected, if made public, shall be reported in a manner which does not identify a specific brand name in the report.

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

<u>**EFFECTIVE DATE.** This section is effective July 1, 2008, and applies to all cooperative agreements entered into by the commissioner of agriculture and local units of government for waste pesticide collection and disposal after that date.</u>

Sec. 8. Minnesota Statutes 2006, section 18D.305, subdivision 2, is amended to read:

Subd. 2. **Revocation and suspension.** <u>(a)</u> The commissioner may, after written notice and hearing, revoke, suspend, or refuse to grant or renew a registration, permit, license, or certification if a person violates a provision of this chapter or has a history within the last three years of violations of this chapter.

<u>(b) The commissioner may refuse to accept an application for a registration, permit, license, or certification, and may revoke or suspend a previously issued registration, permit, license, or certification of a person from another state if that person has:</u>

<u>(1) had a registration, permit, license, or certification denied, revoked, or suspended by another state for an offense reasonably related to the requirements, qualifications, or duties of a registration, permit, license, or certification issued under chapter 18B or 18C; or</u>

<u>(2) been convicted of a violation, had a history of violations, or been subject to a final order imposing civil penalties authorized under the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA), as amended.</u>

Sec. 9. Minnesota Statutes 2006, section 18E.04, subdivision 2, is amended to read:

Subd. 2. **Payment of corrective action costs.** (a) On request by an eligible person, the board may pay the eligible person for the reasonable and necessary cash disbursements for corrective action costs incurred by the eligible person as provided under subdivision 4 if the board determines:

(1) the eligible person pays the first $1,000 of the corrective action costs;

(2) the eligible person provides the board with a sworn affidavit and other convincing evidence that the eligible person is unable to pay additional corrective action costs;

(3) the eligible person continues to assume responsibility for carrying out the requirements of corrective action orders issued to the eligible person or that are in effect;

(4) the incident was reported as required in chapters 18B, 18C, and 18D; and

(5) the eligible person submits an application for payment or reimbursement to the department<u>, along with associated invoices,</u> within three years of (i) ~~incurring eligible corrective action costs~~ <u>performance of the eligible work</u>, or (ii) approval of ~~a~~ <u>the related</u> corrective action design <u>or plan for that work</u>, whichever is later.

(b) The eligible person must submit an application for payment or reimbursement of eligible cost incurred prior to July 1, 2001, no later than June 1, 2004.

(c) An eligible person is not eligible for payment or reimbursement and must refund amounts paid or reimbursed by the board if false statements or misrepresentations are made in the affidavit or other evidence submitted to the commissioner to show an inability to pay corrective action costs.

(d) The board may pay the eligible person and one or more designees by multiparty check.

Sec. 10. Minnesota Statutes 2006, section 28A.03, is amended by adding a subdivision to read:

Subd. 10. **Vending machine.** "Vending machine" means a self-service device that, upon insertion of a coin, paper currency, token, card, or key, dispenses unit servings of food in bulk or in packages without the necessity of replenishing the device between each vending operation.

Sec. 11. Minnesota Statutes 2006, section 28A.08, is amended to read:

28A.08 LICENSE FEES; PENALTIES.

Subdivision 1. **General.** License fees, penalties for late renewal of licenses, and penalties for not obtaining a license before conducting business in food handling that are set in this section apply to the sections named except as provided under section 28A.09. Except as specified herein, bonds and assessments based on number of units operated or volume handled or processed which are provided for in said laws shall not be affected, nor shall any penalties for late payment of said assessments, nor shall inspection fees, be affected by this chapter. The penalties may be waived by the commissioner. Fees for all new licenses must be based on the anticipated future gross annual food sales. If a firm is found to be operating for multiple years without paying license fees, the state may collect the appropriate fees and penalties for each year of operation.

Subd. 3. **Fees effective July 1, 2003.**

		Penalties	
Type of food handler	License Fee Effective July 1, 2003	Late Renewal	No License
1. Retail food handler			
(a) Having gross sales of only prepackaged nonperishable food of less than $15,000 for the immediately previous license or fiscal year and filing a statement with the commissioner	$ 50	$ 17	$ 33

(b) Having under $15,000 gross sales or service including food preparation or having $15,000 to $50,000 gross sales or service for the immediately previous license or fiscal year	$ 77	$ 25	$ 51
(c) Having $50,001 to $250,000 gross sales or service for the immediately previous license or fiscal year	$155	$ 51	$102
(d) Having $250,001 to $1,000,000 gross sales or service for the immediately previous license or fiscal year	$276	$ 91	$ 182
(e) Having $1,000,001 to $5,000,000 gross sales or service for the immediately previous license or fiscal year	$799	$264	$527
(f) Having $5,000,001 to $10,000,000 gross sales or service for the immediately previous license or fiscal year	$1,162	$383	$767
(g) Having $10,000,001 to $15,000,000 gross sales or service for the immediately previous license or fiscal year	$1,376	$454	$908
(h) Having $15,000,001 to $20,000,000 gross sales or service for the immediately previous license or fiscal year	$1,607	$530	$1,061
(i) Having $20,000,001 to $25,000,000 gross sales or service for the immediately previous license or fiscal year	$1,847	$610	$1,219
(j) Having over $25,000,001 gross sales or service for the immediately previous license or fiscal year	$2,001	$660	$1,321
2. Wholesale food handler			
(a) Having gross sales or service of less than $25,000 for the immediately previous license or fiscal year	$ 57	$ 19	$ 38
(b) Having $25,001 to $250,000 gross sales or service for the immediately previous license or fiscal year	$284	$ 94	$187
(c) Having $250,001 to $1,000,000 gross sales or service from a mobile unit without a separate food facility for the immediately previous license or fiscal year	$444	$147	$293
(d) Having $250,001 to $1,000,000 gross sales or service not covered under paragraph (c) for the immediately previous license or fiscal year	$590	$195	$389
(e) Having $1,000,001 to $5,000,000 gross sales or service for the immediately previous license or fiscal year	$769	$254	$508
(f) Having $5,000,001 to $10,000,000 gross sales or service for the immediately previous license or fiscal year	$920	$304	$607

	(g) Having $10,000,001 to $15,000,000 gross sales or service for the immediately previous license or fiscal year	$990	$327	$653
	(h) Having $15,000,001 to $20,000,000 gross sales or service for the immediately previous license or fiscal year	$1,156	$381	$763
	(i) Having $20,000,001 to $25,000,000 gross sales or service for the immediately previous license or fiscal year	$1,329	$439	$877
	(j) Having over $25,000,001 or more gross sales or service for the immediately previous license or fiscal year	$1,502	$496	$991
3.	Food broker	$150	$ 50	$ 99
4.	Wholesale food processor or manufacturer			
	(a) Having gross sales or service of less than $125,000 for the immediately previous license or fiscal year	$169	$ 56	$112
	(b) Having $125,001 to $250,000 gross sales or service for the immediately previous license or fiscal year	$392	$129	$259
	(c) Having $250,001 to $1,000,000 gross sales or service for the immediately previous license or fiscal year	$590	$195	$389
	(d) Having $1,000,001 to $5,000,000 gross sales or service for the immediately previous license or fiscal year	$769	$254	$508
	(e) Having $5,000,001 to $10,000,000 gross sales or service for the immediately previous license or fiscal year	$920	$304	$607
	(f) Having $10,000,001 to $15,000,000 gross sales or service for the immediately previous license or fiscal year	$1,377	$454	$909
	(g) Having $15,000,001 to $20,000,000 gross sales or service for the immediately previous license or fiscal year	$1,608	$531	$1,061
	(h) Having $20,000,001 to $25,000,000 gross sales or service for the immediately previous license or fiscal year	$1,849	$610	$1,220
	(i) Having $25,000,001 to $50,000,000 gross sales or service for the immediately previous license or fiscal year	$2,090	$690	$1,379
	(j) Having $50,000,001 to $100,000,000 gross sales or service for the immediately previous license or fiscal year	$2,330	$769	$1,538
	(k) Having $100,000,000 or more gross sales or service for the immediately previous license or fiscal year	$2,571	$848	$1,697
5.	Wholesale food processor of meat or poultry products under supervision of the U.S. Department of Agriculture			

	(a) Having gross sales or service of less than $125,000 for the immediately previous license or fiscal year	$112	$ 37	$ 74
	(b) Having $125,001 to $250,000 gross sales or service for the immediately previous license or fiscal year	$214	$ 71	$141
	(c) Having $250,001 to $1,000,000 gross sales or service for the immediately previous license or fiscal year	$333	$110	$220
	(d) Having $1,000,001 to $5,000,000 gross sales or service for the immediately previous license or fiscal year	$425	$140	$281
	(e) Having $5,000,001 to $10,000,000 gross sales or service for the immediately previous license or fiscal year	$521	$172	$344
	(f) Having over $10,000,001 gross sales or service for the immediately previous license or fiscal year	$765	$252	$505
	(g) Having $15,000,001 to $20,000,000 gross sales or service for the immediately previous license or fiscal year	$893	$295	$589
	(h) Having $20,000,001 to $25,000,000 gross sales or service for the immediately previous license or fiscal year	$1,027	$339	$678
	(i) Having $25,000,001 to $50,000,000 gross sales or service for the immediately previous license or fiscal year	$1,161	$383	$766
	(j) Having $50,000,001 to $100,000,000 gross sales or service for the immediately previous license or fiscal year	$1,295	$427	$855
	(k) Having $100,000,001 or more gross sales or service for the immediately previous license or fiscal year	$1,428	$471	$942
6.	Wholesale food processor or manufacturer operating only at the State Fair	$125	$ 40	$ 50
7.	Wholesale food manufacturer having the permission of the commissioner to use the name Minnesota Farmstead cheese	$ 30	$ 10	$ 15
8.	Nonresident frozen dairy manufacturer	$200	$ 50	$ 75
9.	Wholesale food manufacturer processing less than 700,000 pounds per year of raw milk	$ 30	$ 10	$ 15
10.	A milk marketing organization without facilities for processing or manufacturing that purchases milk from milk producers for delivery to a licensed wholesale food processor or manufacturer	$ 50	$ 15	$ 25

Sec. 12. Minnesota Statutes 2006, section 28A.082, is amended by adding a subdivision to read:

Subd. 3. **Disaster areas.** If the governor declares a disaster in an area of the state, the commissioner of agriculture may waive the plan review fee and direct agency personnel to expedite the plan review process.

