

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; 192; 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.

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

Subd. 2. **Revocation and suspension.** (a) 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.

(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:

(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

(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.

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, along with associated invoices, within three years of (i) ~~incurring eligible corrective action costs~~ performance of the eligible work, or (ii) approval of ~~a~~ the related corrective action design or plan for that work, 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.

Type of food handler	License Fee Effective July 1, 2003	Penalties	
		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

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10.1	(b) Having under \$15,000 gross sales			
10.2	<u>or service</u> including food preparation or			
10.3	having \$15,000 to \$50,000 gross sales			
10.4	<u>or service</u> for the immediately previous			
10.5	license or fiscal year	\$ 77	\$ 25	\$ 51
10.6	(c) Having \$50,001 to \$250,000 gross			
10.7	sales <u>or service</u> for the immediately			
10.8	previous license or fiscal year	\$155	\$ 51	\$102
10.9	(d) Having \$250,001 to \$1,000,000 gross			
10.10	sales <u>or service</u> for the immediately			
10.11	previous license or fiscal year	\$276	\$ 91	\$ 182
10.12	(e) Having \$1,000,001 to \$5,000,000			
10.13	gross sales <u>or service</u> for the immediately			
10.14	previous license or fiscal year	\$799	\$264	\$527
10.15	(f) Having \$5,000,001 to \$10,000,000			
10.16	gross sales <u>or service</u> for the immediately			
10.17	previous license or fiscal year	\$1,162	\$383	\$767
10.18	(g) Having \$10,000,001 to \$15,000,000			
10.19	gross sales <u>or service</u> for the immediately			
10.20	previous license or fiscal year	\$1,376	\$454	\$908
10.21	(h) Having \$15,000,001 to \$20,000,000			
10.22	gross sales <u>or service</u> for the immediately			
10.23	previous license or fiscal year	\$1,607	\$530	\$1,061
10.24	(i) Having \$20,000,001 to \$25,000,000			
10.25	gross sales <u>or service</u> for the immediately			
10.26	previous license or fiscal year	\$1,847	\$610	\$1,219
10.27	(j) Having over \$25,000,001 gross sales			
10.28	<u>or service</u> for the immediately previous			
10.29	license or fiscal year	\$2,001	\$660	\$1,321
10.30	2. Wholesale food handler			
10.31	(a) Having gross sales or service of			
10.32	less than \$25,000 for the immediately			
10.33	previous license or fiscal year	\$ 57	\$ 19	\$ 38
10.34	(b) Having \$25,001 to \$250,000 gross			
10.35	sales or service for the immediately			
10.36	previous license or fiscal year	\$284	\$ 94	\$187
10.37	(c) Having \$250,001 to \$1,000,000			
10.38	gross sales or service from a mobile unit			
10.39	without a separate food facility for the			
10.40	immediately previous license or fiscal			
10.41	year	\$444	\$147	\$293
10.42	(d) Having \$250,001 to \$1,000,000			
10.43	gross sales or service not covered			
10.44	under paragraph (c) for the immediately			
10.45	previous license or fiscal year	\$590	\$195	\$389
10.46	(e) Having \$1,000,001 to \$5,000,000			
10.47	gross sales or service for the immediately			
10.48	previous license or fiscal year	\$769	\$254	\$508
10.49	(f) Having \$5,000,001 to \$10,000,000			
10.50	gross sales <u>or service</u> for the immediately			
10.51	previous license or fiscal year	\$920	\$304	\$607

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11.1	(g) Having \$10,000,001 to \$15,000,000			
11.2	gross sales or service for the immediately			
11.3	previous license or fiscal year	\$990	\$327	\$653
11.4	(h) Having \$15,000,001 to \$20,000,000			
11.5	gross sales or service for the immediately			
11.6	previous license or fiscal year	\$1,156	\$381	\$763
11.7	(i) Having \$20,000,001 to \$25,000,000			
11.8	gross sales or service for the immediately			
11.9	previous license or fiscal year	\$1,329	\$439	\$877
11.10	(j) Having over \$25,000,001 or more			
11.11	gross sales or service for the immediately			
11.12	previous license or fiscal year	\$1,502	\$496	\$991
11.13	3. Food broker	\$150	\$ 50	\$ 99
11.14	4. Wholesale food processor or manufacturer			
11.15	(a) Having gross sales <u>or service</u> of			
11.16	less than \$125,000 for the immediately			
11.17	previous license or fiscal year	\$169	\$ 56	\$112
11.18	(b) Having \$125,001 to \$250,000 gross			
11.19	sales <u>or service</u> for the immediately			
11.20	previous license or fiscal year	\$392	\$129	\$259
11.21	(c) Having \$250,001 to \$1,000,000 gross			
11.22	sales <u>or service</u> for the immediately			
11.23	previous license or fiscal year	\$590	\$195	\$389
11.24	(d) Having \$1,000,001 to \$5,000,000			
11.25	gross sales <u>or service</u> for the immediately			
11.26	previous license or fiscal year	\$769	\$254	\$508
11.27	(e) Having \$5,000,001 to \$10,000,000			
11.28	gross sales <u>or service</u> for the immediately			
11.29	previous license or fiscal year	\$920	\$304	\$607
11.30	(f) Having \$10,000,001 to \$15,000,000			
11.31	gross sales <u>or service</u> for the immediately			
11.32	previous license or fiscal year	\$1,377	\$454	\$909
11.33	(g) Having \$15,000,001 to \$20,000,000			
11.34	gross sales or service for the immediately			
11.35	previous license or fiscal year	\$1,608	\$531	\$1,061
11.36	(h) Having \$20,000,001 to \$25,000,000			
11.37	gross sales or service for the immediately			
11.38	previous license or fiscal year	\$1,849	\$610	\$1,220
11.39	(i) Having \$25,000,001 to \$50,000,000			
11.40	gross sales or service for the immediately			
11.41	previous license or fiscal year	\$2,090	\$690	\$1,379
11.42	(j) Having \$50,000,001 to \$100,000,000			
11.43	gross sales or service for the immediately			
11.44	previous license or fiscal year	\$2,330	\$769	\$1,538
11.45	(k) Having \$100,000,000 or more gross			
11.46	sales or service for the immediately			
11.47	previous license or fiscal year	\$2,571	\$848	\$1,697
11.48	5. Wholesale food processor of meat or			
11.49	poultry products under supervision of the			
11.50	U.S. Department of Agriculture			

