

A bill for an act

relating to appropriations; appropriating money for agriculture, the Board of Animal Health, veterans, and the military; changing certain agricultural and animal health requirements and programs; amending Minnesota Statutes 2008, sections 3.737, subdivision 1; 3.7371, subdivision 3; 17.03, subdivision 12; 17.114, subdivision 3; 17.115, subdivision 2; 18.75; 18.76; 18.77, subdivisions 1, 3, 5, by adding subdivisions; 18.78, subdivision 1, by adding a subdivision; 18.79; 18.80, subdivision 1; 18.81, subdivisions 1, 3, by adding a subdivision; 18.82, subdivisions 1, 3; 18.83; 18.84, subdivisions 1, 2, 3; 18.86; 18.87; 18.88; 18B.01, subdivision 8, by adding subdivisions; 18B.065, subdivisions 2, 2a; 18C.415, subdivision 3; 18C.421; 18C.425, subdivisions 4, 6; 18E.03, subdivision 2; 28A.085, subdivision 1; 32.394, subdivision 8; 41B.039, subdivision 2; 41B.04, subdivision 8; 41B.042, subdivision 4; 41B.043, subdivision 1b; 41B.045, subdivision 2; 190.19, subdivision 2a; 197.585, subdivision 5; 197.791, subdivision 6; 583.215; Laws 2008, chapter 274, section 5; proposing coding for new law in Minnesota Statutes, chapters 18; 18B; 31; 168; repealing Minnesota Statutes 2008, sections 17.49, subdivision 3; 38.02, subdivisions 3, 4; 41.51; 41.52; 41.53; 41.55; 41.56; 41.57; 41.58, subdivisions 1, 2; 41.59, subdivision 1; 41.60; 41.61, subdivision 1; 41.62; 41.63; 41.65; 84.02.

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

ARTICLE 1
AGRICULTURE

Section 1. **SUMMARY OF APPROPRIATIONS.**

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

	<u>2010</u>	<u>2011</u>	<u>Total</u>
<u>General</u>	\$ <u>47,399,000</u> \$	\$ <u>44,021,000</u> \$	\$ <u>91,420,000</u>
<u>Remediation</u>	\$ <u>388,000</u> \$	\$ <u>388,000</u> \$	\$ <u>776,000</u>
<u>Total</u>	\$ <u>47,787,000</u> \$	\$ <u>44,409,000</u> \$	\$ <u>92,196,000</u>

3.1 available for compensation payments for
3.2 livestock destroyed or crippled by gray
3.3 wolves under Minnesota Statutes, section
3.4 3.737. If the commissioner determines that
3.5 claims made under Minnesota Statutes,
3.6 section 3.737 or 3.7371, are unusually high,
3.7 amounts appropriated for either program may
3.8 be transferred to the appropriation for the
3.9 other program. If the amounts appropriated
3.10 for each program in fiscal year 2010 are
3.11 insufficient, the amounts appropriated in
3.12 fiscal year 2011 are available in 2010.

3.13 \$50,000 in the first year is for additional
3.14 duties under the noxious weed law changes in
3.15 this article. This is a onetime appropriation.

3.16 **Subd. 3. Agricultural Marketing and**
3.17 **Development**

4,327,000

4,302,000

3.18 \$186,000 the first year and \$186,000 the
3.19 second year are for transfer to the Minnesota
3.20 grown account and may be used as grants
3.21 for Minnesota grown promotion under
3.22 Minnesota Statutes, section 17.102. Grants
3.23 may be made for one year. Notwithstanding
3.24 Minnesota Statutes, section 16A.28, the
3.25 appropriations encumbered under contract on
3.26 or before June 30, 2011, for Minnesota grown
3.27 grants in this paragraph are available until
3.28 June 30, 2013. \$50,000 of the appropriation
3.29 in each year is for efforts that identify
3.30 and promote Minnesota grown products in
3.31 retail food establishments including, but not
3.32 limited to, restaurants, grocery stores, and
3.33 convenience stores.

3.34 \$60,000 the first year and \$60,000 the
3.35 second year are for grants to farmers for
3.36 demonstration projects involving sustainable

4.1 agriculture as authorized in Minnesota
4.2 Statutes, section 17.116. Of the amount
4.3 for grants, up to \$20,000 may be used for
4.4 dissemination of information about the
4.5 demonstration projects. Notwithstanding
4.6 Minnesota Statutes, section 16A.28, the
4.7 appropriations encumbered under contract
4.8 on or before June 30, 2011, for sustainable
4.9 agriculture grants in this paragraph are
4.10 available until June 30, 2013.