Sec. 13. Minnesota Statutes 2006, section 28A.09, subdivision 1, is amended to read:

Subdivision 1. **Annual fee; exceptions.** Every ~~coin-operated~~ food vending machine is subject to an annual state inspection fee of $25 for each nonexempt machine except nut vending machines which are subject to an annual state inspection fee of $10 for each machine, provided that:

(a) Food vending machines may be inspected by either a home rule charter or statutory city, or a county, but not both, and if inspected by a home rule charter or statutory city, or a county they shall not be subject to the state inspection fee, but the home rule charter or statutory city, or the county may impose an inspection or license fee of no more than the state inspection fee. A home rule charter or statutory city or county that does not inspect food vending machines shall not impose a food vending machine inspection or license fee.

(b) Vending machines dispensing only gum balls, hard candy, unsorted candy, or ice manufactured and packaged by another ~~shall be~~, and water dispensing machines serviced by a cashier, are exempt from the state inspection fee, but may be inspected by the state. A home rule charter or statutory city may impose by ordinance an inspection or license fee of no more than the state inspection fee for nonexempt machines on the vending machines and water dispensing machines described in this paragraph. A county may impose by ordinance an inspection or license fee of no more than the state inspection fee for nonexempt machines on the vending machines and water dispensing machines described in this paragraph which are not located in a home rule charter or statutory city.

(c) Vending machines dispensing only bottled or canned soft drinks are exempt from the state, home rule charter or statutory city, and county inspection fees, but may be inspected by the commissioner or the commissioner's designee.

Sec. 14. Minnesota Statutes 2006, section 29.23, is amended to read:

29.23 GRADING.

Subdivision 1. **Grades, weight classes and standards for quality.** All eggs purchased on the basis of grade by the first licensed buyer shall be graded in accordance with grade and weight classes established by the commissioner. The commissioner shall establish, by rule, and from time to time, may amend or revise, grades, weight classes, and standards for quality. When grades, weight classes, and standards for quality have been fixed by the secretary of the Department of Agriculture of the United States, they ~~may~~ <u>must</u> be accepted and published by the commissioner as definitions or standards for eggs in interstate <u>and intrastate</u> commerce.

Subd. 2. **Equipment.** The commissioner shall also by rule provide for minimum plant and equipment requirements for candling, grading, handling and storing eggs, and shall define candling. Equipment in use <u>by a wholesale food handler</u> before July 1, 1991, that does not meet the design and fabrication requirements of this chapter may remain in use if it is in good repair, capable of being maintained in a sanitary condition, and capable of maintaining a temperature of 45 degrees Fahrenheit (7 degrees Celsius) or less.

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

Subd. 4. **Vehicle temperature.** A vehicle used ~~for the transportation of~~ <u>to transport</u> shell eggs from a warehouse, retail store, candling and grading facility, or egg holding facility must have an ambient air temperature of 45 degrees Fahrenheit (7 degrees Celsius) or below.

Sec. 15. Minnesota Statutes 2006, section 31.05, is amended to read:

31.05 EMBARGOES AND CONDEMNATIONS.

Subdivision 1. <u>**Definitions.**</u> <u>As used in this section, "animals" means cattle; swine; sheep; goats; poultry; farmed cervidae, as defined in section 35.153, subdivision 3; llamas, as defined in section 17.455, subdivision 2; ratitae, as defined in section 17.453, subdivision 3; equines; and other large domesticated animals.</u>

<u>Subd. 1a.</u> **Tag or notice.** A duly authorized agent of the commissioner who finds or has probable cause to believe that any food<u>, animal,</u> or consumer commodity is adulterated or so misbranded as to be dangerous or fraudulent, or is in violation of section 31.131 shall affix to such article<u> or animal</u> a tag or other appropriate marking giving notice that such article<u> or animal</u> is, or is suspected of being, adulterated or misbranded and has been detained or embargoed, and warning all persons not to remove or dispose of such article<u> or animal</u> by sale or otherwise until permission for removal or disposal is given by

such agent or the court. It shall be unlawful for any person to remove or dispose of such detained or embargoed article or animal by sale or otherwise without such permission.

Subd. 2. **Action for condemnation.** When an article or animal detained or embargoed under subdivision 1 has been found by such agent to be adulterated, or misbranded, the agent shall petition the district court in the county in which the article or animal is detained or embargoed for an order and decree for the condemnation of such article or animal. Any such agent who has found that an article or animal so detained or embargoed is not adulterated or misbranded, shall remove the tag or other marking.

Subd. 3. **Remedies.** If the court finds that a detained or embargoed article or animal is adulterated or misbranded, such article or animal shall, after entry of the decree, be destroyed at the expense of the claimant thereof, under the supervision of such agent, and all court costs and fees, and storage and other proper expenses, shall be taxed against the claimant of such article or animal or the claimant's agent; provided, that when the adulteration or misbranding can be corrected by proper labeling or processing of the article or animal, the court, after entry of the decree and after such costs, fees, and expenses have been paid and a good and sufficient bond, conditioned that such article or animal shall be so labeled or processed, has been executed, may by order direct that such article or animal be delivered to claimant thereof for such labeling or processing under the supervision of an agent of the commissioner. The expense of such supervision shall be paid by claimant. The article or animal shall be returned to the claimant and the bond shall be discharged on the representation to the court by the commissioner that the article or animal is no longer in violation and that the expenses of such supervision have been paid.

Subd. 4. **Duties of commissioner.** Whenever the commissioner or any of the commissioner's authorized agents shall find in any room, building, vehicle of transportation or other structure, any meat, seafood, poultry, vegetable, fruit, or other perishable articles of food which are unsound, or contain any filthy, decomposed, or putrid substance, or that may be poisonous or deleterious to health or otherwise unsafe, the same being hereby declared to be a nuisance, the commissioner, or the commissioner's authorized agent, shall forthwith condemn or destroy the same, or in any other manner render the same unsalable as human food, and no one shall have any cause of action against the commissioner or the commissioner's authorized agent on account of such action.

Subd. 5. **Emergency response.** In the event of an emergency declared by the governor's order under section 12.31, if the commissioner finds or has probable cause to believe that ~~a~~ livestock, food, or a consumer commodity within a specific area is likely to be adulterated because of the emergency or so misbranded as to be dangerous or fraudulent, or is in violation of section 31.131, subdivision 1, the commissioner may embargo a geographic area that is included in the declared emergency. The commissioner shall provide notice to the public and to those with custody of the product in as thorough a manner as is practical under the emergency circumstances.

Sec. 16. Minnesota Statutes 2006, section 31.171, is amended to read:

31.171 EMPLOYMENT OF DISEASED PERSON.

It shall be unlawful for any person to work in or about any place where any fruit or any food products are manufactured, packed, stored, deposited, collected, prepared, produced or sold, whose condition is such that disease may be spread to associates direct, or through the medium of milk, cream, butter, other food or food products, likely to be eaten without being cooked after handling, whether such condition be due to a contagious~~,~~ or infectious~~, or venereal~~ disease, in its active or convalescent stage, or to the presence of disease germs, whether accompanied by, or without, any symptoms of the disease itself.

It shall be the duty of the commissioner, or the commissioner's assistant, inspector, or agent, to report to the state commissioner of health for investigation, any person suspected to be dangerous to the public health, as provided for in this section, and immediately to exclude such person from such employment pending investigation and during the period of infectiousness, if such person is certified by the state commissioner of health, or an authorized agent, to be dangerous to the public health.

Sec. 17. Minnesota Statutes 2007 Supplement, section 31.175, is amended to read:

31.175 WATER, PLUMBING, AND SEWAGE.

A person who is required by statutes administered by the Department of Agriculture, or by rules adopted pursuant to those statutes, to provide a suitable water supply, or plumbing or sewage disposal system~~, may~~ shall not engage in the business of manufacturing, processing, selling, handling, or storing food at wholesale or retail unless the person's water supply is satisfactory ~~under plumbing codes~~ pursuant to rules adopted by the Department of Health, the person's plumbing is satisfactory pursuant to rules adopted by the Department of Labor and Industry, and the person's sewage disposal system satisfies the rules of the Pollution Control Agency.

Sec. 18. **[32.416] SOMATIC CELL COUNT, GOAT MILK.**

Notwithstanding any federal standard incorporated by reference in this chapter, the maximum allowable somatic cell count for raw goat milk is 1,500,000 cells per milliliter.

Sec. 19. Minnesota Statutes 2007 Supplement, section 35.244, is amended to read:

35.244 ~~RULES FOR~~ CONTROL OF BOVINE TUBERCULOSIS.

Subdivision 1. **Designation of zones.** The board has the authority to control tuberculosis and the movement of cattle, bison, goats, and farmed cervidae within and between tuberculosis zones in the state. Zones within the state may be designated as accreditation preparatory, modified accredited, modified accredited advanced, or accredited free as those terms are defined in Code of Federal Regulations, title 9, part 77.

Subd. 2. **Control within modified accredited zone.** In a modified accredited zone, the board has the authority to:

(1) require owners of cattle, bison, goats, or farmed cervidae to report personal contact information and location of livestock to the board;

(2) require a permit or movement certificates for all cattle, bison, goats, and farmed cervidae moving between premises within the zone or leaving or entering the zone;

(3) require official identification of all cattle, bison, goats, and farmed cervidae within the zone or leaving or entering the zone;

(4) require a negative tuberculosis test within 60 days prior to movement for any individual cattle, bison, goats, or farmed cervidae leaving the zone with the exception of cattle moving under permit directly to a slaughter facility under state or federal inspection;

(5) require a whole-herd tuberculosis test within 12 months prior to moving breeding cattle out of the zone;

(6) require annual herd inventories on all cattle, bison, goat, or farmed cervidae herds;

(7) require that a risk assessment be performed to evaluate the interaction of free-ranging deer with cattle, bison, goat, and farmed cervidae herds and require the owner to implement the recommendations of the risk assessment; and

(8) provide financial assistance to a person who fences a cattle feeding area.

Subd. 3. **Authority to adopt rules.** The board may adopt rules to provide for the control of tuberculosis in cattle. The rules may include provisions for quarantine, tests, and such other measures as the board deems appropriate. Federal regulations, as provided by Code of Federal Regulations, title 9, part 77, and the Bovine Tuberculosis Eradication Uniform Methods and Rules, are incorporated as part of the rules in this state.

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

Sec. 20. Minnesota Statutes 2007 Supplement, section 41A.105, subdivision 2, is amended to read:

Subd. 2. **NextGen Energy Board.** There is created a NextGen Energy Board consisting of the commissioners of agriculture, commerce, natural resources, the Pollution Control Agency, and employment and economic development; the chairs of the house and senate committees with jurisdiction over energy finance; the chairs of the house and senate committees with jurisdiction over agriculture finance; one member of the second largest political party in the house, as appointed by the chairs of the house committees with jurisdiction over agriculture finance and energy finance; one member of the second largest political party in the senate, as appointed by the chairs of the senate committees with jurisdiction over agriculture finance and energy finance; and the executive director of the Agricultural Utilization Research Institute. In addition, the governor shall appoint ~~seven~~ eight members: two representing statewide agriculture organizations; two representing statewide environment and natural resource conservation organizations; one representing the University of Minnesota; one representing the Minnesota Institute for Sustainable Agriculture; ~~and~~ one representing the Minnesota State Colleges and Universities system; and one representing the forest products industry.