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12.1	(a) Having gross sales <u>or service</u> of			
12.2	less than \$125,000 for the immediately			
12.3	previous license or fiscal year	\$112	\$ 37	\$ 74
12.4	(b) Having \$125,001 to \$250,000 gross			
12.5	sales <u>or service</u> for the immediately			
12.6	previous license or fiscal year	\$214	\$ 71	\$141
12.7	(c) Having \$250,001 to \$1,000,000 gross			
12.8	sales <u>or service</u> for the immediately			
12.9	previous license or fiscal year	\$333	\$110	\$220
12.10	(d) Having \$1,000,001 to \$5,000,000			
12.11	gross sales <u>or service</u> for the immediately			
12.12	previous license or fiscal year	\$425	\$140	\$281
12.13	(e) Having \$5,000,001 to \$10,000,000			
12.14	gross sales <u>or service</u> for the immediately			
12.15	previous license or fiscal year	\$521	\$172	\$344
12.16	(f) Having over \$10,000,001 gross sales			
12.17	<u>or service</u> for the immediately previous			
12.18	license or fiscal year	\$765	\$252	\$505
12.19	(g) Having \$15,000,001 to \$20,000,000			
12.20	gross sales <u>or service</u> for the immediately			
12.21	previous license or fiscal year	\$893	\$295	\$589
12.22	(h) Having \$20,000,001 to \$25,000,000			
12.23	gross sales <u>or service</u> for the immediately			
12.24	previous license or fiscal year	\$1,027	\$339	\$678
12.25	(i) Having \$25,000,001 to \$50,000,000			
12.26	gross sales <u>or service</u> for the immediately			
12.27	previous license or fiscal year	\$1,161	\$383	\$766
12.28	(j) Having \$50,000,001 to \$100,000,000			
12.29	gross sales <u>or service</u> for the immediately			
12.30	previous license or fiscal year	\$1,295	\$427	\$855
12.31	(k) Having \$100,000,001 or more gross			
12.32	sales <u>or service</u> for the immediately			
12.33	previous license or fiscal year	\$1,428	\$471	\$942
12.34	6. Wholesale food processor or manufacturer			
12.35	operating only at the State Fair	\$125	\$ 40	\$ 50
12.36	7. Wholesale food manufacturer having the			
12.37	permission of the commissioner to use the			
12.38	name Minnesota Farmstead cheese	\$ 30	\$ 10	\$ 15
12.39	8. Nonresident frozen dairy manufacturer	\$200	\$ 50	\$ 75
12.40	9. Wholesale food manufacturer processing			
12.41	less than 700,000 pounds per year of raw			
12.42	milk	\$ 30	\$ 10	\$ 15
12.43	10. A milk marketing organization without			
12.44	facilities for processing or manufacturing			
12.45	that purchases milk from milk producers			
12.46	for delivery to a licensed wholesale food			
12.47	processor or manufacturer	\$ 50	\$ 15	\$ 25

12.48 Sec. 12. Minnesota Statutes 2006, section 28A.082, is amended by adding a
12.49 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~~ must be accepted and published by the commissioner as definitions or standards for eggs in interstate and intrastate 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 by a wholesale food handler 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 by a retail food handler must be held at a temperature not to exceed ~~45~~ 41 degrees Fahrenheit (7 degrees Celsius). Equipment in use prior to August 1, 1991, is not subject to this requirement. Shell eggs that have been frozen must not be offered for sale except as approved by the commissioner.

Subd. 4. **Vehicle temperature.** A vehicle used ~~for the transportation of~~ to transport 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. **Definitions.** 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.

Subd. 1a. **Tag or notice.** A duly authorized agent of the commissioner who finds or has probable cause to believe that any food, animal, 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 or animal a tag or other appropriate marking giving notice that such article or animal 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 or animal by sale or otherwise until permission for removal or disposal is given by

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

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

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

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

15.32 Subd. 5. **Emergency response.** In the event of an emergency declared by the
15.33 governor's order under section 12.31, if the commissioner finds or has probable cause to
15.34 believe that a livestock, food, or a consumer commodity within a specific area is likely
15.35 to be adulterated because of the emergency or so misbranded as to be dangerous or
15.36 fraudulent, or is in violation of section 31.131, subdivision 1, the commissioner may

16.1 embargo a geographic area that is included in the declared emergency. The commissioner
16.2 shall provide notice to the public and to those with custody of the product in as thorough a
16.3 manner as is practical under the emergency circumstances.

