

A bill for an act
relating to agriculture; appropriating money for agriculture, the Board of Animal Health, and the Agricultural Utilization Research Institute; changing certain agriculture-related provisions, requirements, and programs; amending Minnesota Statutes 2010, sections 18C.005, by adding a subdivision; 18C.111, by adding a subdivision; 18D.201, by adding a subdivision; 18E.03, subdivision 4; 27.041, by adding a subdivision; 38.01; 41A.12, subdivision 3; 373.01, subdivision 1; repealing Minnesota Statutes 2010, section 41A.09, subdivisions 1a, 2a, 3a, 4, 10.

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

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this act.

		<u>2012</u>		<u>2013</u>		<u>Total</u>
<u>General</u>	\$	<u>42,287,000</u>	\$	<u>34,314,000</u>	\$	<u>76,601,000</u>
<u>Agricultural</u>	\$	<u>800,000</u>	\$	<u>800,000</u>	\$	<u>1,600,000</u>
<u>Remediation</u>	\$	<u>388,000</u>	\$	<u>388,000</u>	\$	<u>776,000</u>
<u>Total</u>	\$	<u>43,475,000</u>	\$	<u>35,502,000</u>	\$	<u>78,977,000</u>

Sec. 2. **AGRICULTURE APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this act. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2012" and "2013" used in this act mean that the appropriations listed under them are available for the fiscal year ending June 30, 2012, or June 30, 2013, respectively. "The first year" is fiscal year 2012. "The second year" is fiscal year 2013. "The biennium" is fiscal years 2012 and 2013.

3.1 If the commissioner determines that claims
3.2 made under Minnesota Statutes, section
3.3 3.737 or 3.7371, are unusually high, amounts
3.4 appropriated for either program may be
3.5 transferred to the appropriation for the other
3.6 program.

3.7 \$245,000 the first year and \$245,000 the
3.8 second year are for an increase in retail
3.9 food handler inspections. This is a onetime
3.10 appropriation. No later than February 1,
3.11 2013, the commissioner shall report to the
3.12 chairs and ranking minority members of
3.13 the legislative committees with jurisdiction
3.14 over agriculture finance regarding the
3.15 commissioner's progress in addressing the
3.16 department's perceived shortfall of necessary
3.17 inspections.

3.18	<u>Subd. 3. Agricultural Marketing and</u>		
3.19	<u>Development</u>	<u>3,632,000</u>	<u>3,632,000</u>

3.20 \$186,000 the first year and \$186,000 the
3.21 second year are for transfer to the Minnesota
3.22 grown account and may be used as grants
3.23 for Minnesota grown promotion under
3.24 Minnesota Statutes, section 17.102. Grants
3.25 may be made for one year. Notwithstanding
3.26 Minnesota Statutes, section 16A.28, the
3.27 appropriations encumbered under contract on
3.28 or before June 30, 2013, for Minnesota grown
3.29 grants in this paragraph are available until
3.30 June 30, 2015. \$50,000 of the appropriation
3.31 in each year is for efforts to promote
3.32 Minnesota grown products in retail food
3.33 establishments including but not limited to
3.34 restaurants, grocery stores, and convenience
3.35 stores.

4.1 Up to \$100,000 each year may be used
4.2 for grants to farmers for demonstration
4.3 projects involving sustainable agriculture as
4.4 authorized in Minnesota Statutes, section
4.5 17.116. Of the amount for grants, up to
4.6 \$20,000 may be used for dissemination
4.7 of information about the demonstration
4.8 projects. Notwithstanding Minnesota
4.9 Statutes, section 16A.28, the appropriations
4.10 encumbered under contract on or before June
4.11 30, 2013, for sustainable agriculture grants
4.12 in this paragraph are available until June 30,
4.13 2015.