Sec. 21. Minnesota Statutes 2006, section 41D.01, subdivision 4, is amended to read:

Subd. 4. **Expiration.** This section expires on June 30, ~~2008~~ 2013.

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

Sec. 22. Minnesota Statutes 2006, section 97A.028, subdivision 3, is amended to read:

Subd. 3. **Emergency deterrent materials assistance.** (a) For the purposes of this subdivision, "cooperative damage management agreement" means an agreement between a landowner or tenant and the commissioner that establishes a program for addressing the problem of destruction of the landowner's or tenant's specialty crops or stored forage crops by wild animals, or destruction of agricultural crops by flightless Canada geese.

(b) A landowner or tenant may apply to the commissioner for emergency deterrent materials assistance in controlling destruction of the landowner's or tenant's specialty crops or stored forage crops by wild animals, or destruction of agricultural crops by flightless Canada geese. Subject to the availability of money appropriated for this purpose, the commissioner shall provide suitable deterrent materials when the commissioner determines that:

(1) immediate action is necessary to prevent significant damage from continuing ~~or to prevent the spread of bovine tuberculosis~~; and

(2) a cooperative damage management agreement cannot be implemented immediately.

(c) A person may receive emergency deterrent materials assistance under this subdivision more than once, but the cumulative total value of deterrent materials provided to a person, or for use on a parcel, may not exceed $3,000 for specialty crops, ~~$5,000 for measures to prevent the spread of bovine tuberculosis within a five-mile radius of a cattle herd that is infected with bovine tuberculosis as determined by the Board of Animal Health,~~ $750 for protecting stored forage crops, or $500 for agricultural crops damaged by flightless Canada geese. If a person is a co-owner or cotenant with respect to the specialty crops for which the deterrent materials are provided, the deterrent materials are deemed to be "provided" to the person for the purposes of this paragraph.

(d) As a condition of receiving emergency deterrent materials assistance under this subdivision, a landowner or tenant shall enter into a cooperative damage management agreement with the commissioner. Deterrent materials provided by the commissioner may include repellents, fencing materials, or other materials recommended in the agreement to alleviate the damage problem. If requested by a landowner or tenant, any fencing materials provided must be capable of providing long-term protection of specialty crops. A landowner or tenant who receives emergency deterrent materials assistance under this subdivision shall comply with the terms of the cooperative damage management agreement.

Sec. 23. Minnesota Statutes 2006, section 148.01, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purposes of sections 148.01 to 148.10~~,~~:

(1) "chiropractic" is defined as the science of adjusting any abnormal articulations of the human body, especially those of the spinal column, for the purpose of giving freedom of action to impinged nerves that may cause pain or deranged function; and

(2) "animal chiropractic diagnosis and treatment" means treatment that includes, but is not limited to, identifying and resolving vertebral subluxation complexes, spinal manipulation, and manipulation of the extremity articulations of nonhuman vertebrates. Animal chiropractic diagnosis and treatment does not include:

(i) performing surgery;

(ii) dispensing or administering of medications; or

(iii) performing traditional veterinary care and diagnosis.

Sec. 24. Minnesota Statutes 2006, section 148.01, is amended by adding a subdivision to read:

Subd. 1a. **Animal chiropractic practice.** A licensed chiropractor may engage in the practice of animal chiropractic diagnosis and treatment if registered to do so by the board.

Sec. 25. Minnesota Statutes 2006, section 148.01, is amended by adding a subdivision to read:

Subd. 1b. **Scope of practice; animal chiropractic.** Criteria for registration to engage in the practice of animal chiropractic diagnosis and treatment must be set by the board, and must include, but are not limited to: active chiropractic license; education and training in the field of animal chiropractic from an American Veterinary Chiropractic Association, International Veterinary Chiropractic Association, or higher institution-approved course consisting of no less than 210 hours, meeting continuing education requirements; and other conditions and rules set by the board.

Sec. 26. Minnesota Statutes 2006, section 148.01, is amended by adding a subdivision to read:

Subd. 1c. **Titles.** Notwithstanding the limitations established in section 156.12, subdivision 4, a doctor of chiropractic properly registered to provide chiropractic care to animals in accordance with this chapter and rules of the board may use the title "animal chiropractor."

Sec. 27. Minnesota Statutes 2006, section 148.01, is amended by adding a subdivision to read:

Subd. 1d. **Provisional interim statute.** Upon approval by the board, a licensed chiropractor who has already taken and passed the education and training requirement set forth in subdivision 1b may engage in the practice of animal chiropractic during the time that the rules are being promulgated by the board. Enforcement actions may not be taken against persons who have completed the approved program of study by the American Veterinary Chiropractic Association or the International Veterinary Chiropractic Association until the rules have been adopted by the board.

Sec. 28. **[148.032] EDUCATIONAL CRITERIA FOR LICENSURE IN ANIMAL CHIROPRACTIC DIAGNOSIS AND TREATMENT; RECORDS; TREATMENT NOTES.**

(a) The following educational criteria must be applied to any licensed chiropractor who requests registration in animal chiropractic diagnosis and treatment. The criteria must include education and training in the following subjects:

(1) anatomy;

(2) anatomy laboratory;

(3) biomechanics and gait;

(4) chiropractic educational basics;

(5) animal chiropractic diversified adjusting technique, including:

(i) lecture cervical;

(ii) thoracic;

(iii) lumbosacral;

(iv) pelvic; and

(v) extremity;

(6) animal chiropractic diversified adjusting technique, including:

(i) laboratory cervical;

(ii) thoracic;

(iii) lumbosacral;

(iv) pelvic; and

(v) extremity;

(7) case management and case studies;

(8) chiropractic philosophy;

(9) ethics and legalities;

(10) neurology, neuroanatomy, and neurological conditions;

(11) pathology;

(12) radiology;

(13) research in current chiropractic and veterinary topics;

(14) rehabilitation, current topics, evaluation, and assessment;

(15) normal foot anatomy and normal foot care;

(16) saddle fit and evaluation, lecture, and laboratory;

(17) veterinary educational basics;

(18) vertebral subluxation complex; and

(19) zoonotic diseases.

(b) A licensed chiropractor requesting registration in animal chiropractic diagnosis and treatment must have completed and passed a course of study from an American Veterinary Chiropractic Association, International Veterinary Chiropractic Association, or higher institution-approved program, consisting of no less than 210 hours of education and training as set forth in paragraph (a).

(c) A licensed chiropractor engaged in the practice of animal chiropractic diagnosis and treatment must maintain complete and accurate records and patient files in the chiropractor's office for at least three years.

(d) A licensed chiropractor engaged in the practice of animal chiropractic diagnosis and treatment must make treatment notes and records available to the patient's owner

<u>upon request and must communicate their findings and treatment plan with the referring veterinarian, or the animal's veterinarian if the animal has not been referred by a veterinarian.</u>

Sec. 29. **<u>[148.033] ANIMAL CHIROPRACTIC CONTINUING EDUCATION HOURS.</u>**

<u>Any chiropractor engaged in the practice of animal chiropractic diagnosis and treatment applying for renewal of a registration related to animal chiropractic diagnosis and treatment must have completed a minimum of six hours annually of continuing education in animal chiropractic diagnosis and treatment, in addition to the required 20 hours annually of continuing education in human chiropractic under this chapter. The continuing education course attended for purposes of complying with this section must be approved by the board prior to attendance by the chiropractor.</u>

Sec. 30. Laws 2007, chapter 45, article 1, section 3, subdivision 3, is amended to read:

Subd. 3. **Agricultural Marketing and Development**	8,547,000	5,157,000

$186,000 the first year and $186,000 the second year are for transfer to the Minnesota grown account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.102. Grants may be made for one year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2009, for Minnesota grown grants in this paragraph are available until June 30, 2011. $50,000 of the appropriation in each year is for efforts that identify and promote Minnesota grown products in retail food establishments including but not limited to restaurants, grocery stores, and convenience stores. The balance in the Minnesota grown matching account in the agricultural fund is canceled to the Minnesota grown account in the agricultural fund and the Minnesota grown matching account is abolished.

$160,000 the first year and $160,000 the second year are for grants to farmers for demonstration projects involving sustainable agriculture as authorized in Minnesota Statutes, section 17.116. Of the amount for grants, up to $20,000 may be used for dissemination of information about the demonstration projects. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2009, for sustainable agriculture grants in this paragraph are available until June 30, 2011.

$100,000 the first year and $100,000 the second year are to provide training and technical assistance to county and town officials relating to livestock siting issues and local zoning and land use planning, including a checklist template that would clarify the federal, state, and local government requirements for consideration of an animal agriculture modernization or expansion project. In developing the training and technical assistance program, the commissioner shall seek guidance, advice, and support of livestock producer organizations, general agricultural organizations, local government associations, academic institutions, other government agencies, and others with expertise in land use and agriculture.

$103,000 the first year and $106,000 the second year are for additional integrated pest management activities.

$2,500,000 the first year is for the agricultural best management practices loan program. At least $2,000,000 is available for pass-through to local governments and lenders for low-interest loans. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

$1,000,000 the first year is for the agricultural best management practices loan program for capital equipment loans for persons using native, perennial cropping systems for energy or seed production. This appropriation is available until spent. * (The preceding text beginning "$1,000,000 the first year" was indicated as vetoed by the governor.)

$100,000 the first year and $100,000 the second year are for annual cost-share payments to resident farmers or persons who sell, process, or package agricultural products in this state for the costs of organic certification. Annual cost-share payments per farmer must be two-thirds of the cost of the certification or $350, whichever is less. In any year that a resident farmer or person who sells, processes, or packages agricultural products in this state receives a federal organic certification cost-share payment, that resident farmer or person is not eligible for state cost-share payments. A certified farmer is eligible to receive annual certification cost-share payments for up to five years. $15,000 each year is for organic market and program development. The commissioner may allocate any excess appropriation in either fiscal year for organic producer education efforts, assistance for persons transitioning from conventional to organic agriculture, or sustainable agriculture demonstration grants authorized under Minnesota Statutes, section 17.116, and pertaining to organic research or demonstration. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

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

Sec. 31. Laws 2007, chapter 45, article 1, section 3, subdivision 4, is amended to read:

Subd. 4. **Bioenergy and Value-Added Agricultural Products**	19,918,000	15,168,000

$15,168,000 the first year and $15,168,000 the second year are for ethanol producer payments under Minnesota Statutes, section 41A.09. If the total amount for which all producers are eligible in a quarter exceeds the amount available for payments, the commissioner shall make payments on a pro rata basis. If the appropriation exceeds the total amount for which all producers are eligible in a fiscal year for scheduled payments and for deficiencies in payments during previous fiscal years, the balance in the appropriation is available to the commissioner for value-added agricultural programs including the value-added agricultural product processing and marketing grant program under Minnesota Statutes, section 17.101, subdivision 5. The appropriation remains available until spent.