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

16.5 **31.171 EMPLOYMENT OF DISEASED PERSON.**

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

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

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

16.20 **31.175 WATER, PLUMBING, AND SEWAGE.**

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

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

16.30 Notwithstanding any federal standard incorporated by reference in this chapter, the
16.31 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;

- 21.1 (4) chiropractic educational basics;
- 21.2 (5) animal chiropractic diversified adjusting technique, including:
- 21.3 (i) lecture cervical;
- 21.4 (ii) thoracic;
- 21.5 (iii) lumbosacral;
- 21.6 (iv) pelvic; and
- 21.7 (v) extremity;
- 21.8 (6) animal chiropractic diversified adjusting technique, including:
- 21.9 (i) laboratory cervical;
- 21.10 (ii) thoracic;
- 21.11 (iii) lumbosacral;
- 21.12 (iv) pelvic; and
- 21.13 (v) extremity;
- 21.14 (7) case management and case studies;
- 21.15 (8) chiropractic philosophy;
- 21.16 (9) ethics and legalities;
- 21.17 (10) neurology, neuroanatomy, and neurological conditions;
- 21.18 (11) pathology;
- 21.19 (12) radiology;
- 21.20 (13) research in current chiropractic and veterinary topics;
- 21.21 (14) rehabilitation, current topics, evaluation, and assessment;
- 21.22 (15) normal foot anatomy and normal foot care;
- 21.23 (16) saddle fit and evaluation, lecture, and laboratory;
- 21.24 (17) veterinary educational basics;
- 21.25 (18) vertebral subluxation complex; and
- 21.26 (19) zoonotic diseases.
- 21.27 (b) A licensed chiropractor requesting registration in animal chiropractic diagnosis
- 21.28 and treatment must have completed and passed a course of study from an American
- 21.29 Veterinary Chiropractic Association, International Veterinary Chiropractic Association, or
- 21.30 higher institution-approved program, consisting of no less than 210 hours of education
- 21.31 and training as set forth in paragraph (a).
- 21.32 (c) A licensed chiropractor engaged in the practice of animal chiropractic diagnosis
- 21.33 and treatment must maintain complete and accurate records and patient files in the
- 21.34 chiropractor's office for at least three years.
- 21.35 (d) A licensed chiropractor engaged in the practice of animal chiropractic diagnosis
- 21.36 and treatment must make treatment notes and records available to the patient's owner

22.1 upon request and must communicate their findings and treatment plan with the referring
22.2 veterinarian, or the animal's veterinarian if the animal has not been referred by a
22.3 veterinarian.

22.4 Sec. 29. **[148.033] ANIMAL CHIROPRACTIC CONTINUING EDUCATION**
22.5 **HOURS.**

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

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

22.14	Subd. 3. Agricultural Marketing and		
22.15	Development	8,547,000	5,157,000
22.16	\$186,000 the first year and \$186,000 the		
22.17	second year are for transfer to the Minnesota		
22.18	grown account and may be used as grants		
22.19	for Minnesota grown promotion under		
22.20	Minnesota Statutes, section 17.102. Grants		
22.21	may be made for one year. Notwithstanding		
22.22	Minnesota Statutes, section 16A.28, the		
22.23	appropriations encumbered under contract on		
22.24	or before June 30, 2009, for Minnesota grown		
22.25	grants in this paragraph are available until		
22.26	June 30, 2011. \$50,000 of the appropriation		
22.27	in each year is for efforts that identify		
22.28	and promote Minnesota grown products		
22.29	in retail food establishments including but		
22.30	not limited to restaurants, grocery stores,		
22.31	and convenience stores. The balance in the		
22.32	Minnesota grown matching account in the		
22.33	agricultural fund is canceled to the Minnesota		
22.34	grown account in the agricultural fund and		

23.1 the Minnesota grown matching account is
23.2 abolished.

23.3 \$160,000 the first year and \$160,000 the
23.4 second year are for grants to farmers for
23.5 demonstration projects involving sustainable
23.6 agriculture as authorized in Minnesota
23.7 Statutes, section 17.116. Of the amount
23.8 for grants, up to \$20,000 may be used for
23.9 dissemination of information about the
23.10 demonstration projects. Notwithstanding
23.11 Minnesota Statutes, section 16A.28, the
23.12 appropriations encumbered under contract
23.13 on or before June 30, 2009, for sustainable
23.14 agriculture grants in this paragraph are
23.15 available until June 30, 2011.

23.16 \$100,000 the first year and \$100,000
23.17 the second year are to provide training
23.18 and technical assistance to county and
23.19 town officials relating to livestock siting
23.20 issues and local zoning and land use
23.21 planning, including a checklist template that
23.22 would clarify the federal, state, and local
23.23 government requirements for consideration
23.24 of an animal agriculture modernization
23.25 or expansion project. In developing
23.26 the training and technical assistance
23.27 program, the commissioner shall seek
23.28 guidance, advice, and support of livestock
23.29 producer organizations, general agricultural
23.30 organizations, local government associations,
23.31 academic institutions, other government
23.32 agencies, and others with expertise in land
23.33 use and agriculture.

24.1 \$103,000 the first year and \$106,000 the
24.2 second year are for additional integrated pest
24.3 management activities.

24.4 \$2,500,000 the first year is for the agricultural
24.5 best management practices loan program. At
24.6 least \$2,000,000 is available for pass-through
24.7 to local governments and lenders for
24.8 low-interest loans. Any unencumbered
24.9 balance does not cancel at the end of the first
24.10 year and is available for the second year.