4.14 \$100,000 the first year and \$100,000 the
4.15 second year are to provide training and
4.16 technical assistance to county and town
4.17 officials relating to livestock siting issues
4.18 and local zoning and land use planning,
4.19 including maintenance of the checklist
4.20 template clarifying the federal, state,
4.21 and local government requirements for
4.22 consideration of an animal agriculture
4.23 modernization or expansion project. For the
4.24 training and technical assistance program,
4.25 the commissioner shall continue to seek
4.26 guidance, advice, and support of livestock
4.27 producer organizations, general agricultural
4.28 organizations, local government associations,
4.29 academic institutions, other government
4.30 agencies, and others with expertise in land
4.31 use and agriculture.

4.32 \$10,000 the first year and \$10,000 the
4.33 second year are for annual cost-share
4.34 payments to resident farmers or persons
4.35 who sell, process, or package agricultural
4.36 products in this state for the costs of organic

5.1 certification. Annual cost-share payments
5.2 per farmer must be two-thirds of the cost
5.3 of the certification or \$350, whichever is
5.4 less. In any year that a resident farmer or
5.5 person who sells, processes, or packages
5.6 agricultural products in this state receives
5.7 a federal organic certification cost-share
5.8 payment, that resident farmer or person is
5.9 not eligible for state cost-share payments. A
5.10 certified farmer is eligible to receive annual
5.11 certification cost-share payments for up to
5.12 five years. The commissioner may allocate
5.13 any excess appropriation in either fiscal year
5.14 for organic market and program development
5.15 including organic producer education efforts,
5.16 assistance for persons transitioning from
5.17 conventional to organic agriculture, or
5.18 sustainable agriculture demonstration grants
5.19 authorized under Minnesota Statutes, section
5.20 17.116, and pertaining to organic research or
5.21 demonstration. Any unencumbered balance
5.22 does not cancel at the end of the first year
5.23 and is available for the second year.
5.24 \$100,000 each year is for a licensed
5.25 education professional for the Agriculture
5.26 in the Classroom program to develop and
5.27 disseminate curriculum, provide teacher
5.28 training opportunities, and work with
5.29 schools to enhance agricultural literacy by
5.30 incorporating agriculture into classroom
5.31 curriculum.
5.32 **Subd. 4. Bioenergy and Value-Added**
5.33 **Agriculture** 13,353,000 5,280,000
5.34 \$13,353,000 the first year is for final
5.35 ethanol producer deficiency payments under
5.36 Minnesota Statutes, section 41A.09. If the

appropriation in either year exceeds the total
amount for which all producers are eligible,
the balance in the appropriation is available
for the agricultural growth, research, and
innovation program under Minnesota
Statutes, section 41A.12. The funding base
for this program in fiscal year 2014 and fiscal
year 2015 is \$10,291,000 per year.

Subd. 5. <u>Administration and Financial Assistance</u>	<u>6,673,000</u>	<u>6,773,000</u>
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<u>Appropriations by Fund</u>		
<u>General</u>	<u>5,873,000</u>	<u>5,973,000</u>
<u>Agricultural</u>	<u>800,000</u>	<u>800,000</u>

\$634,000 the first year and \$634,000 the
second year are for continuation of the dairy
development and profitability enhancement
and dairy business planning grant programs
established under Laws 1997, chapter
216, section 7, subdivision 2, and Laws
2001, First Special Session chapter 2,
section 9, subdivision 2. The commissioner
may allocate the available sums among
permissible activities, including efforts to
improve the quality of milk produced in the
state in the proportions that the commissioner
deems most beneficial to Minnesota's
dairy farmers. The commissioner must
submit a detailed accomplishment report
and a work plan detailing future plans for,
and anticipated accomplishments from,
expenditures under this program to the
chairs and ranking minority members of the
legislative committees with jurisdiction over
agricultural policy and finance on or before
the start of each fiscal year. If significant
changes are made to the plans in the course

7.1 of the year, the commissioner must notify the
7.2 chairs and ranking minority members.

7.3 \$47,000 the first year and \$47,000 the
7.4 second year are for the Northern Crops
7.5 Institute. These appropriations may be spent
7.6 to purchase equipment.

7.7 \$18,000 the first year and \$18,000 the
7.8 second year are for a grant to the Minnesota
7.9 Livestock Breeders Association.