$3,000,000 the first year is for grants to bioenergy projects. The NextGen Energy Board shall make recommendations to the commissioner on grants for owners of Minnesota facilities producing bioenergy, organizations that provide for on-station, on-farm field scale research and outreach to develop and test the agronomic and economic requirements of diverse stands of prairie plants and other perennials for bioenergy systems, or certain nongovernmental entities. For the purposes of this paragraph, "bioenergy" includes transportation fuels derived from cellulosic material as well as the generation of energy for commercial heat, industrial process heat, or electrical power from cellulosic material via gasification or other processes. The board must give priority to a bioenergy facility that is at least 60 percent owned and controlled by farmers, as defined in Minnesota Statutes, section 500.24, subdivision 2, paragraph (n), or natural persons residing in the county or counties contiguous to where the facility is located. Grants are limited to 50 percent of the cost of research, technical assistance, or equipment related to bioenergy production or $500,000, whichever is less. Grants to nongovernmental entities for the development of business plans and structures related to community ownership of eligible bioenergy facilities together may not exceed $150,000. The board shall make a good faith effort to select projects that have merit and when taken together represent a variety of bioenergy technologies, biomass feedstocks, and geographic regions of the state. Projects must have a qualified engineer certification on the technology and fuel source. Grantees shall provide reports at the request of the commissioner and must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable. No later than February 1, 2009, the commissioner shall report on the projects funded under this appropriation to the house and senate committees with jurisdiction over agriculture finance. The commissioner's costs in administering the program may be paid from the appropriation. Any unencumbered balance does not cancel at the end of the first year and is available in the second year.

$350,000 the first year is for grants to the Minnesota Institute for Sustainable Agriculture at the University of Minnesota to provide funds for on-station and on-farm field scale research and outreach to develop and test the agronomic and economic requirements of diverse stands of prairie plants and other perennials for bioenergy systems including, but not limited to, multiple species selection and establishment, ecological management between planting and harvest, harvest technologies, financial and agronomic risk management, farmer goal setting and adoption of technologies, integration of wildlife habitat into management approaches, evaluation of carbon and other benefits, and robust policies needed to induce farmer conversion on marginal lands. * (The preceding text beginning "$350,000 the first year" was indicated as vetoed by the governor.)

$200,000 the first year is for a grant to the Minnesota Turf Seed Council for basic and applied agronomic research on native plants, including plant breeding, nutrient management, pest management, disease management, yield, and viability. The grant recipient may subcontract with a qualified third party for some or all of the basic or applied research. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

$200,000 the first year is for a grant to a joint venture combined heat and power energy facility located in Scott or LeSueur County for the creation of a centrally located biomass fuel supply depot with the capability of unloading, processing, testing, scaling, and storing renewable biomass fuels. The grant must be matched by at least $3 of nonstate funds for every $1 of state funds. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

$300,000 the first year is for a grant to the Bois Forte Band of Chippewa for a feasibility study of a renewable energy biofuels demonstration facility on the Bois Forte Reservation in St. Louis and Koochiching Counties. The grant shall be used by the Bois Forte Band to conduct a detailed feasibility study of the economic and technical viability of developing a multistream renewable energy biofuels demonstration facility on Bois Forte Reservation land to utilize existing forest resources, woody biomass, and cellulosic material to produce biofuels or bioenergy. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

$300,000 the first year is for a grant to the White Earth Band of Chippewa for a feasibility study of a renewable energy biofuels production, research, and production facility on the White Earth Reservation in Mahnomen County. The grant must be used by the White Earth Band and the University of Minnesota to conduct a detailed feasibility study of the economic and technical viability of (1) developing a multistream renewable energy biofuels demonstration facility on White Earth Reservation land to utilize existing forest resources, woody biomass, and cellulosic material to produce biofuels or bioenergy, and (2) developing, harvesting, and marketing native prairie plants and seeds for bioenergy production. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

$200,000 the first year is for a grant to the Elk River Economic Development Authority for upfront engineering and a feasibility study of the Elk River renewable fuels facility. The facility must use a plasma gasification process to convert primarily cellulosic material, but may also use plastics and other components from municipal solid waste, as feedstock for the production of methanol for use in biodiesel production facilities. Any unencumbered balance in fiscal year 2008 does not cancel but is available for fiscal year 2009. Notwithstanding Minnesota Statutes, section 16A.285, the agency must not transfer this appropriation. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

$200,000 the first year is for a grant to Chisago County to conduct a detailed feasibility study of the economic and technical viability of developing a multistream renewable energy biofuels demonstration facility in Chisago, Isanti, or Pine County to utilize existing forest resources, woody biomass, and cellulosic material to produce biofuels or bioenergy. Chisago County may expend funds to Isanti and Pine Counties and the University of Minnesota for any costs incurred as part of the study. The feasibility study must consider the capacity of: (1) the seed bank at Wild River State Park to expand the existing prairie grass, woody biomass, and cellulosic material resources in Chisago, Isanti, and Pine Counties; (2) willing and interested landowners in Chisago, Isanti, and Pine Counties to grow cellulosic materials; and (3) the Minnesota Conservation Corps, the sentence to serve program, and other existing workforce programs in east central Minnesota to contribute labor to these efforts. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

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

Sec. 32. Laws 2007, chapter 45, article 1, section 3, subdivision 5, is amended to read:

Subd. 5. **Administration and Financial Assistance**	7,338,000	6,751,000

$1,005,000 the first year and $1,005,000 the second year are for continuation of the dairy development and profitability enhancement and dairy business planning grant programs established under Laws 1997, chapter 216, section 7, subdivision 2, and Laws 2001, First Special Session chapter 2, section 9, subdivision 2 . The commissioner may allocate the available sums among permissible activities, including efforts to improve the quality of milk produced in the state in the proportions that the commissioner deems most beneficial to Minnesota's dairy farmers. The commissioner must submit a work plan detailing plans for expenditures under this program to the chairs of the house and senate committees dealing with agricultural policy and budget on or before the start of each fiscal year. If significant changes are made to the plans in the course of the year, the commissioner must notify the chairs.

$50,000 the first year and $50,000 the second year are for the Northern Crops Institute. These appropriations may be spent to purchase equipment.

$19,000 the first year and $19,000 the second year are for a grant to the Minnesota Livestock Breeders Association.

$250,000 the first year and $250,000 the second year are for grants to the Minnesota Agricultural Education Leadership Council for programs of the council under Minnesota Statutes, chapter 41D.

$600,000 the first year is for grants for fertilizer research as awarded by the Minnesota Agricultural Fertilizer Research and Education Council under Minnesota

Statutes, section 18C.71. ~~No later than February 1, 2009,~~ The amount available to the commissioner pursuant to Minnesota Statutes, section 18C.70, subdivision 2, for administration of this activity is available until February 1, 2009, by which time the commissioner shall report to the house and senate committees with jurisdiction over agriculture finance. The report must include the progress and outcome of funded projects as well as the sentiment of the council concerning the need for additional research funded through an industry checkoff fee.

$465,000 the first year and $465,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Aid payments to county and district agricultural societies and associations shall be disbursed not later than July 15 of each year. These payments are the amount of aid owed by the state for an annual fair held in the previous calendar year.

$65,000 the first year and $65,000 the second year are for annual grants to the Minnesota Turf Seed Council for basic and applied research on the improved production of forage and turf seed related to new and improved varieties. The grant recipient may subcontract with a qualified third party for some or all of the basic and applied research.

$500,000 the first year and $500,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Second Harvest food banks for the purchase of milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Second Harvest food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program (TEFAP). Second Harvest Heartland must submit quarterly reports to the commissioner on forms prescribed by the commissioner. The reports must include, but are not limited to, information on the expenditure of funds, the amount of milk purchased, and the organizations to which the milk was distributed. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank receiving money from this appropriation may use up to two percent of the grant for administrative expenses.

$100,000 the first year and $100,000 the second year are for transfer to the Board of Trustees of the Minnesota State Colleges and Universities for mental health counseling support to farm families and business operators through farm business management programs at Central Lakes College and Ridgewater College.

$18,000 the first year and $18,000 the second year are for grants to the Minnesota Horticultural Society.

$50,000 is for a grant to the University of Minnesota, Department of Horticultural Science, Enology Laboratory, to upgrade and purchase instrumentation to allow rapid and accurate measurement of enology components. This is a onetime appropriation and is available until expended.

Sec. 33. **INDUSTRIAL HEMP DEVELOPMENT AND REGULATION.**

(a) The Agricultural Utilization Research Institute, in consultation with the commissioner of agriculture shall create a detailed proposal for establishing industrial hemp as a cash crop option for Minnesota's agricultural producers. Commercial industrial hemp production would not be allowed and the commissioner would not promulgate any administrative rules until the United States Department of Justice, Drug Enforcement Administration, authorizes a person to commercially grow industrial hemp in the United States, at which time the commissioner shall evaluate industrial hemp laws in other states and propose a system of licensure and regulation that does not interfere with the strict regulation of controlled substances in this state.

(b) No later than January 15, 2009, the commissioner shall present the proposal in paragraph (a) to the house and senate committees with jurisdiction over agriculture and public safety policy and finance.

Sec. 34. **VIRAL HEMORRHAGIC SEPTICEMIA TESTING.**

The commissioners of agriculture, health, and natural resources shall form a work group and develop a plan for detecting and responding to the presence of the fish virus Viral Hemorrhagic Septicemia (VHS) in Minnesota. The plan must cover how the joint laboratory facility at the Departments of Agriculture and Health may be used to provide testing needed to diagnose and respond to VHS. No later than January 5, 2009, the commissioners shall present the plan to the chairs of the house and senate committees with jurisdiction over agriculture, health, and natural resources policy and finance.

Sec. 35. **REPEALER.**

Minnesota Statutes 2007 Supplement, section 41A.105, subdivision 5, is repealed.