24.11 \$1,000,000 the first year is for the agricultural
24.12 best management practices loan program for
24.13 capital equipment loans for persons using
24.14 native, perennial cropping systems for energy
24.15 or seed production. This appropriation is
24.16 available until spent. * (The preceding text
24.17 beginning "\$1,000,000 the first year" was
24.18 indicated as vetoed by the governor.)

24.19 \$100,000 the first year and \$100,000 the
24.20 second year are for annual cost-share
24.21 payments to resident farmers or persons
24.22 who sell, process, or package agricultural
24.23 products in this state for the costs of organic
24.24 certification. Annual cost-share payments
24.25 per farmer must be two-thirds of the cost
24.26 of the certification or \$350, whichever is
24.27 less. In any year that a resident farmer or
24.28 person who sells, processes, or packages
24.29 agricultural products in this state receives
24.30 a federal organic certification cost-share
24.31 payment, that resident farmer or person is
24.32 not eligible for state cost-share payments.
24.33 A certified farmer is eligible to receive
24.34 annual certification cost-share payments for
24.35 up to five years. \$15,000 each year is for

25.1 organic market and program development.

25.2 The commissioner may allocate any excess

25.3 appropriation in either fiscal year for organic

25.4 producer education efforts, assistance for

25.5 persons transitioning from conventional

25.6 to organic agriculture, or sustainable

25.7 agriculture demonstration grants authorized

25.8 under Minnesota Statutes, section 17.116,

25.9 and pertaining to organic research or

25.10 demonstration. Any unencumbered balance

25.11 does not cancel at the end of the first year

25.12 and is available for the second year.

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

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

25.15	Subd. 4. Bioenergy and Value-Added		
25.16	Agricultural Products	19,918,000	15,168,000
25.17	\$15,168,000 the first year and \$15,168,000		
25.18	the second year are for ethanol producer		
25.19	payments under Minnesota Statutes, section		
25.20	41A.09. If the total amount for which all		
25.21	producers are eligible in a quarter exceeds		
25.22	the amount available for payments, the		
25.23	commissioner shall make payments on a		
25.24	pro rata basis. If the appropriation exceeds		
25.25	the total amount for which all producers		
25.26	are eligible in a fiscal year for scheduled		
25.27	payments and for deficiencies in payments		
25.28	during previous fiscal years, the balance		
25.29	in the appropriation is available to the		
25.30	commissioner for value-added agricultural		
25.31	programs including the value-added		
25.32	agricultural product processing and		
25.33	marketing grant program under Minnesota		
25.34	Statutes, section 17.101, subdivision 5. The		
25.35	appropriation remains available until spent.		

26.1 \$3,000,000 the first year is for grants to
26.2 bioenergy projects. The NextGen Energy
26.3 Board shall make recommendations to
26.4 the commissioner on grants for owners of
26.5 Minnesota facilities producing bioenergy,
26.6 organizations that provide for on-station,
26.7 on-farm field scale research and outreach to
26.8 develop and test the agronomic and economic
26.9 requirements of diverse stands of prairie
26.10 plants and other perennials for bioenergy
26.11 systems, or certain nongovernmental
26.12 entities. For the purposes of this paragraph,
26.13 "bioenergy" includes transportation fuels
26.14 derived from cellulosic material as well as
26.15 the generation of energy for commercial heat,
26.16 industrial process heat, or electrical power
26.17 from cellulosic material via gasification
26.18 or other processes. The board must give
26.19 priority to a bioenergy facility that is at
26.20 least 60 percent owned and controlled by
26.21 farmers, as defined in Minnesota Statutes,
26.22 section 500.24, subdivision 2, paragraph
26.23 (n), or natural persons residing in the
26.24 county or counties contiguous to where the
26.25 facility is located. Grants are limited to 50
26.26 percent of the cost of research, technical
26.27 assistance, or equipment related to bioenergy
26.28 production or \$500,000, whichever is less.
26.29 Grants to nongovernmental entities for the
26.30 development of business plans and structures
26.31 related to community ownership of eligible
26.32 bioenergy facilities together may not exceed
26.33 \$150,000. The board shall make a good
26.34 faith effort to select projects that have
26.35 merit and when taken together represent a
26.36 variety of bioenergy technologies, biomass

27.1 feedstocks, and geographic regions of the
27.2 state. Projects must have a qualified engineer
27.3 certification on the technology and fuel
27.4 source. Grantees shall provide reports at
27.5 the request of the commissioner and must
27.6 actively participate in the Agricultural
27.7 Utilization Research Institute's Renewable
27.8 Energy Roundtable. No later than February
27.9 1, 2009, the commissioner shall report on
27.10 the projects funded under this appropriation
27.11 to the house and senate committees with
27.12 jurisdiction over agriculture finance. The
27.13 commissioner's costs in administering the
27.14 program may be paid from the appropriation.
27.15 Any unencumbered balance does not cancel
27.16 at the end of the first year and is available in
27.17 the second year.

27.18 \$350,000 the first year is for grants to
27.19 the Minnesota Institute for Sustainable
27.20 Agriculture at the University of Minnesota
27.21 to provide funds for on-station and on-farm
27.22 field scale research and outreach to develop
27.23 and test the agronomic and economic
27.24 requirements of diverse stands of prairie
27.25 plants and other perennials for bioenergy
27.26 systems including, but not limited to,
27.27 multiple species selection and establishment,
27.28 ecological management between planting
27.29 and harvest, harvest technologies, financial
27.30 and agronomic risk management, farmer
27.31 goal setting and adoption of technologies,
27.32 integration of wildlife habitat into
27.33 management approaches, evaluation of
27.34 carbon and other benefits, and robust policies
27.35 needed to induce farmer conversion on
27.36 marginal lands. * (The preceding text

28.1 beginning "\$350,000 the first year" was
28.2 indicated as vetoed by the governor.)