7.10 \$235,000 the first year and \$235,000 the
7.11 second year are for grants to the Minnesota
7.12 Agricultural Education and Leadership
7.13 Council for programs of the council under
7.14 Minnesota Statutes, chapter 41D.

7.15 \$474,000 the first year and \$474,000 the
7.16 second year are for payments to county and
7.17 district agricultural societies and associations
7.18 under Minnesota Statutes, section 38.02,
7.19 subdivision 1. Aid payments to county and
7.20 district agricultural societies and associations
7.21 shall be disbursed no later than July 15 of
7.22 each year. These payments are the amount of
7.23 aid from the state for an annual fair held in
7.24 the previous calendar year.

7.25 \$1,000 the first year and \$1,000 the second
7.26 year are for grants to the Minnesota State
7.27 Poultry Association.

7.28 \$108,000 the first year and \$108,000 the
7.29 second year are for annual grants to the
7.30 Minnesota Turf Seed Council for basic
7.31 and applied research on: (1) the improved
7.32 production of forage and turf seed related to
7.33 new and improved varieties; and (2) native
7.34 plants, including plant breeding, nutrient
7.35 management, pest management, disease

8.1 management, yield, and viability. The grant
8.2 recipient may subcontract with a qualified
8.3 third party for some or all of the basic
8.4 or applied research. The grant recipient
8.5 must actively participate in the Agricultural
8.6 Utilization Research Institute's Renewable
8.7 Energy Roundtable.

8.8 \$500,000 the first year and \$500,000 the
8.9 second year are for grants to Second Harvest
8.10 Heartland on behalf of Minnesota's six
8.11 Second Harvest food banks for the purchase
8.12 of milk for distribution to Minnesota's food
8.13 shelves and other charitable organizations
8.14 that are eligible to receive food from the food
8.15 banks. Milk purchased under the grants must
8.16 be acquired from Minnesota milk processors
8.17 and based on low-cost bids. The milk must be
8.18 allocated to each Second Harvest food bank
8.19 serving Minnesota according to the formula
8.20 used in the distribution of United States
8.21 Department of Agriculture commodities
8.22 under The Emergency Food Assistance
8.23 Program (TEFAP). Second Harvest
8.24 Heartland must submit quarterly reports
8.25 to the commissioner on forms prescribed
8.26 by the commissioner. The reports must
8.27 include, but are not limited to, information
8.28 on the expenditure of funds, the amount
8.29 of milk purchased, and the organizations
8.30 to which the milk was distributed. Second
8.31 Harvest Heartland may enter into contracts
8.32 or agreements with food banks for shared
8.33 funding or reimbursement of the direct
8.34 purchase of milk. Each food bank receiving
8.35 money from this appropriation may use up to

9.1 two percent of the grant for administrative
9.2 expenses.

9.3 \$94,000 the first year and \$94,000 the
9.4 second year are for transfer to the Board of
9.5 Trustees of the Minnesota State Colleges
9.6 and Universities for statewide mental health
9.7 counseling support to farm families and
9.8 business operators through farm business
9.9 management programs at Central Lakes
9.10 College and Ridgewater College.

9.11 \$17,000 the first year and \$17,000 the
9.12 second year are for grants to the Minnesota
9.13 Horticultural Society.

9.14 Notwithstanding Minnesota Statutes,
9.15 section 18C.131, \$800,000 the first year
9.16 and \$800,000 the second year are from the
9.17 fertilizer account in the agricultural fund
9.18 for grants for fertilizer research as awarded
9.19 by the Minnesota Agricultural Fertilizer
9.20 Research and Education Council under
9.21 Minnesota Statutes, section 18C.71. The
9.22 amount appropriated in either fiscal year
9.23 must not exceed 57 percent of the inspection
9.24 fee revenue collected under Minnesota
9.25 Statutes, section 18C.425, subdivision 6,
9.26 during the previous fiscal year. No later
9.27 than February 1, 2013, the commissioner
9.28 shall report to the legislative committees
9.29 with jurisdiction over agriculture finance.