ARTICLE 2
BIODIESEL FUEL CONTENT

Section 1. Minnesota Statutes 2006, section 239.77, as amended by Laws 2007, chapter 62, sections 3 and 4, is amended to read:

239.77 BIODIESEL CONTENT MANDATE.

Subdivision 1. **Biodiesel fuel.** "Biodiesel fuel" means a renewable, biodegradable, mono alkyl ester combustible liquid fuel that is derived from agricultural or other plant oils or animal fats ~~and~~; that meets American Society For Testing and Materials specification D6751-07 for Biodiesel Fuel (B100) Blend Stock for Distillate Fuels; and that is manufactured by a person certified by the BQ-9000 National Biodiesel Accreditation Program.

Subd. 2. **Minimum content.** (a) Except as otherwise provided in this section, all diesel fuel sold or offered for sale in Minnesota for use in internal combustion engines must contain at least ~~2.0 percent~~ the stated percentage of biodiesel fuel oil by volume on and after the following dates:

(1)	September 29, 2005	2 percent
(2)	May 1, 2009	5 percent
(3)	May 1, 2012	10 percent
(4)	May 1, 2015	20 percent

The minimum content levels in clauses (3) and (4) are effective during the months of April, May, June, July, August, September, and October only. The minimum content for the remainder of the year is five percent. However, if the commissioners of agriculture, commerce, and the Pollution Control Agency determine, after consultation with the Biodiesel Task Force and other technical experts, that an American Society for Testing and Materials specification or equivalent federal standard exists for the specified biodiesel blend level in those clauses that adequately addresses technical issues associated with Minnesota's cold weather and publish a notice in the State Register to that effect, the commissioners may allow the specified biodiesel blend level in those clauses to be effective year round.

(b) The minimum content levels in paragraph (a), clauses (3) and (4), become effective on the date specified only if the commissioners of agriculture, commerce, and the Pollution Control Agency publish notice in the State Register and provide written notice to the chairs of the house of representatives and senate committees with jurisdiction over agriculture, commerce, and transportation policy and finance, at least 270 days prior to the date of each scheduled increase, that all of the following conditions have been met and the state is prepared to move to the next scheduled minimum content level:

(1) an American Society for Testing and Materials specification or equivalent federal standard exists for the next minimum diesel-biodiesel blend;

(2) a sufficient supply of biodiesel is available and the amount of biodiesel produced in this state is equal to at least 50 percent of anticipated demand at the next minimum content level; and

(3) adequate blending infrastructure and regulatory protocol are in place in order to promote biodiesel quality and avoid any potential economic disruption.

(c) The commissioners of agriculture, commerce, and the Pollution Control Agency must consult with the Biodiesel Task Force when assessing and certifying conditions in paragraph (b), and in general must seek the guidance of the Biodiesel Task Force regarding biodiesel labeling, enforcement, and other related issues.

(d) During a period of biodiesel fuel shortage or a problem with biodiesel quality that negatively affects the availability of biodiesel fuel, the commissioner of commerce may temporarily suspend the minimum content requirements in this subdivision until there is sufficient biodiesel fuel, as defined in subdivision 1, available to fulfill the minimum content requirements.

(e) By February 1, 2012, and periodically thereafter, the commissioner of commerce shall determine the wholesale diesel price at various pipeline and refinery terminals in the region, and the biodiesel price at biodiesel plants in the region after any applicable per gallon federal tax credit is subtracted. The commissioner shall report wholesale price differences to the governor who, after consultation with the commissioners of commerce and agriculture, may by executive order adjust the biodiesel mandate if a price disparity reported by the commissioner will cause economic hardship to retailers of diesel fuel in this state. Any adjustment must be for a specified period of time, after which the percentage of biodiesel fuel to be blended into diesel fuel returns to the amount required in this subdivision. The biodiesel mandate must not be adjusted to less than five percent.

Subd. 3. **Exceptions.** (a) The minimum content ~~requirement~~ requirements of subdivision 2 ~~does~~ do not apply to fuel used in the following equipment:

(1) motors located at an electric generating plant regulated by the Nuclear Regulatory Commission;

(2) railroad locomotives; ~~and~~

(3) off-road taconite and copper mining equipment and machinery;

(4) off-road logging equipment and machinery; and

(5) vehicles and equipment used exclusively on an aircraft landing field.

(b) The exemption in paragraph (a), clause (1), expires 30 days after the Nuclear Regulatory Commission has approved the use of biodiesel fuel in motors at electric generating plants under its regulation.

(c) This subdivision expires on May 1, 2012.

Subd. 4. **Disclosure.** A refinery or terminal shall provide, at the time diesel fuel is sold or transferred from the refinery or terminal, a bill of lading or shipping manifest to the person who receives the fuel. For biodiesel-blended products, the bill of lading or shipping manifest must disclose biodiesel content, stating volume percentage, gallons of biodiesel per gallons of petroleum diesel base-stock, or an ASTM "Bxx" designation where "xx" denotes the volume percent biodiesel included in the blended product. This subdivision does not apply to sales or transfers of biodiesel blend stock between refineries, between terminals, or between a refinery and a terminal.

Subd. 5. **Annual report.** Beginning in 2009, the commissioner of agriculture must report by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance regarding the implementation of the minimum content requirements in subdivision 2, including information about the price and supply of biodiesel fuel. The report must include any written comments received from members of the Biodiesel Fuel Task Force by January 1 of that year.

Sec. 2. Minnesota Statutes 2007 Supplement, section 296A.01, subdivision 8a, is amended to read:

Subd. 8a. **Biodiesel fuel.** "Biodiesel fuel" ~~means a renewable, biodegradable, mono alkyl ester combustible liquid fuel derived from agricultural plant oils or animal fats and that meets American Society for Testing and Materials specification D6751-07 for Biodiesel Fuel (B100) Blend Stock for Distillate Fuels~~ has the meaning given in section 239.77, subdivision 1.

Sec. 3. **PROPOSAL; PETROLEUM INSPECTION FEE REVENUE.**

The commissioners of finance, commerce, and the Pollution Control Agency must develop and submit to the legislature as part of their next biennial budget request a proposal for eliminating, to the extent feasible, redundant fuel inspections and dedicating, to the extent feasible, all revenue from the petroleum inspection fee levied on petroleum products under Minnesota Statutes, section 239.101, subdivision 3, to the Weights and Measures Division of the Department of Commerce. All additional funding appropriated to the Weights and Measures Division under this proposal must be used for increased and enhanced fuel quality assurance enforcement activities and equipment and for educational activities focused on the handling, distribution, and use of biodiesel fuel.

Sec. 4. **BIO-BASED DIESEL ALTERNATIVES.**

(a) By January 1, 2011, the commissioners of agriculture, commerce, and the Pollution Control Agency shall jointly review the technology, economics, and operational characteristics associated with bio-based diesel alternatives and shall make recommendations concerning their use in Minnesota to the governor and the chairs of the house of representatives and senate committees with jurisdiction over agriculture and energy finance.

(b) For the purposes of this section, "bio-based diesel alternatives" means alternatives to petroleum diesel fuel that are warrantied for use in a standard diesel engine without modification and derived from a biological resource.

Sec. 5. **TECHNICAL COLD WEATHER ISSUES.**

The commissioners of agriculture and commerce shall convene technical stakeholders who are experts in cold weather biodiesel and petroleum diesel issues to consider and make recommendations regarding improvements in the production, blending, handling, and distribution of biodiesel blends to further ensure the performance of these fuels in cold weather. The commissioners shall issue a report on these issues by January 15, 2009, to the chairs of the house of representatives and senate committees with jurisdiction over agriculture and commerce policy and finance.

ARTICLE 3
VETERANS AFFAIRS POLICY

Section 1. Minnesota Statutes 2006, section 13.785, is amended by adding a subdivision to read:

Subd. 4. **Deceased veterans data.** Data relating to veterans deceased as a result of service-connected causes are classified under section 197.225.

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

Sec. 2. Minnesota Statutes 2006, section 196.021, is amended to read:

196.021 DEPUTY COMMISSIONERS; DUTIES.

Subdivision 1. **Appointment.** The commissioner shall appoint a deputy commissioner for veteran services ~~as provided in subdivision 2,~~ and ~~the board of directors~~

~~of the Minnesota Veterans Homes may appoint~~ a deputy commissioner for veteran health care ~~as provided in section 198.004~~. Both deputy commissioners serve in the unclassified service, ~~the deputy for veteran services~~ at the pleasure of the commissioner ~~and the deputy for veteran health care at the pleasure of the board~~. Both deputies ~~shall~~ must be residents of Minnesota, citizens of the United States, and veterans as defined in section 197.447.

Subd. 2. ~~**Deputy for veteran services;**~~ **Powers and duties.** The deputy commissioner for veteran services ~~has~~ and the deputy commissioner for veteran health care have those powers delegated by the commissioner ~~that have not otherwise been delegated to the deputy commissioner for veteran health care by the commissioner or assigned to that deputy commissioner by law~~. A delegation must be in writing, signed by the commissioner, and filed with the secretary of state.

Sec. 3. Minnesota Statutes 2006, section 196.03, is amended to read:

196.03 OFFICERS AND EMPLOYEES.

~~Except as provided in chapter 198,~~ All officers and employees of the department shall be appointed by the commissioner and they shall perform such duties as may be assigned to them by the commissioner.

Sec. 4. **[196.30] VETERANS HEALTH CARE ADVISORY COUNCIL.**

Subdivision 1. **Creation.** The Veterans Health Care Advisory Council is established to provide the Department of Veterans Affairs with advice and recommendations on providing veterans with quality long-term care and the anticipated future needs of Minnesota veterans.

Subd. 2. **Membership.** (a) The council consists of nine public members appointed by the governor. The council members are:

(1) seven members with extensive expertise in health care delivery, long-term care, and veterans services;

(2) one licensed clinician who may be either a physician, physician's assistant, or a nurse practitioner; and

(3) one additional member.

(b) The governor shall designate a member to serve as the chair.

(c) The commissioner of veterans affairs, or the commissioner's designee, is an ex officio member of the council and shall provide necessary and appropriate administrative and technical support to the council.

(d) Membership terms, removal of members, and the filling of vacancies are as provided in section 15.059, subdivisions 2 and 4. Members shall not receive compensation or per diem payments, but may receive reimbursement for expenses pursuant to section 15.059, subdivision 3.

Subd. 3. **Duties.** The council is an advisory group with the responsibility of providing the commissioner of veterans affairs with information and professional expertise on the delivery of quality long-term care to veterans. The council's duties include:

(1) developing a new vision and strategic plan for the veterans homes that complements the Department of Veterans Affairs overall veterans service programs;

(2) providing recommendations and advice on matters including clinical performance, systemwide quality improvement efforts, culture and working environment of the veterans homes, and other operational and organizational functions of the veterans homes;

(3) studying and reviewing current issues and trends in the long-term care industry and the veterans community;

(4) providing recommendations to the commissioner on alternative options for the delivery of long-term care to veterans so that veterans and their families can determine appropriate services under models similar to those available in the community;

(5) establishing, as appropriate, subcommittees or ad hoc task forces of council members, stakeholders, and other individuals with expertise or experience to address specific issues; and

(6) reviewing and providing advice on any other matter at the request of the commissioner.