28.3 \$200,000 the first year is for a grant to the
28.4 Minnesota Turf Seed Council for basic
28.5 and applied agronomic research on native
28.6 plants, including plant breeding, nutrient
28.7 management, pest management, disease
28.8 management, yield, and viability. The grant
28.9 recipient may subcontract with a qualified
28.10 third party for some or all of the basic
28.11 or applied research. The grant recipient
28.12 must actively participate in the Agricultural
28.13 Utilization Research Institute's Renewable
28.14 Energy Roundtable and no later than
28.15 February 1, 2009, must report to the house
28.16 and senate committees with jurisdiction
28.17 over agriculture finance. This is a onetime
28.18 appropriation and is available until spent.

28.19 \$200,000 the first year is for a grant to a joint
28.20 venture combined heat and power energy
28.21 facility located in Scott or LeSueur County
28.22 for the creation of a centrally located biomass
28.23 fuel supply depot with the capability of
28.24 unloading, processing, testing, scaling, and
28.25 storing renewable biomass fuels. The grant
28.26 must be matched by at least \$3 of nonstate
28.27 funds for every \$1 of state funds. The grant
28.28 recipient must actively participate in the
28.29 Agricultural Utilization Research Institute's
28.30 Renewable Energy Roundtable and no
28.31 later than February 1, 2009, must report
28.32 to the house and senate committees with
28.33 jurisdiction over agriculture finance. This is
28.34 a onetime appropriation and is available until
28.35 spent.

29.1 \$300,000 the first year is for a grant to the
29.2 Bois Forte Band of Chippewa for a feasibility
29.3 study of a renewable energy biofuels
29.4 demonstration facility on the Bois Forte
29.5 Reservation in St. Louis and Koochiching
29.6 Counties. The grant shall be used by the Bois
29.7 Forte Band to conduct a detailed feasibility
29.8 study of the economic and technical viability
29.9 of developing a multistream renewable
29.10 energy biofuels demonstration facility
29.11 on Bois Forte Reservation land to utilize
29.12 existing forest resources, woody biomass,
29.13 and cellulosic material to produce biofuels or
29.14 bioenergy. The grant recipient must actively
29.15 participate in the Agricultural Utilization
29.16 Research Institute's Renewable Energy
29.17 Roundtable and no later than February 1,
29.18 2009, must report to the house and senate
29.19 committees with jurisdiction over agriculture
29.20 finance. This is a onetime appropriation and
29.21 is available until spent.

29.22 \$300,000 the first year is for a grant to
29.23 the White Earth Band of Chippewa for a
29.24 feasibility study of a renewable energy
29.25 biofuels production, research, and production
29.26 facility on the White Earth Reservation in
29.27 Mahnomen County. The grant must be used
29.28 by the White Earth Band and the University
29.29 of Minnesota to conduct a detailed feasibility
29.30 study of the economic and technical viability
29.31 of (1) developing a multistream renewable
29.32 energy biofuels demonstration facility on
29.33 White Earth Reservation land to utilize
29.34 existing forest resources, woody biomass,
29.35 and cellulosic material to produce biofuels or
29.36 bioenergy, and (2) developing, harvesting,

30.1 and marketing native prairie plants and seeds
30.2 for bioenergy production. The grant recipient
30.3 must actively participate in the Agricultural
30.4 Utilization Research Institute's Renewable
30.5 Energy Roundtable and no later than
30.6 February 1, 2009, must report to the house
30.7 and senate committees with jurisdiction
30.8 over agriculture finance. This is a onetime
30.9 appropriation and is available until spent.

30.10 \$200,000 the first year is for a grant to the Elk
30.11 River Economic Development Authority for
30.12 upfront engineering and a feasibility study
30.13 of the Elk River renewable fuels facility.
30.14 The facility must use a plasma gasification
30.15 process to convert primarily cellulosic
30.16 material, but may also use plastics and other
30.17 components from municipal solid waste, as
30.18 feedstock for the production of methanol
30.19 for use in biodiesel production facilities.

30.20 Any unencumbered balance in fiscal year
30.21 2008 does not cancel but is available for
30.22 fiscal year 2009. Notwithstanding Minnesota
30.23 Statutes, section 16A.285, the agency must
30.24 not transfer this appropriation. The grant
30.25 recipient must actively participate in the
30.26 Agricultural Utilization Research Institute's
30.27 Renewable Energy Roundtable and no
30.28 later than February 1, 2009, must report
30.29 to the house and senate committees with
30.30 jurisdiction over agriculture finance. This is
30.31 a onetime appropriation and is available until
30.32 spent.