4.11 \$100,000 the first year and \$100,000 the
4.12 second year are to provide training and
4.13 technical assistance to county and town
4.14 officials relating to livestock siting issues
4.15 and local zoning and land use planning,
4.16 including maintenance of the checklist
4.17 template clarifying the federal, state,
4.18 and local government requirements for
4.19 consideration of an animal agriculture
4.20 modernization or expansion project. For the
4.21 training and technical assistance program,
4.22 the commissioner shall continue to seek
4.23 guidance, advice, and support of livestock
4.24 producer organizations, general agricultural
4.25 organizations, local government associations,
4.26 academic institutions, other government
4.27 agencies, and others with expertise in land
4.28 use and agriculture.

4.29 \$100,000 the first year and \$100,000 the
4.30 second year are for annual cost-share
4.31 payments to resident farmers or persons
4.32 who sell, process, or package agricultural
4.33 products in this state for the costs of organic
4.34 certification. Annual cost-share payments
4.35 per farmer must be two-thirds of the cost
4.36 of the certification or \$350, whichever is

5.1 less. In any year that a resident farmer or
5.2 person who sells, processes, or packages
5.3 agricultural products in this state receives
5.4 a federal organic certification cost-share
5.5 payment, that resident farmer or person is
5.6 not eligible for state cost-share payments.

5.7 A certified farmer is eligible to receive
5.8 annual certification cost-share payments for
5.9 up to five years. \$15,000 each year is for
5.10 organic market and program development.

5.11 The commissioner may allocate any excess
5.12 appropriation in either fiscal year for organic
5.13 producer education efforts, assistance for
5.14 persons transitioning from conventional
5.15 to organic agriculture, or sustainable
5.16 agriculture demonstration grants authorized
5.17 under Minnesota Statutes, section 17.116,
5.18 and pertaining to organic research or
5.19 demonstration. Any unencumbered balance
5.20 does not cancel at the end of the first year
5.21 and is available for the second year.

5.22 \$25,000 the first year is for a grant to the St.
5.23 Paul Growers' Association to reimburse up to
5.24 \$1,000 of membership fees and retail leases
5.25 for members of the association who farm in
5.26 and around Dakota County and who incurred
5.27 crop damages as a result of the hail storm in
5.28 that area on July 10, 2008.

5.29 **Subd. 4. Bioenergy and Value-Added**
5.30 **Agriculture**

15,168,000

12,920,000

5.31 \$15,168,000 the first year and \$12,920,000
5.32 the second year are for ethanol producer
5.33 payments under Minnesota Statutes, section
5.34 41A.09. The second year reduction of
5.35 \$2,248,000 is a onetime reduction. If the
5.36 total amount for which all producers are

6.1 eligible in a quarter exceeds the amount
6.2 available for payments, the commissioner
6.3 shall make payments on a pro rata basis. If
6.4 the appropriation exceeds the total amount
6.5 for which all producers are eligible in a
6.6 fiscal year for scheduled payments and for
6.7 deficiencies in payments during previous
6.8 fiscal years, the balance in the appropriation
6.9 is available to the commissioner for
6.10 value-added agricultural programs, including
6.11 the value-added agricultural product
6.12 processing and marketing grant program
6.13 under Minnesota Statutes, section 17.101,
6.14 subdivision 5. The appropriation remains
6.15 available until spent.

6.16 **Subd. 5. Administration and Financial**
6.17 **Assistance**

6,992,000

5,937,000

6.18 \$705,000 the first year and \$705,000 the
6.19 second year are for continuation of the dairy
6.20 development and profitability enhancement
6.21 and dairy business planning grant programs
6.22 established under Laws 1997, chapter
6.23 216, section 7, subdivision 2, and Laws
6.24 2001, First Special Session chapter 2,
6.25 section 9, subdivision 2. The commissioner
6.26 may allocate the available sums among
6.27 permissible activities, including efforts to
6.28 improve the quality of milk produced in the
6.29 state in the proportions that the commissioner
6.30 deems most beneficial to Minnesota's dairy
6.31 farmers. The commissioner must submit a
6.32 work plan detailing plans for expenditures
6.33 under this program to the chairs of the house
6.34 of representatives and senate committees
6.35 dealing with agricultural policy and budget
6.36 on or before the start of each fiscal year. If

7.1 significant changes are made to the plans
7.2 in the course of the year, the commissioner
7.3 must notify the chairs.

