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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 408

01/28/2021 Authored by Hansen, R.; Morrison; Hanson, J.; Jordan; Lippert and others
The bill was read for the first time and referred to the Committee on Agriculture Finance and Policy

1.1 A bill for an act
1.2 relating to agriculture; increasing fees for pollinator lethal insecticides; allocating
1.3 fee revenue for pollinator research; amending Minnesota Statutes 2020, sections
1.4 18B.051; 18B.26, subdivision 3.

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

1.6 Section 1. Minnesota Statutes 2020, section 18B.051, is amended to read:

1.7 18B.051 POLLINATOR HABITAT AND RESEARCH ACCOUNT.

1.8 Subdivision 1. Account established. A pollinator habitat and research account is
1.9 established in the agricultural fund. Money in the account, including interest, is appropriated
1.10 to the Board of Regents of the University of Minnesota for pollinator research and outreach
1.11 including, but not limited to;

1.12 (1) pesticide, parasite, and climate disruption impacts;

1.13 (2) science-based best practices; and

1.14 (3) the identification and establishment of habitat beneficial to pollinators.

1.15 Subd. 2. Expiration. This section expires July 1, 2022 2025.

1.16 Sec. 2. Minnesota Statutes 2020, section 18B.26, subdivision 3, is amended to read:

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

2.1 (b) For a nonagricultural pesticide, a registrant shall pay a minimum annual registration  
2.2 application fee for each nonagricultural pesticide of \$350. The fee is due by December 31  
2.3 preceding the year for which the application for registration is made. The fee is  
2.4 nonrefundable. If the registrant's annual gross sales of the nonagricultural pesticide exceeded  
2.5 \$70,000 in the previous calendar year, the registrant shall pay, in addition to the \$350  
2.6 minimum fee, a fee equal to 0.5 percent of that portion of the annual gross sales over \$70,000.  
2.7 For sales in calendar years 2021 to 2024, if the nonagricultural pesticide is a pollinator lethal  
2.8 insecticide as defined in section 18H.02, subdivision 28a, the registrant shall pay an additional  
2.9 fee equal to 0.1 percent of that portion of gross sales over \$70,000. Notwithstanding section  
2.10 18B.05, the commissioner must deposit revenue from the additional 0.1 percent gross sales  
2.11 fee in the pollinator research account in section 18B.051. For purposes of this subdivision,  
2.12 gross sales includes both nonagricultural pesticide sold in the state and nonagricultural  
2.13 pesticide sold into the state for use in this state. No additional fee is required if the fee due  
2.14 amount based on percent of annual gross sales of a nonagricultural pesticide is less than  
2.15 \$10. The registrant shall secure sufficient sales information of nonagricultural pesticides  
2.16 distributed into this state from distributors and dealers, regardless of distributor location,  
2.17 to make a determination. Sales of nonagricultural pesticides in this state and sales of  
2.18 nonagricultural pesticides for use in this state by out-of-state distributors are not exempt  
2.19 and must be included in the registrant's annual report, as required under paragraph (g), and  
2.20 fees shall be paid by the registrant based upon those reported sales. Sales of nonagricultural  
2.21 pesticides in the state for use outside of the state are exempt from the gross sales fee in this  
2.22 paragraph if the registrant properly documents the sale location and distributors. A registrant  
2.23 paying more than the minimum fee shall pay the balance due by March 1 based on the gross  
2.24 sales of the nonagricultural pesticide by the registrant for the preceding calendar year. A  
2.25 pesticide determined by the commissioner to be a sanitizer or disinfectant is exempt from  
2.26 the gross sales fee.

2.27 (c) For agricultural pesticides, a licensed agricultural pesticide dealer or licensed pesticide  
2.28 dealer shall pay a gross sales fee of 0.55 percent of annual gross sales of the agricultural  
2.29 pesticide in the state and the annual gross sales of the agricultural pesticide sold into the  
2.30 state for use in this state. For sales in calendar years 2021 to 2024, if the agricultural pesticide  
2.31 is a pollinator lethal insecticide as defined in section 18H.02, subdivision 28a, a licensed  
2.32 agricultural pesticide dealer or licensed pesticide dealer shall pay an additional gross sales  
2.33 fee of 0.1 percent of annual gross sales of the pollinator lethal insecticide in the state and  
2.34 the annual gross sales of the pollinator lethal insecticide sold into the state for use in this  
2.35 state. Notwithstanding section 18B.05, the commissioner must deposit revenue from the  
2.36 additional 0.1 percent gross sales fee in the pollinator research account in section 18B.051.

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

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

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

3.15 (g) A registrant must annually report to the commissioner the amount, type and annual  
3.16 gross sales of each registered nonagricultural pesticide sold, offered for sale, or otherwise  
3.17 distributed in the state. The report shall be filed by March 1 for the previous year's  
3.18 registration. The commissioner shall specify the form of the report or approve the method  
3.19 for submittal of the report and may require additional information deemed necessary to  
3.20 determine the amount and type of nonagricultural pesticide annually distributed in the state.  
3.21 The information required shall include the brand name, United States Environmental  
3.22 Protection Agency registration number, and amount of each nonagricultural pesticide sold,  
3.23 offered for sale, or otherwise distributed in the state, but the information collected, if made  
3.24 public, shall be reported in a manner which does not identify a specific brand name in the  
3.25 report.

3.26 (h) A licensed agricultural pesticide dealer or licensed pesticide dealer must annually  
3.27 report to the commissioner the amount, type, and annual gross sales of each registered  
3.28 agricultural pesticide sold, offered for sale, or otherwise distributed in the state or into the  
3.29 state for use in the state. The report must be filed by January 31 for the previous year's sales.  
3.30 The commissioner shall specify the form, contents, and approved electronic method for  
3.31 submittal of the report and may require additional information deemed necessary to determine  
3.32 the amount and type of agricultural pesticide annually distributed within the state or into  
3.33 the state. The information required must include the brand name, United States Environmental  
3.34 Protection Agency registration number, and amount of each agricultural pesticide sold,  
3.35 offered for sale, or otherwise distributed in the state or into the state.

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

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

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

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