30.33 \$200,000 the first year is for a grant to
30.34 Chisago County to conduct a detailed
30.35 feasibility study of the economic and
30.36 technical viability of developing a

31.1 multistream renewable energy biofuels
31.2 demonstration facility in Chisago, Isanti,
31.3 or Pine County to utilize existing forest
31.4 resources, woody biomass, and cellulosic
31.5 material to produce biofuels or bioenergy.
31.6 Chisago County may expend funds to Isanti
31.7 and Pine Counties and the University of
31.8 Minnesota for any costs incurred as part
31.9 of the study. The feasibility study must
31.10 consider the capacity of: (1) the seed bank
31.11 at Wild River State Park to expand the
31.12 existing prairie grass, woody biomass, and
31.13 cellulosic material resources in Chisago,
31.14 Isanti, and Pine Counties; (2) willing and
31.15 interested landowners in Chisago, Isanti, and
31.16 Pine Counties to grow cellulosic materials;
31.17 and (3) the Minnesota Conservation Corps,
31.18 the sentence to serve program, and other
31.19 existing workforce programs in east central
31.20 Minnesota to contribute labor to these efforts.
31.21 The grant recipient must actively participate
31.22 in the Agricultural Utilization Research
31.23 Institute's Renewable Energy Roundtable and
31.24 no later than February 1, 2009, must report
31.25 to the house and senate committees with
31.26 jurisdiction over agriculture finance. This is
31.27 a onetime appropriation and is available until
31.28 spent.

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

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

31.31	Subd. 5. Administration and Financial		
31.32	Assistance	7,338,000	6,751,000
31.33	\$1,005,000 the first year and \$1,005,000		
31.34	the second year are for continuation of		
31.35	the dairy development and profitability		

32.1 enhancement and dairy business planning
32.2 grant programs established under Laws 1997,
32.3 chapter 216, section 7, subdivision 2, and
32.4 Laws 2001, First Special Session chapter 2,
32.5 section 9, subdivision 2 . The commissioner
32.6 may allocate the available sums among
32.7 permissible activities, including efforts to
32.8 improve the quality of milk produced in the
32.9 state in the proportions that the commissioner
32.10 deems most beneficial to Minnesota's dairy
32.11 farmers. The commissioner must submit a
32.12 work plan detailing plans for expenditures
32.13 under this program to the chairs of the
32.14 house and senate committees dealing with
32.15 agricultural policy and budget on or before
32.16 the start of each fiscal year. If significant
32.17 changes are made to the plans in the course
32.18 of the year, the commissioner must notify the
32.19 chairs.

32.20 \$50,000 the first year and \$50,000 the
32.21 second year are for the Northern Crops
32.22 Institute. These appropriations may be spent
32.23 to purchase equipment.

32.24 \$19,000 the first year and \$19,000 the
32.25 second year are for a grant to the Minnesota
32.26 Livestock Breeders Association.

32.27 \$250,000 the first year and \$250,000 the
32.28 second year are for grants to the Minnesota
32.29 Agricultural Education Leadership Council
32.30 for programs of the council under Minnesota
32.31 Statutes, chapter 41D.

32.32 \$600,000 the first year is for grants for
32.33 fertilizer research as awarded by the
32.34 Minnesota Agricultural Fertilizer Research
32.35 and Education Council under Minnesota

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

33.14 \$465,000 the first year and \$465,000 the
33.15 second year are for payments to county and
33.16 district agricultural societies and associations
33.17 under Minnesota Statutes, section 38.02,
33.18 subdivision 1. Aid payments to county and
33.19 district agricultural societies and associations
33.20 shall be disbursed not later than July 15 of
33.21 each year. These payments are the amount of
33.22 aid owed by the state for an annual fair held
33.23 in the previous calendar year.

33.24 \$65,000 the first year and \$65,000 the second
33.25 year are for annual grants to the Minnesota
33.26 Turf Seed Council for basic and applied
33.27 research on the improved production of
33.28 forage and turf seed related to new and
33.29 improved varieties. The grant recipient may
33.30 subcontract with a qualified third party for
33.31 some or all of the basic and applied research.

33.32 \$500,000 the first year and \$500,000 the
33.33 second year are for grants to Second Harvest
33.34 Heartland on behalf of Minnesota's six
33.35 Second Harvest food banks for the purchase

34.1 of milk for distribution to Minnesota's food
34.2 shelves and other charitable organizations
34.3 that are eligible to receive food from the food
34.4 banks. Milk purchased under the grants must
34.5 be acquired from Minnesota milk processors
34.6 and based on low-cost bids. The milk must be
34.7 allocated to each Second Harvest food bank
34.8 serving Minnesota according to the formula
34.9 used in the distribution of United States
34.10 Department of Agriculture commodities
34.11 under The Emergency Food Assistance
34.12 Program (TEFAP). Second Harvest
34.13 Heartland must submit quarterly reports
34.14 to the commissioner on forms prescribed
34.15 by the commissioner. The reports must
34.16 include, but are not limited to, information
34.17 on the expenditure of funds, the amount
34.18 of milk purchased, and the organizations
34.19 to which the milk was distributed. Second
34.20 Harvest Heartland may enter into contracts
34.21 or agreements with food banks for shared
34.22 funding or reimbursement of the direct
34.23 purchase of milk. Each food bank receiving
34.24 money from this appropriation may use up to
34.25 two percent of the grant for administrative
34.26 expenses.

34.27 \$100,000 the first year and \$100,000 the
34.28 second year are for transfer to the Board of
34.29 Trustees of the Minnesota State Colleges and
34.30 Universities for mental health counseling
34.31 support to farm families and business
34.32 operators through farm business management
34.33 programs at Central Lakes College and
34.34 Ridgewater College.

35.1 \$18,000 the first year and \$18,000 the
35.2 second year are for grants to the Minnesota
35.3 Horticultural Society.
35.4 \$50,000 is for a grant to the University of
35.5 Minnesota, Department of Horticultural
35.6 Science, Enology Laboratory, to upgrade
35.7 and purchase instrumentation to allow
35.8 rapid and accurate measurement of enology
35.9 components. This is a onetime appropriation
35.10 and is available until expended.