7.4 \$50,000 the first year and \$50,000 the
7.5 second year are for the Northern Crops
7.6 Institute. These appropriations may be spent
7.7 to purchase equipment.

7.8 \$19,000 the first year and \$19,000 the
7.9 second year are for a grant to the Minnesota
7.10 Livestock Breeders Association.

7.11 \$250,000 the first year and \$250,000 the
7.12 second year are for grants to the Minnesota
7.13 Agricultural Education and Leadership
7.14 Council for programs of the council under
7.15 Minnesota Statutes, chapter 41D.

7.16 \$474,000 the first year and \$474,000 the
7.17 second year are for payments to county and
7.18 district agricultural societies and associations
7.19 under Minnesota Statutes, section 38.02,
7.20 subdivision 1. Of this amount, \$4,000 each
7.21 year is for 4-H premiums. Aid payments to
7.22 county and district agricultural societies and
7.23 associations shall be disbursed not later than
7.24 July 15 of each year. These payments are the
7.25 amount of aid from the state for an annual
7.26 fair held in the previous calendar year.

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

7.30 \$65,000 the first year and \$65,000 the second
7.31 year are for annual grants to the Minnesota
7.32 Turf Seed Council for basic and applied
7.33 research on the improved production of
7.34 forage and turf seed related to new and
7.35 improved varieties. The grant recipient may

8.1 subcontract with a qualified third party for
8.2 some or all of the basic and applied research.

8.3 \$50,000 the first year and \$50,000 the
8.4 second year are for annual grants to the
8.5 Minnesota Turf Seed Council for basic
8.6 and applied agronomic research on native
8.7 plants, including plant breeding, nutrient
8.8 management, pest management, disease
8.9 management, yield, and viability. The grant
8.10 recipient may subcontract with a qualified
8.11 third party for some or all of the basic
8.12 or applied research. The grant recipient
8.13 must actively participate in the Agricultural
8.14 Utilization Research Institute's Renewable
8.15 Energy Roundtable and no later than
8.16 February 1, 2011, must report to the house of
8.17 representatives and senate committees with
8.18 jurisdiction over agriculture finance.

8.19 \$500,000 the first year and \$500,000 the
8.20 second year are for grants to Second Harvest
8.21 Heartland on behalf of Minnesota's six
8.22 Second Harvest food banks for the purchase
8.23 of milk for distribution to Minnesota's food
8.24 shelves and other charitable organizations
8.25 that are eligible to receive food from the food
8.26 banks. Milk purchased under the grants must
8.27 be acquired from Minnesota milk processors
8.28 and based on low-cost bids. The milk must be
8.29 allocated to each Second Harvest food bank
8.30 serving Minnesota according to the formula
8.31 used in the distribution of United States
8.32 Department of Agriculture commodities
8.33 under The Emergency Food Assistance
8.34 Program (TEFAP). Second Harvest
8.35 Heartland must submit quarterly reports
8.36 to the commissioner on forms prescribed

9.1 by the commissioner. The reports must
9.2 include, but are not limited to, information
9.3 on the expenditure of funds, the amount
9.4 of milk purchased, and the organizations
9.5 to which the milk was distributed. Second
9.6 Harvest Heartland may enter into contracts
9.7 or agreements with food banks for shared
9.8 funding or reimbursement of the direct
9.9 purchase of milk. Each food bank receiving
9.10 money from this appropriation may use up to
9.11 two percent of the grant for administrative
9.12 expenses.

9.13 \$100,000 the first year and \$100,000 the
9.14 second year are for transfer to the Board of
9.15 Trustees of the Minnesota State Colleges and
9.16 Universities for mental health counseling
9.17 support to farm families and business
9.18 operators through farm business management
9.19 programs at Central Lakes College and
9.20 Ridgewater College.

9.21 \$18,000 the first year and \$18,000 the
9.22 second year are for grants to the Minnesota
9.23 Horticultural Society.

9.24 \$1,000,000 the first year is for a grant
9.25 to the Minnesota Veterinary Diagnostic
9.26 Laboratory. This appropriation is in addition
9.27 to the allocation of state general fund
9.28 appropriations for the laboratory. This is a
9.29 onetime appropriation.

9.30 \$30,000 is for star farms program
9.31 development. The commissioner, in
9.32 consultation with other state and local
9.33 agencies, farm groups, conservation groups,
9.34 legislators, and other interested persons, shall
9.35 develop a proposal for a star farms program.