9.30 The report must include the progress and
9.31 outcome of funded projects as well as the
9.32 sentiment of the council concerning the need
9.33 for additional research funds.

10.1 \$100,000 the second year is for a grant to the
10.2 Center for Rural Policy and Development in
10.3 St. Peter.

10.4 The commissioner may allocate operating
10.5 reductions in this subdivision to program
10.6 operations throughout the agency.

10.7 Sec. 4. BOARD OF ANIMAL HEALTH \$ 4,841,000 \$ 4,841,000

10.8 Sec. 5. AGRICULTURAL UTILIZATION
10.9 RESEARCH INSTITUTE \$ 2,783,000 \$ 2,783,000

10.10 Sec. 6. Minnesota Statutes 2010, section 18C.005, is amended by adding a subdivision
10.11 to read:

10.12 Subd. 1b. **Ammonia and anhydrous ammonia.** "Ammonia" and "anhydrous
10.13 ammonia" are used interchangeably and mean a compound formed by the chemical
10.14 combinations of the elements nitrogen and hydrogen in the molar proportion of one
10.15 part nitrogen to three parts hydrogen. This relationship is shown by the chemical
10.16 formula, NH₃. On a weight basis, the ratio is 14 parts nitrogen to three parts hydrogen
10.17 or approximately 82 percent nitrogen to 18 percent hydrogen. Ammonia may exist in
10.18 either a gaseous or a liquid state. Ammonia or anhydrous ammonia does not include
10.19 aqua ammonia or ammonium hydroxide, which are solutions of ammonia in water and
10.20 are sometimes called ammonia.

10.21 Sec. 7. Minnesota Statutes 2010, section 18C.111, is amended by adding a subdivision
10.22 to read:

10.23 Subd. 4. **Certification of regulatory compliance.** (a) The commissioner may,
10.24 under rules adopted under section 18C.121, subdivision 1, certify a person to offer or
10.25 perform a regulatory compliance inspection of any person or site that stores, handles, or
10.26 distributes ammonia or anhydrous ammonia fertilizer.

10.27 (b) Pursuant to those rules, a person certified under paragraph (a) may issue a
10.28 certification of compliance to an inspected person or site if the certified person documents
10.29 in writing full compliance with the provisions of this chapter and rules adopted under
10.30 this chapter.

10.31 (c) A person or site issued a certification of compliance must provide a copy of the
10.32 certification to the commissioner immediately upon request or within 90 days following
10.33 certification.

11.1 (d) Certifications of compliance are valid for a period of three years. The
11.2 commissioner may determine a different time period in the interest of public safety or for
11.3 other reasonable cause.

11.4 Sec. 8. Minnesota Statutes 2010, section 18D.201, is amended by adding a subdivision
11.5 to read:

11.6 Subd. 7. **Compliance and inspection frequency.** (a) The commissioner may
11.7 implement policies and procedures that provide for a decrease in the frequency of
11.8 regulatory inspection for a person or site issued a certification of compliance pursuant to
11.9 section 18C.111, subdivision 4.

11.10 (b) The commissioner must consider the compliance history, enforcement record,
11.11 and other public safety or environmental risk factors in determining the eligibility of a
11.12 person or site for the reduced frequency of inspection described in paragraph (a). If the
11.13 commissioner determines that a person or site is ineligible, the commissioner must notify
11.14 the person or site of that ineligibility and the reasons for that determination.

11.15 (c) The compliance findings of the commissioner's inspection of a person or site that
11.16 stores, handles, or distributes ammonia and anhydrous ammonia fertilizer may be used
11.17 as a basis for decreased frequency of regulatory inspection, as described in paragraphs
11.18 (a) and (b).

11.19 Sec. 9. Minnesota Statutes 2010, section 18E.03, subdivision 4, is amended to read:

11.20 Subd. 4. **Fee.** (a) The response and reimbursement fee consists of the surcharges and
11.21 any adjustments made by the commissioner in this subdivision and shall be collected by
11.22 the commissioner. The amount of the response and reimbursement fee shall be determined
11.23 and imposed annually by the commissioner as required to satisfy the requirements in
11.24 subdivision 3. The commissioner shall adjust the amount of the surcharges imposed in
11.25 proportion to the amount of the surcharges listed in this subdivision. License application
11.26 categories under paragraph (d) must be charged in proportion to the amount of surcharges
11.27 imposed up to a maximum of 50 percent of the license fees set under chapters 18B and
11.28 18C.