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

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

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

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

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

35.32 Sec. 35. **REPEALER.**

35.33 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)	<u>September 29, 2005</u>	<u>2 percent</u>
(2)	<u>May 1, 2009</u>	<u>5 percent</u>
(3)	<u>May 1, 2012</u>	<u>10 percent</u>
(4)	<u>May 1, 2015</u>	<u>20 percent</u>

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. **[192.056] PROTECTION OF RESERVIST-OWNED BUSINESS DURING ACTIVE SERVICE.**

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

(b) "Active service" has the meaning given in section 190.05, subdivision 5.

(c) "Business" means a business wholly owned by a qualified service member, or jointly by the member and the member's spouse, irrespective of whether the business is a sole proprietorship, corporation, limited liability company, partnership, limited partnership, or other type of business entity.

(d) "Qualified service member" means a Minnesota resident who is serving honorably as a member of the Minnesota National Guard or any other military reserve unit of the United States armed forces who has been ordered into active service for a period of 60 days or longer.

Subd. 2. Protection provided. (a) Notwithstanding any other law or rule to the contrary, the business of a qualified service member may be exempted from civil court proceedings for part or all of the period of the member's active military service and for up to 60 days thereafter, as provided in this section.

(b) If the business of a qualified service member is a defendant in a civil action, the court may, on its own motion, grant a stay in the proceedings for a minimum of 60 days. The court, on its own motion, may renew the stay as the court considers appropriate. If the qualified service member petitions the court in any manner for a stay, the court must grant a stay for a minimum of 60 days, provided that:

(1) the service member submits to the court a letter or other communication setting forth facts stating the manner in which current military duty requirements materially affect the service member's ability to appear or otherwise participate in the proceedings, and stating a date when the service member will be available to appear or otherwise participate in the proceedings; and

(2) the service member submits a letter or other communication from the service member's commanding officer stating that the service member's current military duty prevents appearance and that military leave is not authorized for the service member at the time of the letter.

(c) A service member's communication with the court requesting a stay does not constitute an appearance for jurisdictional purposes and does not constitute a waiver of any substantive or procedural defense, including a defense relating to lack of personal jurisdiction.

(d) A qualified service member who is granted a stay in the action or proceedings against the member's business may in any manner request from the court an additional stay, which the court may grant if the service member can show to the satisfaction of the court that the member's military requirements affect the member's ability to appear. However, the court is not obligated to grant the additional stay. If the court refuses to

41.1 grant an additional stay, the court must provide the service member with information
41.2 enabling the service member to acquire qualified legal counsel, at the service member's
41.3 discretion, for defending the action.

41.4 (e) If a default judgment is entered in a civil action against the business of a qualified
41.5 service member during the service member's period of active military service, or within 60
41.6 days following termination of or release from the active military service, the court entering
41.7 the judgment must, upon application by or on behalf of the service member, reopen the
41.8 judgment for the purpose of allowing the member to defend the action if it appears that:

41.9 (1) the service member was materially affected by reason of that military service in
41.10 making a defense to the action; and

41.11 (2) the service member has a meritorious or legal defense to the action or some
41.12 part of it.

41.13 **EFFECTIVE DATE.** This section is effective July 1, 2008, and applies to civil
41.14 court actions pending or initiated on or after that date.

41.15 Sec. 3. Minnesota Statutes 2006, section 196.021, is amended to read:

41.16 **196.021 DEPUTY COMMISSIONERS; DUTIES.**

41.17 Subdivision 1. **Appointment.** The commissioner shall appoint a deputy
41.18 commissioner for veteran services ~~as provided in subdivision 2, and the board of directors~~
41.19 ~~of the Minnesota Veterans Homes may appoint~~ a deputy commissioner for veteran health
41.20 care ~~as provided in section 198.004.~~ Both deputy commissioners serve in the unclassified
41.21 service, ~~the deputy for veteran services at the pleasure of the commissioner and the deputy~~
41.22 ~~for veteran health care at the pleasure of the board.~~ Both deputies ~~shall~~ must be residents
41.23 of Minnesota, citizens of the United States, and veterans as defined in section 197.447.

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

41.30 Sec. 4. Minnesota Statutes 2006, section 196.03, is amended to read:

41.31 **196.03 OFFICERS AND EMPLOYEES.**

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

42.4 Sec. 5. **[196.30] VETERANS HEALTH CARE ADVISORY COUNCIL.**

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

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

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

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

42.15 (3) one additional member.

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

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

42.20 (d) Membership terms, removal of members, and the filling of vacancies are as
42.21 provided in section 15.059, subdivisions 2 and 4. Members shall not receive compensation
42.22 or per diem payments, but may receive reimbursement for expenses pursuant to section
42.23 15.059, subdivision 3.

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

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

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

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

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

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

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

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

43.13 Sec. 6. **[197.225] LIST OF DECEASED MILITARY PERSONNEL.**

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

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

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

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

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

Sec. 7. 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 ~~cemeteries~~ 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 ~~cemeteries~~ cemeteries. All personnel, equipment, and support necessary for maintenance and operation of the ~~cemeteries~~ 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 ~~cemeteries~~ 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 ~~cemeteries~~ 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. 8. 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

47.1 ~~(2)~~ (3) received a service-related medical discharge from any period of service in a
47.2 foreign country during a time of hostilities in that country.