10.1 By January 15, 2010, the commissioner
10.2 shall submit the proposal to the legislative
10.3 committees and divisions with jurisdiction
10.4 over agriculture and environmental policy
10.5 and finance. This is a onetime appropriation.
10.6 \$25,000 the first year is for the administration
10.7 of the Feeding Minnesota Task Force, under
10.8 new Minnesota Statutes, section 31.97. This
10.9 is a onetime appropriation.

10.10 Sec. 4. **BOARD OF ANIMAL HEALTH** \$ **5,239,000** \$ **5,239,000**

10.11 \$2,531,000 the first year and \$2,531,000
10.12 the second year are for bovine tuberculosis
10.13 eradication efforts in cattle herds.

10.14 \$100,000 the first year and \$100,000 the
10.15 second year are for a program to control
10.16 paratuberculosis (Johne's disease) in
10.17 domestic bovine herds.

10.18 \$40,000 the first year and \$40,000 the second
10.19 year are for a program to investigate the
10.20 avian pneumovirus disease and to identify
10.21 the infected flocks. This appropriation must
10.22 be matched on a dollar-for-dollar or in-kind
10.23 basis with nonstate sources and is in addition
10.24 to money currently designated for turkey
10.25 disease research. Costs of blood sample
10.26 collection, handling, and transportation,
10.27 in addition to costs associated with early
10.28 diagnosis tests and the expenses of vaccine
10.29 research trials, may be credited to the match.

10.30 \$400,000 the first year and \$400,000 the
10.31 second year are for the purposes of cervidae
10.32 inspection as authorized in Minnesota
10.33 Statutes, section 35.155.

11.1 Sec. 5. AGRICULTURAL UTILIZATION
11.2 RESEARCH INSTITUTE \$ 2,883,000 \$ 2,883,000

11.3 \$650,000 the first year and \$650,000 the
11.4 second year are for technical assistance
11.5 and technology transfer to bioenergy crop
11.6 producers and users.

11.7 Sec. 6. Minnesota Statutes 2008, section 3.737, subdivision 1, is amended to read:

11.8 Subdivision 1. **Compensation required.** (a) Notwithstanding section 3.736,
11.9 subdivision 3, paragraph (e), or any other law, a livestock owner shall be compensated
11.10 by the commissioner of agriculture for livestock that is destroyed by a gray wolf or is so
11.11 crippled by a gray wolf that it must be destroyed. Except as provided in this section, the
11.12 owner is entitled to the fair market value of the destroyed livestock as determined by the
11.13 commissioner, upon recommendation of a university extension agent or a conservation
11.14 officer. In any fiscal year, a livestock owner may not be compensated for a destroyed
11.15 animal claim that is less than \$100 in value and may be compensated up to \$20,000,
11.16 as determined under this section. In any fiscal year, the commissioner may provide
11.17 compensation for claims filed under this section ~~and section 3.7371~~ up to ~~a total of~~
11.18 ~~\$100,000 for both programs combined~~ the amount expressly appropriated for this purpose.

11.19 (b) Either the agent or the conservation officer must make a personal inspection of
11.20 the site. The agent or the conservation officer must take into account factors in addition to
11.21 a visual identification of a carcass when making a recommendation to the commissioner.
11.22 The commissioner, upon recommendation of the agent or conservation officer, shall
11.23 determine whether the livestock was destroyed by a gray wolf and any deficiencies in the
11.24 owner's adoption of the best management practices developed in subdivision 5. The
11.25 commissioner may authorize payment of claims only if the agent or the conservation
11.26 officer has recommended payment. The owner shall file a claim on forms provided by the
11.27 commissioner and available at the university extension agent's office.

11.28 Sec. 7. Minnesota Statutes 2008, section 3.7371, subdivision 3, is amended to read:

11.29 Subd. 3. **Compensation.** The crop owner is entitled to the target price or the
11.30 market price, whichever is greater, of the damaged or destroyed crop plus adjustments
11.31 for yield loss determined according to agricultural stabilization and conservation service
11.32 programs for individual farms, adjusted annually, as determined by the commissioner,
11.33 upon recommendation of the county extension agent for the owner's county. The
11.34 commissioner, upon recommendation of the agent, shall determine whether the crop

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12.1 damage or destruction is caused by elk and, if so, the amount of the crop that is damaged
12.2 or destroyed. In any fiscal year, a crop owner may not be compensated for a damaged or
12.3 destroyed crop that is less than \$100 in value and may be compensated up to \$20,000,
12.4 as determined under this section, if normal harvest procedures for the area are followed.
12.5 In any fiscal year, the commissioner may provide compensation for claims filed under
12.6 this section ~~and section 3.737 up to a total of \$100,000 for both programs combined~~ the
12.7 amount expressly appropriated for this purpose.