Subd. 4. **Continuation.** To ensure continued accountability and the active involvement of healthcare experts and stakeholders in the governance structure of the veterans homes, the governor may appoint a panel of experts to review the continuing effectiveness of the council. The commissioner may disband the council at any time.

Sec. 5. **[197.225] LIST OF DECEASED MILITARY PERSONNEL.**

(a) The commissioner of veterans affairs shall collect and maintain data about Minnesota residents who have died of service-connected causes while serving in the United States armed forces. The data may include deceased service members who are the immediate family members of Minnesota residents, but who themselves were not Minnesota residents at the time of death. The commissioner shall collect the following data: the individual's full name, military rank, branch of service, age at the time of death, and Minnesota hometown or if not a Minnesota resident at the time of death, the service member's home state.

(b) Data collected pursuant to this section are nonpublic data, but may be disseminated to the individual's next of kin, and for ceremonial or honorary purposes to veterans' organizations, civic organizations, the news media, and researchers. No other use or dissemination of the data is permitted.

(c) The next of kin of a veteran whose data is collected may request that the data not be disseminated for any purpose. Upon receiving such a request, the Department of Veterans Affairs must exclude the deceased veteran's data from any data disseminated for ceremonial or honorary purposes as permitted by paragraph (b).

(d) Data collected pursuant to this section shall not be indicative of any person's status with regard to qualification for veterans benefits or other benefits.

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

Sec. 6. Minnesota Statutes 2006, section 197.236, is amended to read:

197.236 ~~VETERANS CEMETERY~~ STATE VETERANS CEMETERIES.

Subd. 3. **Operation and maintenance.** The commissioner of veterans affairs shall supervise and control the veterans ~~cemetery~~ cemeteries established under this section. The cemeteries are to be maintained and operated in accordance with the operational standards and measures of the National Cemetery Administration. The commissioner may contract for the maintenance ~~and operation~~ of the ~~cemetery~~ cemeteries. All personnel, equipment, and support necessary for maintenance and operation of the ~~cemetery~~ cemeteries must be included in the department's budget.

Subd. 5. **Rules.** The commissioner of veterans affairs may adopt rules regarding the operation of the ~~cemetery~~ cemeteries. ~~If practicable,~~ The commissioner shall require that upright granite markers supplied by the United States Department of Veterans Affairs be used to mark all gravesites.

Subd. 6. **Permanent development and maintenance account.** A veterans cemetery development and maintenance account is established in the special revenue fund of the state treasury. Receipts for burial fees, ~~earnings from the veterans cemetery trust account~~ plot or interment allowance claims, designated appropriations, and any other cemetery receipts must be deposited into this account. The money in the account, including interest earned, is appropriated to the commissioner to be used for the development, operation, maintenance, and improvement of the ~~cemetery~~ cemeteries. To the extent practicable, the commissioner of veterans affairs must apply for available federal grants ~~for the development and operation of the cemetery~~ to establish, expand, or improve the cemeteries.

~~Subd. 7.~~ ~~**Permanent trust account.**~~ ~~A veterans cemetery trust account is established in the special revenue fund of the state treasury. All designated appropriations and monetary donations to the cemetery must be placed in this account. The principal of this account must be invested by the State Board of Investment and may not be spent. The income from this account must be transferred as directed by the account manager to the veterans cemetery development and maintenance account.~~

Subd. 8. **Eligibility.** ~~Any person who is eligible for burial in a national veterans cemetery is eligible for burial in the State Veterans Cemetery~~ Cemeteries must be operated solely for the burial of service members who die on active duty, eligible veterans, and their spouses and dependent children, as defined in United States Code, title 38, section 101, paragraph (2).

Subd. 9. **Burial fees.** The commissioner of veterans affairs shall establish a fee schedule, which may be adjusted from time to time, for the interment of eligible ~~family members~~ spouses and dependent children. The fees shall cover as nearly as practicable the actual costs of interment, excluding the value of the plot. ~~The department may accept the Social Security burial allowance, if any, of the eligible family members in an amount not to exceed the actual cost of the interment.~~ The commissioner may waive the fee in the case of an indigent eligible person.

No plot or interment fees may be charged for the burial of ~~eligible veterans, members of the National Guard, or military reservists, except that funds available from the Social Security or veterans burial allowances, if any, must be paid to the commissioner in an amount not to exceed the actual cost of the interment, excluding the value of the plot~~ service members who die on active duty or eligible veterans, as defined in United States Code, title 38, section 101, paragraph (2).

~~Prior to the interment of an eligible person, the commissioner shall request the cooperation of the eligible person's next of kin in applying to the appropriate federal agencies for payment to the cemetery of any allowable interment allowance.~~

~~Subd. 10.~~ ~~**Allocation of plots.**~~ ~~A person, or survivor of a person, eligible for interment in the State Veterans Cemetery may apply for a burial plot for the eligible person by submitting a request to the commissioner of veterans affairs on a form supplied by the department. The department shall allot plots on a first-come, first-served basis. To the extent that it is practical, plots must be allocated in a manner permitting the burial of eligible family members above, below, or adjacent to the eligible veteran, member of the National Guard, or military reservist.~~

Subd. 11. **Plot allowance claims.** The commissioner of veterans affairs must apply to the Veterans Benefits Administration for a plot or interment allowance payable to the state for expenses incurred by the state in the burial of eligible veterans in cemeteries owned and operated by the state if the burial is performed at no cost to the veteran's next of kin.

Subd. 12. **No staff.** No staff may be hired for or allocated to any new veterans cemetery without explicit legislative approval.

Sec. 7. Minnesota Statutes 2007 Supplement, section 197.791, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Commissioner" means the commissioner of veterans affairs, unless otherwise specified.

(c) "Cost of attendance" for ~~both graduate and~~ undergraduate students has the meaning given in section 136A.121, subdivision 6, multiplied by a factor of ~~1.1~~ 1.2. ~~The~~ Cost of attendance for graduate students has the meaning given in section 136A.121, subdivision 6, multiplied by a factor of 1.2, using the tuition and fee maximum established by law for four-year programs ~~shall be used to calculate the tuition and fee maximum under section 136A.121, subdivision 6, for a graduate student~~. For purposes of calculating the cost of attendance for graduate students, full time is eight credits or more per term or the equivalent.

(d) "Child" means a natural or adopted child of a person described in subdivision 4, paragraph (a), clause (1), item (i) or (ii).

(e) "Eligible institution" means a postsecondary institution under section 136A.101, subdivision 4, or a graduate school licensed or registered with the state of Minnesota serving only graduate students.

(f) "Program" means the Minnesota GI Bill program established in this section, unless otherwise specified.

(g) "Time of hostilities" means any action by the armed forces of the United States that is recognized by the issuance of a presidential proclamation or a presidential executive order in which the armed forces expeditionary medal or other campaign service medals are awarded according to presidential executive order, and any additional period or place that the commissioner determines and designates, after consultation with the United States Department of Defense, to be a period or place where the United States is in a conflict that places persons at such a risk that service in a foreign country during that period or in that place should be considered to be included.

(h) "Veteran" has the meaning given in section 197.447. Veteran also includes a service member who has received an honorable discharge after leaving each period of federal active duty service and has:

(1) served 90 days or more of federal active duty in a foreign country during a time of hostilities in that country;

(2) been awarded any of the following medals:

(i) Armed Forces Expeditionary Medal;

(ii) Kosovo Campaign Medal;

(iii) Afghanistan Campaign Medal;

(iv) Iraq Campaign Medal;

(v) Global War on Terrorism Expeditionary Medal; or

(vi) any other campaign medal authorized for service after September 11, 2001; or

~~(2)~~ (3) received a service-related medical discharge from any period of service in a foreign country during a time of hostilities in that country.

A service member who has fulfilled the requirements for being a veteran under this paragraph but is still serving actively in the United States armed forces is also a veteran for the purposes of this section.

Sec. 8. Minnesota Statutes 2007 Supplement, section 197.791, subdivision 4, is amended to read:

Subd. 4. **Eligibility.** (a) A person is eligible for educational assistance under this section if:

(1) the person is:

(i) a veteran who is serving or has served honorably in any branch or unit of the United States armed forces at any time on or after September 11, 2001;

(ii) a nonveteran who has served honorably for a total of five years or more cumulatively as a member of the Minnesota National Guard or any other active or reserve component of the United States armed forces, and any part of that service occurred on or after September 11, 2001;

(iii) the surviving spouse or child of a person who has served in the military at any time on or after September 11, 2001, and who has died as a direct result of that military service; or

(iv) the spouse or child of a person who has served in the military at any time on or after September 11, 2001, and who has a total and permanent service-connected disability as rated by the United States Veterans Administration;

~~(2) the person providing the military service described in clause (1), items (i) to (iv), was a Minnesota resident within six months of the time of the person's initial enlistment or any reenlistment in the United States armed forces;~~

~~(3)~~ (2) the person receiving the educational assistance is a Minnesota resident, as defined in section 136A.101, subdivision 8; and

~~(4)~~ (3) the person receiving the educational assistance:

(i) is an undergraduate or graduate student at an eligible institution;

(ii) is maintaining satisfactory academic progress as defined by the institution for students participating in federal Title IV programs;

(iii) is enrolled in an education program leading to a certificate, diploma, or degree at an eligible institution;

(iv) has applied for educational assistance under this section prior to the end of the academic term for which the assistance is being requested;

(v) is in compliance with child support payment requirements under section 136A.121, subdivision 2, clause (5); and

(vi) ~~if an undergraduate student, has applied for the federal Pell Grant and the Minnesota State Grant~~ has completed the Free Application for Federal Student Aid (FAFSA).

(b) A person's eligibility terminates when the person becomes eligible for benefits under section 135A.52.

(c) To determine eligibility, the commissioner may require official documentation, including the person's federal form DD-214 or other official military discharge papers; correspondence from the United States Veterans Administration; birth certificate; marriage certificate; proof of enrollment at an eligible institution; signed affidavits; proof of residency; proof of identity; or any other official documentation the commissioner considers necessary to determine eligibility.