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

47.6 Sec. 9. Minnesota Statutes 2007 Supplement, section 197.791, subdivision 4, is
47.7 amended to read:

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

47.10 (1) the person is:

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

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

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

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

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

47.26 ~~(3)~~ (2) the person receiving the educational assistance is a Minnesota resident, as
47.27 defined in section 136A.101, subdivision 8; and

47.28 ~~(4)~~ (3) the person receiving the educational assistance:

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

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

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

47.34 (iv) has applied for educational assistance under this section prior to the end of the
47.35 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. 10. 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

49.1 assistance under the program for use at any time according to program rules at any
49.2 eligible institution.

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

49.6 (1) the federal Pell Grant;

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

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

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

49.15 (1) \$1,000 per semester or term of enrollment;

49.16 (2) ~~\$2,000~~ \$3,000 per state fiscal year; and

49.17 (3) \$10,000 in a lifetime.

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

49.24 Sec. 11. Minnesota Statutes 2006, section 198.32, subdivision 1, is amended to read:

49.25 Subdivision 1. **Resident's rights.** A resident of a Minnesota veterans home has the
49.26 right to complain and otherwise exercise freedom of expression and assembly which is
49.27 guaranteed by amendment I of the United States Constitution. The administrator of the
49.28 home shall inform each resident in writing at the time of admission of the right to complain
49.29 to the administrator about home accommodations and services. A notice of the right to
49.30 complain shall be posted in the home. The administrator shall also inform each resident of
49.31 the right to complain to the ~~board or to the~~ commissioner of veterans affairs. Each resident
49.32 of a home shall be encouraged and assisted, throughout the period of stay in the home, to
49.33 understand and exercise the rights of freedom of expression and assembly as a resident
49.34 and as a citizen, and, to this end, the resident may voice grievances and recommend
49.35 changes in policies and services to home staff, other residents, and outside representatives

50.1 of the resident's choice, free from restraint, interference, coercion, discrimination, or
50.2 reprisal, including retaliatory eviction.

50.3 Sec. 12. Minnesota Statutes 2006, section 349.12, subdivision 3a, is amended to read:

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

50.15 Sec. 13. Minnesota Statutes 2006, section 609.115, is amended by adding a subdivision
50.16 to read:

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

50.20 (1) order that the officer preparing the report under subdivision 1 consult with the
50.21 United States Department of Veterans Affairs, Minnesota Department of Veterans Affairs,
50.22 or another agency or person with suitable knowledge or experience, for the purpose
50.23 of providing the court with information regarding treatment options available to the
50.24 defendant including federal, state, and local programming; and

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

50.28 Sec. 14. **RULES TRANSFER.**

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

50.32 Sec. 15. **APPOINTMENTS.**

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

51.5 Sec. 16. **PARTNERING IN DELIVERY OF VETERANS SERVICES.**

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

51.16 Sec. 17. **VETERANS HOMES STRATEGIC PLANNING GROUP.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

52.31 (iii) any other feasible alternative service delivery methods;

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

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

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

- 53.1 (6) discussion and recommendations regarding:
53.2 (i) the types and levels of veterans home care judged feasible for the state to attempt
53.3 to provide in the near-term and long-term future; and
53.4 (ii) the optimal locations and timing for construction of any future state veterans
53.5 homes and other service delivery facilities in Minnesota.
- 53.6 (b) In addition to the duties described in paragraph (a), the Veterans Homes
53.7 Strategic Planning Group must provide specific addition analysis of the projected capital,
53.8 maintenance, and operating costs of the current Minnesota veterans home in Minneapolis,
53.9 and must assess the feasibility of alternative operational models at that home or at locations
53.10 within the seven-county metropolitan area. Discussion must include the feasibility, and
53.11 estimation of any cost-savings from the razing or remodeling and converting of some of the
53.12 infrastructure of the current campus for alternative uses and other pertinent items, such as:
- 53.13 (i) construction of rental housing for veterans and family members of veterans
53.14 receiving medical care at the nearby US/VA Medical Center or other nearby medical
53.15 institutions;
- 53.16 (ii) conducting a land use study including a highest and best use analysis for the
53.17 existing site and all improvements;
- 53.18 (iii) investigating opportunities for public/private partnerships in strategic land
53.19 use; and
- 53.20 (iv) any other purpose judged feasible by the strategic planning group.
- 53.21 Subd. 3. **Report required.** (a) By January 15, 2009, the Veterans Homes Strategic
53.22 Planning Group must report its proposed recommendations to the chairs of the senate and
53.23 house committees with jurisdiction over veterans affairs, state governmental operations,
53.24 and local government affairs. The strategic planning group may suggest draft legislation
53.25 for legislative consideration.
- 53.26 (b) The strategic planning group may continue its strategic planning activities and
53.27 by January 15, 2010, may issue a second report to the same legislative chairs containing
53.28 follow-up recommendations for legislative consideration.
- 53.29 Subd. 4. **Administrative provisions.** (a) The commissioner of veterans affairs, or
53.30 the commissioner's designee, must convene the initial meeting of the Veterans Homes
53.31 Strategic Planning Group. Upon request of the group, the commissioner must provide
53.32 meeting space and administrative services for the group. The members of the group must
53.33 elect a chair or co-chairs from the legislative members of the group at the initial meeting.
53.34 Each subsequent meeting of the group is at the call of the chair or co-chairs.
- 53.35 (b) Public members of the strategic planning group serve without special
53.36 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. 18. **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.

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

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

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

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

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

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

55.19 Sec. 19. **STUDY OF VETERANS EMPLOYMENT IN STATE GOVERNMENT.**

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

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

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

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

Sec. 20. **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. 21. **REPEALER.**

(a) 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 H3902-2

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