11.29 (b) The commissioner shall impose a surcharge on pesticides registered under
11.30 chapter 18B to be collected as a surcharge on the gross sales under section 18B.26,
11.31 subdivision 3, that is equal to 0.1 percent of sales of the pesticide in the state and sales
11.32 of pesticides for use in the state during the previous calendar year, except the surcharge
11.33 may not be imposed on pesticides that are sanitizers or disinfectants as determined by the
11.34 commissioner. No surcharge is required if the surcharge amount based on percent of

12.1 annual gross sales of a nonagricultural pesticide is less than \$10. Sales of pesticides in
12.2 the state for use outside of the state are exempt from the surcharge in this paragraph if
12.3 the registrant, agricultural pesticide dealer, or pesticide dealer properly documents the
12.4 sale location and the distributors.

12.5 (c) The commissioner shall impose a ten cents per ton surcharge on the inspection
12.6 fee under section 18C.425, subdivision 6, for fertilizers, soil amendments, and plant
12.7 amendments.

12.8 (d) The commissioner shall impose a surcharge on the license application of persons
12.9 licensed under chapters 18B and 18C consisting of:

12.10 (1) a \$75 surcharge for each site where pesticides are stored or distributed, to
12.11 be imposed as a surcharge on pesticide dealer application fees under section 18B.31,
12.12 subdivision 5, and the agricultural pesticide dealer application fee under section 18B.316,
12.13 subdivision 10;

12.14 (2) a \$75 surcharge for each site where a fertilizer, plant amendment, or soil
12.15 amendment is distributed, to be imposed on persons licensed under sections 18C.415
12.16 and 18C.425;

12.17 (3) a \$50 surcharge to be imposed on a structural pest control applicator license
12.18 application under section 18B.32, subdivision 6, for business license applications only;

12.19 (4) a \$20 surcharge to be imposed on commercial applicator license application fees
12.20 under section 18B.33, subdivision 7; and

12.21 (5) a \$20 surcharge to be imposed on noncommercial applicator license application
12.22 fees under section 18B.34, subdivision 5, except a surcharge may not be imposed on a
12.23 noncommercial applicator that is a state agency, political subdivision of the state, the
12.24 federal government, or an agency of the federal government.

12.25 (e) A \$1,000 fee shall be imposed on each site where pesticides are stored and sold
12.26 for use outside of the state unless:

12.27 (1) the distributor properly documents that it has less than \$2,000,000 per year in
12.28 wholesale value of pesticides stored and transferred through the site; or

12.29 (2) the registrant pays the surcharge under paragraph (b) and the registration fee
12.30 under section 18B.26, subdivision 3, for all of the pesticides stored at the site and sold for
12.31 use outside of the state.

12.32 (f) Paragraphs (c) to (e) apply to sales, licenses issued, applications received for
12.33 licenses, and inspection fees imposed on or after July 1, 1990.

12.34 Sec. 10. Minnesota Statutes 2010, section 27.041, is amended by adding a subdivision
12.35 to read:

13.1 Subd. 3. **Account; appropriation.** A wholesale produce dealers account is created
13.2 in the agricultural fund. All fees, charges, and penalties collected under sections 27.01 to
13.3 27.069 and 27.11 to 27.19, including interest attributable to that money, shall be deposited
13.4 in the wholesale produce dealers account. Money in the account is appropriated to the
13.5 commissioner for the purposes of sections 27.01 to 27.069 and 27.11 to 27.19.