(d) The commissioner may deny eligibility or terminate benefits under this section to any person who has not provided sufficient documentation to determine eligibility for the program. An applicant may appeal the commissioner's eligibility determination or termination of benefits in writing to the commissioner at any time. The commissioner must rule on any application or appeal within 30 days of receipt of all documentation that the commissioner requires. The decision of the commissioner regarding an appeal is final. However, an applicant whose appeal of an eligibility determination has been rejected by the commissioner may submit an additional appeal of that determination in writing to the commissioner at any time that the applicant is able to provide substantively significant additional information regarding the applicant's eligibility for the program. An approval of an applicant's eligibility by the commissioner following an appeal by the applicant is not retroactively effective for more than one year or the semester of the person's original application, whichever is later.

(e) Upon receiving an application with insufficient documentation to determine eligibility, the commissioner must notify the applicant within 30 days of receipt of the application that the application is being suspended pending receipt by the commissioner of sufficient documentation from the applicant to determine eligibility.

Sec. 9. Minnesota Statutes 2007 Supplement, section 197.791, subdivision 5, is amended to read:

Subd. 5. **Benefit amount.** (a) On approval by the commissioner of eligibility for the program, the applicant shall be awarded, on a funds-available basis, the educational assistance under the program for use at any time according to program rules at any eligible institution.

(b) The amount of educational assistance in any semester or term for an eligible person must be determined by subtracting from the eligible person's cost of attendance the amount the person received or was eligible to receive in that semester or term from:

(1) the federal Pell Grant;

(2) the state grant program under section 136A.121; and

(3) any federal military or veterans educational benefits including but not limited to the Montgomery GI Bill, GI Bill Kicker, the federal tuition assistance program, vocational rehabilitation benefits, and any other federal benefits associated with the person's status as a veteran, except veterans disability payments from the United States Veterans Administration.

(c) The amount of educational assistance for any eligible person who is a full-time student must not exceed the following:

(1) $1,000 per semester or term of enrollment;

(2) ~~$2,000~~ $3,000 per state fiscal year; and

(3) $10,000 in a lifetime.

For a part-time student, the amount of educational assistance must not exceed $500 per semester or term of enrollment. For the purpose of this paragraph, a part-time undergraduate student is a student taking fewer than 12 credits or the equivalent for a semester or term of enrollment and a part-time graduate student is a student considered part time by the eligible institution the graduate student is attending. The minimum award for undergraduate and graduate students is $50 per term.

Sec. 10. Minnesota Statutes 2006, section 198.32, subdivision 1, is amended to read:

Subdivision 1. **Resident's rights.** A resident of a Minnesota veterans home has the right to complain and otherwise exercise freedom of expression and assembly which is guaranteed by amendment I of the United States Constitution. The administrator of the home shall inform each resident in writing at the time of admission of the right to complain to the administrator about home accommodations and services. A notice of the right to complain shall be posted in the home. The administrator shall also inform each resident of the right to complain to the ~~board or to the~~ commissioner of veterans affairs. Each resident of a home shall be encouraged and assisted, throughout the period of stay in the home, to understand and exercise the rights of freedom of expression and assembly as a resident and as a citizen, and, to this end, the resident may voice grievances and recommend changes in policies and services to home staff, other residents, and outside representatives of the resident's choice, free from restraint, interference, coercion, discrimination, or reprisal, including retaliatory eviction.

Sec. 11. Minnesota Statutes 2006, section 349.12, subdivision 3a, is amended to read:

Subd. 3a. **Allowable expense.** "Allowable expense" means the percentage of the total cost incurred by the organization in the purchase of any good, service, or other item which corresponds to the proportion of the total actual use of the good, service, or other item that is directly related to conduct of lawful gambling. Allowable expense includes the advertising of the conduct of lawful gambling, provided that the amount expended does not exceed five percent of the annual gross profits of the organization or $5,000 per year per organization, whichever is less. A percentage of the cost of a newsletter of a veterans organization, as determined by the board, is an allowable expense if any portion of the newsletter is used to promote lawful gambling in Minnesota. The board may adopt rules to regulate the content of the advertising to ensure that the content is consistent with the public welfare.

Sec. 12. Minnesota Statutes 2006, section 609.115, is amended by adding a subdivision to read:

Subd. 10. **Veterans mental health status.** If a defendant convicted of a crime is currently serving in the military or is a veteran and has been diagnosed by a qualified psychiatrist or clinical psychologist or physician with a mental illness, the court may:

(1) order that the officer preparing the report under subdivision 1 consult with the United States Department of Veterans Affairs, Minnesota Department of Veterans Affairs, or another agency or person with suitable knowledge or experience, for the purpose

of providing the court with information regarding treatment options available to the defendant including federal, state, and local programming; and

(2) consider the treatment recommendations of any diagnosing or treating mental health professionals together with the treatment options available to the defendant in imposing sentence.

Sec. 13. **RULES TRANSFER.**

Minnesota Rules, chapter 9050, is transferred from the Veterans Homes Board of Directors to the commissioner of veterans affairs. The commissioner shall administer and enforce those rules and may amend or repeal them.

Sec. 14. **APPOINTMENTS.**

Notwithstanding Minnesota Statutes, section 196.30, subdivision 2, paragraph (d), the governor may make the initial appointments to the Veterans Health Care Advisory Council under Executive Order 07-20 without complying with the appointment process in Minnesota Statutes, section 15.0597.

Sec. 15. **PARTNERING IN DELIVERY OF VETERANS SERVICES.**

The commissioner must seek input from a broad range of experienced nongovernmental social service and health care providers, including both secular and faith-based service organizations, from throughout the state regarding the feasibility of public-private collaboration in providing services to Minnesota Veterans. The services may include home health care, psychological counseling, life-skills rehabilitation counseling, home hospice care, respite care, and other types of home-based health care as judged necessary by the commissioner to enable veterans to recover from service-connected injuries, illnesses, and disabilities. The commissioner must report to the legislature by January 15, 2009, on its findings and recommendations for establishing such service-delivery partnerships.

Sec. 16. **VETERANS HOMES STRATEGIC PLANNING GROUP.**

Subdivision 1. **Creation.** An intergovernmental and veterans study group shall be appointed for the purpose of conducting strategic planning for existing and future state veterans homes, including in-depth strategic planning for the Minneapolis veterans home. This group is designated the "Veterans Homes Strategic Planning Group." The Veterans Homes Strategic Planning Group shall consist of the following 17 members:

(1) three senators, including two members of the majority party and one member of the minority party, at least one of whom represents a Minneapolis legislative district and one of whom represents a greater-Minnesota legislative district, appointed by the Subcommittee on Committees of the Committee on Rules and Administration of the senate;

(2) three members of the house of representatives, including two members of the majority party and one member of the minority party, at least one of whom represents a Minneapolis legislative district and one of whom represents a greater-Minnesota legislative district, appointed by the speaker of the house;

(3) the commissioner and two deputy commissioners of the Minnesota Department of Veterans Affairs (MDVA), or the commissioner's designees;

(4) the president and legislative chair person of the Minnesota Association of County Veteran Service Officers (CVSOs), or the president's designees;

(5) the chair of the Commanders Task Force of Minnesota's congressionally-chartered veterans service organizations, or the chair's designee;

(6) the mayor of Minneapolis, or the mayor's designee, and one Minneapolis city planner designated by the mayor;

(7) the chair of the Twin Cities Metropolitan Council, or the chair's designee;

(8) one person from the Minnesota Inter-County Association (MICA), as designated by the association board; and

(9) one person from the Association of Minnesota Counties (AMC), as designated by the Association board.

Subd. 2. **Duties.** (a) The Veterans Homes Strategic Planning Group must meet periodically to conduct strategic planning for the state veterans homes, both existing and future, and with special focus on the current Minnesota veterans home in Minneapolis. The planning process must encompass a 25-year future time span, and must include:

(1) current and projected figures for the number of Minnesota veterans within broad age categories, by gender and geographic region of the state;

(2) current and projected needs of Minnesota veterans for skilled nursing care, domiciliary care and outpatient services, as being currently provided by the state veterans homes, and as may be needed in the future;

(3) current and projected capital expenditure, plant maintenance, and operational costs for each existing Minnesota veterans home, both per-facility and per-veteran-served, with discussion of factors determining cost differences among the homes;

(4) identification and discussion of the feasibility of alternative methods for meeting at least some of the various future needs of veterans, including:

(i) the possibility of partnering for home-based services for veterans with nongovernmental nonprofit or faith-based social service and healthcare delivery organizations, as a means of reducing some of the future needs of veterans for domiciliary or skilled nursing care in veterans homes;

(ii) reliance on private, veterans-only nursing homes for handling part or all of the future growth in veterans skilled nursing or domiciliary needs, possibly supplemented by some state-provided veterans services not currently available in private nursing homes; or

(iii) any other feasible alternative service delivery methods;

(5) current and projected capital expenditure, plant maintenance, and operational costs for meeting future veterans needs under:

(i) the veterans-homes-only model; and

(ii) the combined veterans-homes and home-based partnering model (or any other feasible service delivery model that the group identifies); and

(6) discussion and recommendations regarding:

(i) the types and levels of veterans home care judged feasible for the state to attempt to provide in the near-term and long-term future; and

(ii) the optimal locations and timing for construction of any future state veterans homes and other service delivery facilities in Minnesota.

(b) In addition to the duties described in paragraph (a), the Veterans Homes Strategic Planning Group must provide specific addition analysis of the projected capital, maintenance, and operating costs of the current Minnesota veterans home in Minneapolis, and must assess the feasibility of alternative operational models at that home or at locations within the seven-county metropolitan area. Discussion must include the feasibility, and estimation of any cost-savings from the razing or remodeling and converting of some of the infrastructure of the current campus for alternative uses and other pertinent items, such as:

(i) construction of rental housing for veterans and family members of veterans receiving medical care at the nearby US/VA Medical Center or other nearby medical institutions;

(ii) conducting a land use study including a highest and best use analysis for the existing site and all improvements;

(iii) investigating opportunities for public/private partnerships in strategic land use; and

(iv) any other purpose judged feasible by the strategic planning group.

Subd. 3. **Report required.** (a) By January 15, 2009, the Veterans Homes Strategic Planning Group must report its proposed recommendations to the chairs of the senate and house committees with jurisdiction over veterans affairs, state governmental operations, and local government affairs. The strategic planning group may suggest draft legislation for legislative consideration.

(b) The strategic planning group may continue its strategic planning activities and by January 15, 2010, may issue a second report to the same legislative chairs containing follow-up recommendations for legislative consideration.

Subd. 4. **Administrative provisions.** (a) The commissioner of veterans affairs, or the commissioner's designee, must convene the initial meeting of the Veterans Homes Strategic Planning Group. Upon request of the group, the commissioner must provide meeting space and administrative services for the group. The members of the group must elect a chair or co-chairs from the legislative members of the group at the initial meeting. Each subsequent meeting of the group is at the call of the chair or co-chairs.