12.8 Sec. 8. Minnesota Statutes 2008, section 17.03, subdivision 12, is amended to read:

12.9 Subd. 12. **Contracts; appropriation.** The commissioner may accept money as part
12.10 of a contract with any public or private entity to provide statutorily prescribed services by
12.11 the department. A contract must specify the services to be provided by the department and
12.12 the amount and method of reimbursement. Money generated in a contractual agreement
12.13 under this section must be deposited in a special revenue fund and is appropriated to the
12.14 department for purposes of providing services specified in the contracts. Contracts under
12.15 this section must be processed in accordance with section 16C.05. ~~The commissioner must~~
12.16 ~~report revenues collected and expenditures made under this section to the chairs of the~~
12.17 ~~Environment and Natural Resources Finance Committee in the house of representatives~~
12.18 ~~and the Environment and Agriculture Budget Division in the senate by January 15 of~~
12.19 ~~each odd-numbered year.~~

12.20 Sec. 9. Minnesota Statutes 2008, section 17.114, subdivision 3, is amended to read:

12.21 Subd. 3. **Duties.** (a) The commissioner shall:

12.22 (1) establish a clearinghouse and provide information, appropriate educational
12.23 opportunities and other assistance to individuals, producers, and groups about sustainable
12.24 agricultural techniques, practices, and opportunities;

12.25 (2) survey producers and support services and organizations to determine
12.26 information and research needs in the area of sustainable agricultural practices;

12.27 (3) demonstrate the on-farm applicability of sustainable agriculture practices to
12.28 conditions in this state;

12.29 (4) coordinate the efforts of state agencies regarding activities relating to sustainable
12.30 agriculture;

12.31 (5) direct the programs of the department so as to work toward the sustainability of
12.32 agriculture in this state;

12.33 (6) inform agencies of how state or federal programs could utilize and support
12.34 sustainable agriculture practices;

13.1 (7) work closely with farmers, the University of Minnesota, and other appropriate
13.2 organizations to identify opportunities and needs as well as assure coordination and
13.3 avoid duplication of state agency efforts regarding research, teaching, and extension
13.4 work relating to sustainable agriculture; ~~and~~

13.5 (8) work cooperatively with local governments and others to strengthen the
13.6 connection between farmers who practice sustainable farming methods and urban, rural,
13.7 and suburban consumers, including, but not limited to, promoting local farmers' markets
13.8 and community-supported agriculture; and

13.9 (9) report to the Environmental Quality Board for review and then to the house of
13.10 representatives and senate committees with jurisdiction over the environment, natural
13.11 resources, and agriculture every even-numbered year.

13.12 (b) The report under paragraph (a), clause (8), must include:

13.13 (1) the presentation and analysis of findings regarding the current status and trends
13.14 regarding the economic condition of producers; the status of soil and water resources
13.15 utilized by production agriculture; the magnitude of off-farm inputs used; and the amount
13.16 of nonrenewable resources used by Minnesota farmers;

13.17 (2) a description of current state or federal programs directed toward sustainable
13.18 agriculture including significant results and experiences of those programs;

13.19 (3) a description of specific actions the Department of Agriculture is taking in the
13.20 area of sustainable agriculture, including, but not limited to, specific actions to strengthen
13.21 the connection between sustainable farmers and consumers under paragraph (a), clause (8);

13.22 (4) a description of current and future research needs at all levels in the area of
13.23 sustainable agriculture; and

13.24 (5) suggestions for changes in existing programs or policies or enactment of new
13.25 programs or policies that will affect farm profitability, maintain soil and water quality,
13.26 reduce input costs, or lessen dependence upon nonrenewable resources.

13.27 Sec. 10. Minnesota Statutes 2008, section 17.115, subdivision 2, is amended to read:

13.28 Subd. 2. **Loan criteria.** (a) The shared savings loan program must provide loans for
13.29 purchase of new or used machinery and installation of equipment for projects that make
13.30 environmental improvements ~~or~~ and enhance farm profitability. Eligible loan uses do not
13.31 include seed, fertilizer, or fuel.

13.32 (b) Loans may not exceed ~~\$25,000~~ \$40,000 per individual applying for a loan and
13.33 may not exceed ~~\$100,000~~ \$160,000 for loans to four or more individuals on joint projects.