13.6 Sec. 11. Minnesota Statutes 2010, section 38.01, is amended to read:

13.7 **38.01 COUNTY AGRICULTURAL SOCIETIES; FORMATION, POWERS.**

13.8 (a) An agricultural society or association may be incorporated by citizens of any
13.9 county, or two or more counties jointly, but only one agricultural society shall be organized
13.10 in any county. An agricultural society may sue and be sued in its corporate name; may
13.11 adopt bylaws, rules, and regulations, alter and amend the same; may purchase and hold,
13.12 lease and control any real or personal property deemed to promote the objects of the
13.13 society, and may rent, lease, sell, exchange, and convey the same. Any income from
13.14 the rental or lease of the property may be used for any or all of the following purposes:
13.15 (1) Acquisition of additional real property; (2) Construction of additional buildings; or
13.16 (3) Maintenance and care of the society's property. This section shall not be construed
13.17 to preclude the continuance of any agricultural society now existing or the granting of
13.18 aid to the society.

13.19 (b) An agricultural society shall have jurisdiction and control of the grounds upon
13.20 which its fairs are held and of the streets and adjacent grounds during the fair, so far
13.21 as may be necessary for fair purposes, and are exempt from local zoning ordinances
13.22 throughout the year as provided in section 38.16.

13.23 (c) The society may contract with the sheriff, local municipality, or security guard as
13.24 defined in section 626.88 to provide the society with police service. A person providing
13.25 police service pursuant to a contract is not, by reason of the contract, classified as an
13.26 employee of the agricultural society for any purpose other than the discharge of powers
13.27 and duties under the contract.

13.28 (d) Any person who shall willfully violate any rule or regulation made by agricultural
13.29 societies during the days of a fair shall be guilty of a misdemeanor.

13.30 The provisions of this section supersede all special laws on the same subject.

13.31 Sec. 12. Minnesota Statutes 2010, section 41A.12, subdivision 3, is amended to read:

13.32 Subd. 3. **Oversight.** The commissioner, ~~in consultation with the chairs and ranking~~
13.33 ~~minority members of the house of representatives and senate committees with jurisdiction~~

14.1 ~~over agriculture finance~~, must allocate available funds ~~among eligible uses~~ as specified by
14.2 the legislature, develop competitive eligibility criteria, and award funds on a needs basis.

14.3 Sec. 13. Minnesota Statutes 2010, section 373.01, subdivision 1, is amended to read:

14.4 Subdivision 1. **Public corporation; listed powers.** (a) Each county is a body politic
14.5 and corporate and may:

14.6 (1) Sue and be sued.

14.7 (2) Acquire and hold real and personal property for the use of the county, and lands
14.8 sold for taxes as provided by law.

14.9 (3) Purchase and hold for the benefit of the county real estate sold by virtue of
14.10 judicial proceedings, to which the county is a party.

14.11 (4) Sell, lease, and convey real or personal estate owned by the county, and give
14.12 contracts or options to sell, lease, or convey it, and make orders respecting it as deemed
14.13 conducive to the interests of the county's inhabitants.

14.14 (5) Make all contracts and do all other acts in relation to the property and concerns
14.15 of the county necessary to the exercise of its corporate powers.

14.16 (b) No sale, lease, or conveyance of real estate owned by the county, except the lease
14.17 of a residence acquired for the furtherance of an approved capital improvement project, nor
14.18 any contract or option for it, shall be valid, without first advertising for bids or proposals in
14.19 the official newspaper of the county for three consecutive weeks and once in a newspaper
14.20 of general circulation in the area where the property is located. The notice shall state the
14.21 time and place of considering the proposals, contain a legal description of any real estate,
14.22 and a brief description of any personal property. Leases that do not exceed \$15,000 for any
14.23 one year may be negotiated and are not subject to the competitive bid procedures of this
14.24 section. All proposals estimated to exceed \$15,000 in any one year shall be considered at
14.25 the time set for the bid opening, and the one most favorable to the county accepted, but the
14.26 county board may, in the interest of the county, reject any or all proposals.