(b) Public members of the strategic planning group serve without special compensation or special payment of expenses from the group.

(c) The strategic planning group expires on June 30, 2010, unless an extension is authorized by law by that date.

(d) In accordance with completed predesign documents, veterans population surveys, and department construction project priority listing, the commissioner shall continue to plan, develop, and pursue federal funding and other resources for the construction of a veterans long-term and domiciliary mental health facility in Kandiyohi County. The planning must include possible options for traumatic brain injury treatment.

Subd. 5. **Deadline for appointments and designations.** The appointments and designations authorized by this section must be completed by August 1, 2008. The strategic planning group must convene its initial meeting no later than September 1, 2008.

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

Sec. 17. **COUNTY VETERANS SERVICES WORKING GROUP.**

Subdivision 1. **Creation.** The County Veteran Services Working Group shall consist of the following 13 members:

(1) two senators, including one member from the majority party and one member from the minority party, appointed by the Subcommittee on Committees of the Committee on Rules and Administration of the senate;

(2) two members of the house of representatives, one member from the majority party and one member from the minority party, appointed by the speaker of the house;

(3) the commissioner and two deputy commissioners of the Minnesota Department of Veterans Affairs (MDVA), or the commissioner's designees;

(4) the president, vice president, and legislative chair person of the Minnesota Association of County Veteran Service Officers (CVSOs);

(5) the chair of the Commanders Task Force of Minnesota's congressionally-chartered veterans service organizations, or the chair's designee;

(6) one person from the Minnesota Inter-County Association (MICA), as designated by the association board; and

(7) one person from the Association of Minnesota Counties (AMC), as designated by the association board.

Subd. 2. **Duties.** The working group must meet periodically to review the findings and recommendations of the 2008 report of the Office of the Legislative Auditor (OLA) on Minnesota's county veterans service offices, and make written recommendations to the legislature regarding whether and how each of that report's recommendations should be implemented. The working group may also provide additional recommendations on how to enhance the current services provided by the county veteran service offices.

The working group may suggest draft legislation for legislative consideration. By January 15, 2009, the working group must report its proposed recommendations to the chairs of the senate and house committees with jurisdiction over veterans affairs, state governmental operations, and local government affairs.

Subd. 3. **Administrative provisions.** (a) The commissioner of veterans affairs, or the commissioner's designee, must convene the initial meeting of the working group. Upon request of the working group, the commissioner must provide meeting space and administrative services for the group. The members of the working group must elect a chair or co-chairs from the legislative members of the working group at the initial meeting. Each subsequent meeting is at the call of the chair or co-chairs.

(b) Public members of the working group serve without special compensation or special payment of expenses from the working group.

(c) The working group expires on June 30, 2009, unless an extension is authorized by law by that date.

Subd. 4. **Deadline for appointments and designations.** The appointments and designations authorized by this section must be completed by August 1, 2008. The working group must convene its initial meeting no later than September 1, 2008.

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

Sec. 18. **STUDY OF VETERANS EMPLOYMENT IN STATE GOVERNMENT.**

(a) By October 1, 2008, each hiring authority of the executive, legislative, and judicial branches of state government must report to the commissioner of finance on the incidence of employment, recruitment, retention, and retirement of veterans in their nonelected workforce for fiscal year 2008. The report must be made in a manner approved by the commissioner and must include analysis by age category. Each hiring authority must also report specific veteran employment data requested by the commissioner as of June 30, 2008, June 30, 2001, and an earlier date if judged feasible by the commissioner.

(b) By January 15, 2009, the commissioner must submit a report on the employment of veterans in state government to the chairs of the house and senate policy and finance committees having jurisdiction over veterans affairs. The report must present and analyze the data obtained in paragraph (a).

(c) For purposes of this section, "veteran" has the meaning given in Minnesota Statutes, section 197.447.

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

Sec. 19. **REVISOR'S INSTRUCTION.**

(a) The revisor shall change "board," "board of directors," or "Veterans Homes Board of Directors" to "commissioner" wherever it is used in Minnesota Statutes, sections 198.003; 198.005; 198.006; 198.007; 198.022; 198.03; 198.05; 198.065; 198.066; 198.16; 198.23; 198.261; 198.265; 198.266; 198.31; 198.33; 198.34; 198.35; 198.36; and 198.37; and shall change "board rules" to "rules adopted under this chapter" wherever it appears in Minnesota Statutes, sections 198.007 and 198.022.

(b) In Minnesota Rules, chapter 9050, the revisor shall:

(1) change the terms "executive director," "executive director of the board," "executive director of the Veterans Homes Board," "Minnesota Veterans Homes Board," and "board" to "commissioner of veterans affairs" except where the term "board" is used with a different meaning in Minnesota Rules, part 9050.0040, subpart 16;

(2) change the term "board-operated facility" to "facility operated by the commissioner of veterans affairs" and change the term "non-board-operated facility" to "facility not operated by the commissioner of veterans affairs";

(3) change the term "board-approved" to "approved by the commissioner of veterans affairs"; and

(4) eliminate the term "board" where it is used in the third paragraph of Minnesota Rules, part 9050.1070, subpart 9.

(c) The revisor shall change any of the terms in paragraph (a) or (b) to "commissioner of veterans affairs" if they are used to refer to the Veterans Homes Board of Directors or its executive director anywhere else in Minnesota Statutes or Minnesota Rules.

Sec. 20. **REPEALER.**

Minnesota Statutes 2006, sections 197.236, subdivisions 7 and 10; 198.001, subdivisions 6 and 9; 198.002, subdivisions 1, 3, and 6; 198.003, subdivisions 5 and 6; and 198.004, subdivision 2, and Minnesota Statutes 2007 Supplement, sections 198.002, subdivision 2; and 198.004, subdivision 1, are repealed.

(b) Minnesota Rules, part 9050.0040, subpart 15, is repealed.

APPENDIX
Article locations in H3902-1

41A.105 NEXTGEN ENERGY.

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

197.236 VETERANS CEMETERY.

Subd. 7. **Permanent trust account.** A veterans cemetery trust account is established in the special revenue fund of the state treasury. All designated appropriations and monetary donations to the cemetery must be placed in this account. The principal of this account must be invested by the State Board of Investment and may not be spent. The income from this account must be transferred as directed by the account manager to the veterans cemetery development and maintenance account.

Subd. 10. **Allocation of plots.** A person, or survivor of a person, eligible for interment in the State Veterans Cemetery may apply for a burial plot for the eligible person by submitting a request to the commissioner of veterans affairs on a form supplied by the department. The department shall allot plots on a first-come, first-served basis. To the extent that it is practical, plots must be allocated in a manner permitting the burial of eligible family members above, below, or adjacent to the eligible veteran, member of the National Guard, or military reservist.

198.001 DEFINITIONS.

Subd. 6. **Board.** "Board" means the board of directors of the Minnesota veterans homes created by section 198.002.

Subd. 9. **Executive director.** "Executive director" means the executive director for the board of directors of the Minnesota veterans homes.

198.002 BOARD OF DIRECTORS.

Subdivision 1. **Creation.** The Minnesota veterans homes are governed by a board of directors appointed by the governor.

Subd. 2. **Membership.** The board consists of nine voting members appointed by the governor with the advice and consent of the senate. The members of the board shall fairly represent the geographic areas of the state. The members are:

(1) a chair, who must be designated by the governor, and who must be a veteran as that term is defined in section 197.447; and

(2) eight public members experienced in policy formulation with professional experience in health care delivery.

At least five members must be members of congressionally chartered veterans organizations or their auxiliaries that have a statewide organizational structure and state level officers in Minnesota.

The commissioner of veterans affairs shall serve as an ex officio, nonvoting member of the board. From each house of the legislature, the chair of the committee that deals with veterans affairs or the chair's designee shall serve as an ex officio, nonvoting member of the board.

Subd. 3. **Terms; compensation.** Membership terms, compensation of members, removal of members, and filling of vacancies are as provided in section 15.0575.

Subd. 6. **Future elimination.** If the governor fails to appoint a board, or if the board is eliminated by any other means, its authority vests in the commissioner of veterans affairs.

198.003 POWERS AND DUTIES.

Subd. 5. **Appropriation transfers to be reported.** When the board transfers operational money between programs under section 16A.285, in addition to the requirements of that section the board must provide the chairs of the legislative committees that have jurisdiction over the board's budget with sufficient detail to identify the account to which the money was originally appropriated, and the account to which the money is being transferred.

Subd. 6. **Meetings by telephone or other electronic means.** (a) Notwithstanding sections 13D.01 and 13D.02 of the Open Meeting Law, the Minnesota Veterans Homes Board of Directors may conduct a meeting of its members by telephone or other electronic means so long as the following conditions are met:

(1) all members of the board participating in the meeting, wherever their physical location, can hear one another and can hear all discussion and testimony;

(2) members of the public present at the regular meeting location of the board can hear all discussion and testimony and all votes of the members of the board;

(3) at least one member of the board, the executive director, or an attorney for the agency is physically present at the regular meeting location; and

(4) all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded.

(b) Each member of the board participating in a meeting by electronic means is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.

(c) If telephone or another electronic means is used to conduct a meeting, to the extent practical, the board shall allow a person to monitor the meeting electronically from a remote location. The board may require the person making a connection to pay for the documented additional cost that the board incurs as a result of the additional connection.

(d) If telephone or another electronic means is used to conduct a regular, special, or emergency meeting, the agency shall provide notice of the regular meeting location, of the fact that some members may participate by electronic means, and of the provisions of paragraph (c). The timing and method of providing notice is governed by section 13D.04 of the Open Meeting Law.

198.004 EXECUTIVE DIRECTOR.

Subdivision 1. **Appointment.** (a) The board shall appoint an executive director. The executive director shall serve in the unclassified service at the pleasure of the board. The executive director must be a resident of the state of Minnesota and citizen of the United States. Preferably, the executive director shall be a veteran as that term is defined in section 197.447, but it is not required that the person be a veteran. The executive director shall serve as secretary of the board.

(b) When selecting an executive director, the board shall give preference to qualified applicants who are veterans by initially placing only the names of qualified applicants who are veterans on the selection list for final consideration. If the list contains fewer than three qualified applicants who are veterans, the names of qualified applicants who are not veterans shall be added to the list. The board shall then select the most qualified applicant from the list. At any point in the executive director selection process, if the board concludes that no applicant is sufficiently qualified for the position, the board may reopen the application process.

Subd. 2. **Powers and duties.** The executive director appointed under subdivision 1 has the powers and duties delegated by the board or assigned to the executive director by law. A delegation must be in writing, signed by the board chair, and filed with the secretary of state.