13.34 The loan repayment period may be up to seven years as determined by project cost and

14.1 energy savings. The interest rate on the loans must not exceed six percent. ~~For loans made~~
14.2 ~~from May 1, 2004, to June 30, 2007, the interest rate must not exceed three percent.~~

14.3 (c) Loans may only be made to residents of this state engaged in farming.

14.4 Sec. 11. Minnesota Statutes 2008, section 18.75, is amended to read:

14.5 **18.75 PURPOSE.**

14.6 It is the policy of the legislature that residents of the state be protected from the
14.7 injurious effects of noxious weeds on public health, the environment, public roads, crops,
14.8 livestock, and other property. Sections 18.76 to ~~18.88~~ 18.91 contain procedures for
14.9 controlling and eradicating noxious weeds on all lands within the state.

14.10 Sec. 12. Minnesota Statutes 2008, section 18.76, is amended to read:

14.11 **18.76 CITATION.**

14.12 Sections 18.76 to ~~18.88~~ 18.91 may be cited as the "Minnesota Noxious Weed Law."

14.13 Sec. 13. Minnesota Statutes 2008, section 18.77, subdivision 1, is amended to read:

14.14 Subdivision 1. **Scope.** The definitions in this section apply to sections 18.76 to
14.15 ~~18.88~~ 18.91.

14.16 Sec. 14. Minnesota Statutes 2008, section 18.77, is amended by adding a subdivision
14.17 to read:

14.18 Subd. 2a. **Certified noxious weed free.** "Certified noxious weed free" means that
14.19 the material being certified has been inspected, tested, or processed to devitalize or
14.20 remove the noxious weed propagating parts in order to verify that viable noxious weed
14.21 propagating parts are not present in the material.

14.22 Sec. 15. Minnesota Statutes 2008, section 18.77, is amended by adding a subdivision
14.23 to read:

14.24 Subd. 2b. **Commissioner.** "Commissioner" means the commissioner of agriculture.

14.25 Sec. 16. Minnesota Statutes 2008, section 18.77, subdivision 3, is amended to read:

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

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15.1 Sec. 17. Minnesota Statutes 2008, section 18.77, subdivision 5, is amended to read:

15.2 Subd. 5. **Growing crop.** "Growing crop" means an agricultural, horticultural, or
15.3 forest crop that has been planted or regularly maintained and intended for harvest. It
15.4 does not mean a permanent pasture, hay meadow, woodlot, or other noncrop area that
15.5 contains native or seeded perennial plants used for grazing or hay purposes, and which is
15.6 not harvested on a regular basis.

15.7 Sec. 18. Minnesota Statutes 2008, section 18.77, is amended by adding a subdivision
15.8 to read:

15.9 Subd. 5a. **Inspector.** "Inspector" means the commissioner, agent of the
15.10 commissioner, county agricultural inspector, local weed inspector, or assistant weed
15.11 inspector.

15.12 Sec. 19. Minnesota Statutes 2008, section 18.77, is amended by adding a subdivision
15.13 to read:

15.14 Subd. 5b. **County-designated employee.** "County-designated employee" means
15.15 a person designated by a county board to oversee the responsibilities listed in section
15.16 18.81, subdivision 1a.

15.17 Sec. 20. Minnesota Statutes 2008, section 18.77, is amended by adding a subdivision
15.18 to read:

15.19 Subd. 8a. **Noxious weed management plan.** "Noxious weed management plan"
15.20 means controlling or eradicating noxious weeds in the manner designated in a management
15.21 plan developed for the area or site where the infestations are found using specific strategies
15.22 or methods that are to be used singly or in combination to achieve control or eradication.

15.23 Sec. 21. Minnesota Statutes 2008, section 18.77, is amended by adding a subdivision
15.24 to read:

15.25 Subd. 13. **Weed management area.** "Weed management area" means a designated
15.26 area where special or unique noxious weed control or eradication strategies or methods
15.27 are used according to a specific management plan developed for each management area
15.28 established.

15.29 Sec. 22. Minnesota Statutes 2008, section 18.78, subdivision 1, is amended to read:

15.30 Subdivision 1. **Generally.** A person owning land, a person occupying land, or a
15.31 person responsible for the maintenance of public land shall control or eradicate all noxious

16.1 weeds on the land at a time and in a manner ordered by ~~the county agricultural inspector~~
16.2 ~~or a local weed~~ an inspector or county-designated employee.