14.27 (c) Sales of personal property the value of which is estimated to be \$15,000 or
14.28 more shall be made only after advertising for bids or proposals in the county's official
14.29 newspaper, on the county's Web site, or in a recognized industry trade journal. At the same
14.30 time it posts on its Web site or publishes in a trade journal, the county must publish in the
14.31 official newspaper, either as part of the minutes of a regular meeting of the county board
14.32 or in a separate notice, a summary of all requests for bids or proposals that the county
14.33 advertises on its Web site or in a trade journal. After publication in the official newspaper,
14.34 on the Web site, or in a trade journal, bids or proposals may be solicited and accepted by
14.35 the electronic selling process authorized in section 471.345, subdivision 17. Sales of

personal property the value of which is estimated to be less than \$15,000 may be made either on competitive bids or in the open market, in the discretion of the county board.

"Web site" means a specific, addressable location provided on a server connected to the Internet and hosting World Wide Web pages and other files that are generally accessible on the Internet all or most of a day.

(d) Notwithstanding anything in this section to the contrary ~~herein~~, the county may, exchange parcels of real property of substantially similar or equal value without advertising for bids, subject to clause (1) or (2).

(1) When acquiring real property for county highway right-of-way, exchange parcels
~~of real property of substantially similar or equal value without advertising for bids;~~ the estimated values for these parcels shall be determined by the county assessor.

(2) When acquiring real property for any other purpose, the estimated values for these parcels must be determined by the county assessor or a private Minnesota licensed real estate appraiser. The private appraised value of the parcels must be substantially equal to the county assessor's estimated market value of similar land, as adjusted by the sales ratio determined by the commissioner of revenue. Before giving final approval to the exchange of land, the county board shall hold a public hearing on the exchange. At least two weeks before the hearing, the county auditor shall post a hearing notice in the auditor's office and the official newspaper of the county that contains a description of the lands affected.

(e) If real estate or personal property remains unsold after advertising for and consideration of bids or proposals the county may employ a broker to sell the property. The broker may sell the property for not less than 90 percent of its appraised market value as determined by the county. The broker's fee shall be set by agreement with the county but may not exceed ten percent of the sale price and must be paid from the proceeds of the sale.

(f) A county or its agent may rent a county-owned residence acquired for the furtherance of an approved capital improvement project subject to the conditions set by the county board and not subject to the conditions for lease otherwise provided by paragraph (a), clause (4), and paragraphs (b), (c), (d), (e), and (g).

(g) In no case shall lands be disposed of without there being reserved to the county all iron ore and other valuable minerals in and upon the lands, with right to explore for, mine and remove the iron ore and other valuable minerals, nor shall the minerals and mineral rights be disposed of, either before or after disposition of the surface rights, otherwise than by mining lease, in similar general form to that provided by section 93.20 for mining leases affecting state lands. The lease shall be for a term not exceeding 50 years, and be issued on a royalty basis, the royalty to be not less than 25 cents per ton of

16.1 2,240 pounds, and fix a minimum amount of royalty payable during each year, whether
16.2 mineral is removed or not. Prospecting options for mining leases may be granted for
16.3 periods not exceeding one year. The options shall require, among other things, periodical
16.4 showings to the county board of the results of exploration work done.

16.5 (h) Notwithstanding anything in this subdivision to the contrary, the county may,
16.6 when selling real property owned in fee simple that cannot be improved because of
16.7 noncompliance with local ordinances regarding minimum area, shape, frontage, or access,
16.8 proceed to sell the nonconforming parcel without advertising for bid. At the county's
16.9 discretion, the real property may be restricted to sale to adjoining landowners or may be
16.10 sold to any other interested party. The property shall be sold to the highest bidder, but
16.11 in no case shall the property be sold for less than 90 percent of its fair market value as
16.12 determined by the county assessor. All owners of land adjoining the land to be sold shall
16.13 be given a written notice at least 30 days before the sale. This paragraph shall be liberally
16.14 construed to encourage the sale of nonconforming real property and promote its return to
16.15 the tax roles.

16.16 Sec. 14. **REPEALER.**

16.17 Minnesota Statutes 2010, section 41A.09, subdivisions 1a, 2a, 3a, 4, and 10, are
16.18 repealed.

16.19 **EFFECTIVE DATE.** This section is effective June 30, 2012.