16.3 Sec. 23. Minnesota Statutes 2008, section 18.78, is amended by adding a subdivision
16.4 to read:

16.5 Subd. 3. **Cooperative weed control agreement.** The commissioner, township, or
16.6 county agricultural inspector or county-designated employee may enter into a cooperative
16.7 weed control agreement with a landowner or weed management area group to establish
16.8 a mutually agreed upon noxious weed management plan for up to three years duration,
16.9 whereby a noxious weed problem will be controlled without additional enforcement
16.10 action. If a property owner fails to comply with the noxious weed management plan, an
16.11 individual notice can be served.

16.12 Sec. 24. Minnesota Statutes 2008, section 18.79, is amended to read:

16.13 **18.79 DUTIES OF COMMISSIONER.**

16.14 Subdivision 1. **Enforcement.** The commissioner ~~of agriculture~~ shall administer
16.15 and enforce sections 18.76 to ~~18.88~~ 18.91.

16.16 Subd. 2. **Authorized agents.** County agricultural inspectors may administer and
16.17 enforce sections 18.76 to ~~18.88~~ 18.91. County-designated employees may enforce sections
16.18 18.78; 18.82; 18.83; 18.84; 18.86; and 18.87.

16.19 Subd. 3. **Entry upon land.** To administer and enforce sections 18.76 to ~~18.88~~
16.20 18.91, ~~county agricultural inspectors and local weed inspectors~~ an inspector may enter
16.21 upon land without consent of the owner and without being subject to an action for trespass
16.22 or any damages.

16.23 Subd. 4. **Rules.** The commissioner may adopt necessary rules under chapter 14 for
16.24 the proper enforcement of sections 18.76 to ~~18.88~~ 18.91.

16.25 Subd. 5. **Order for control or eradication of noxious weeds.** ~~A county agricultural~~
16.26 ~~inspector or a local weed~~ An inspector or county-designated employee may order the
16.27 control or eradication of noxious weeds on any land within the ~~state~~ inspector's or
16.28 county-designated employee's jurisdiction.

16.29 Subd. 6. ~~Initial~~ **Training for control or eradication of noxious weeds.** The
16.30 commissioner shall conduct initial training considered necessary for weed inspectors and
16.31 county-designated employees in the enforcement of the Minnesota Noxious Weed Law.
16.32 The director of the Minnesota Extension Service may conduct educational programs for
16.33 the general public that will aid compliance with the Minnesota Noxious Weed Law.

17.1 Subd. 7. **Meetings and reports.** The commissioner shall designate by rule ~~the~~
17.2 reports ~~that are~~ required to be made and ~~the~~ meetings that must be attended by ~~weed~~
17.3 inspectors.

17.4 Subd. 8. **Prescribed forms.** The commissioner shall prescribe the forms to be used
17.5 by ~~weed~~ inspectors and county-designated employees in the enforcement of sections
17.6 18.76 to ~~18.88~~ 18.91.

17.7 Subd. 9. **Injunction.** If the county agricultural inspector or county-designated
17.8 employee applies to a court for a temporary or permanent injunction restraining a person
17.9 from violating or continuing to violate sections 18.76 to ~~18.88~~ 18.91, the injunction may
17.10 be issued without requiring a bond.

17.11 Subd. 10. **Prosecution.** On finding that a person has violated sections 18.76 to
17.12 ~~18.88~~ 18.91, the county agricultural inspector or county-designated employee may start
17.13 court proceedings in the locality in which the violation occurred. The county attorney
17.14 may prosecute actions under sections 18.76 to ~~18.88~~ 18.91 within the county attorney's
17.15 jurisdiction.

17.16 Subd. 12. **Noxious-weed-free forage and mulch certification agency.** The official
17.17 certification agency for noxious-weed-free forage ~~and~~ mulch ~~shall~~ soil, gravel, and other
17.18 material must be determined by the commissioner ~~of agriculture~~ in consultation with the
17.19 director of the Minnesota agricultural experiment station. The commissioner may also
17.20 certify forage, mulch, soil, gravel, or other material as noxious-weed-free.

17.21 Subd. 13. **Noxious weed designation.** The commissioner, in consultation with the
17.22 Noxious Weed Advisory Committee, shall determine which plants are noxious weeds
17.23 subject to control under sections 18.76 to 18.91. The commissioner shall prepare, publish,
17.24 and revise as necessary, but at least once every three years, a list of noxious weeds
17.25 and their designated classification. The list must be distributed to the public by the
17.26 commissioner who may request the help of the University of Minnesota Extension, the
17.27 county agricultural inspectors, and any other organization the commissioner considers
17.28 appropriate to assist in the distribution. The commissioner may, in consultation with
17.29 the Noxious Weed Advisory Committee, accept and consider noxious weed designation
17.30 petitions from Minnesota citizens or Minnesota organizations or associations.

17.31 Subd. 14. **County petition.** A county may petition the commissioner to designate
17.32 specific noxious weeds which are a control problem in the county.

17.33 Subd. 15. **Noxious weed management.** The commissioner, in consultation with the
17.34 Noxious Weed Advisory Committee, shall develop management strategies and criteria
17.35 for each noxious weed category.

18.1 Subd. 16. **Gifts; grants; contracts; funds.** The commissioner, counties, and
18.2 municipalities may apply for and accept any gift, grant, contract, or other funds or
18.3 grants-in-aid from the federal government or other public and private sources for noxious
18.4 weed control purposes.

18.5 Subd. 17. **Noxious weed investigation.** The commissioner shall investigate the
18.6 subject of noxious weeds and conduct investigations outside this state to protect the
18.7 interest of the agricultural industry, forests, or the environment of this state from noxious
18.8 weeds not generally growing in Minnesota.

18.9 Subd. 18. **Noxious weed education.** The commissioner shall disseminate
18.10 information and conduct educational campaigns with respect to control of noxious weeds
18.11 or invasive plants to enhance regulatory compliance and voluntary efforts to eliminate or
18.12 manage these plants. The commissioner shall call and attend meetings and conferences
18.13 dealing with the subject of noxious weeds.

18.14 Subd. 19. **State and federal lands.** The commissioner shall inform and direct state
18.15 and federal agencies regarding their responsibility to manage and control noxious weeds
18.16 on land that those agencies own, control, or manage.

18.17 Subd. 20. **Interagency cooperation.** The commissioner shall cooperate with
18.18 agencies of federal, state, and local governments and other persons in carrying out duties
18.19 under sections 18.76 to 18.91.

18.20 Subd. 21. **Weed management area.** The commissioner, in consultation with the
18.21 Noxious Weed Advisory Committee, may establish a weed management area to include a
18.22 part of one or more counties or all of one or more counties of this state and shall include all
18.23 the land within the boundaries of the area established. Weed management plans developed
18.24 for a weed management area must be reviewed and approved by the commissioner and
18.25 the Noxious Weed Advisory Committee. Weed management areas may seek funding
18.26 under section 18.90.

18.27 Sec. 25. Minnesota Statutes 2008, section 18.80, subdivision 1, is amended to read:

18.28 Subdivision 1. **County agricultural inspectors.** The county board shall appoint
18.29 ~~at least one or more county agricultural inspectors that meet the qualifications prescribed~~
18.30 ~~by rule. The appointment must be for a period of time which is sufficient to accomplish~~
18.31 ~~the duties assigned to this position~~ inspector to carry out the duties specified in section
18.32 18.81, subdivisions 1 and 1a, or a county-designated employee to carry out the duties
18.33 specified in section 18.81, subdivision 1a. A notice of the appointment must be delivered
18.34 ~~to the commissioner within ten days of the appointment and it must establish the initial~~
18.35 ~~number of hours to be worked annually~~ within 30 days.

19.1 Sec. 26. Minnesota Statutes 2008, section 18.81, subdivision 1, is amended to read:

19.2 Subdivision 1. **County agricultural inspectors; optional duties.** ~~It is The duty~~
19.3 ~~of~~ In addition to the mandatory duties specified in subdivision 1a, the county board shall
19.4 specify the responsibilities of the county agricultural inspectors inspector in the annual
19.5 work plan, which may include:

19.6 (1) to see that sections 18.76 to ~~18.88~~ 18.91 and rules adopted under those sections
19.7 are carried out within their jurisdiction;

19.8 (2) to see that sections 21.80 to 21.92 and rules adopted under those sections are
19.9 carried out within their jurisdiction;

19.10 (3) to see that sections 21.71 to 21.78 and rules adopted under those sections are
19.11 carried out within their jurisdiction;

19.12 (4) to participate in the control programs for invasive plant species, feed, fertilizer,
19.13 pesticide, and plant and insect pests when requested, in writing, to do so by the
19.14 commissioner;

19.15 (5) to participate in other agricultural programs under the control of the
19.16 commissioner when requested by the commissioner in writing to do so, ~~subject to veto~~
19.17 ~~by the county board~~;

19.18 (6) to administer the distribution of funds allocated by the county board to the
19.19 county agricultural inspector or county-designated employee for noxious weed control
19.20 and eradication within the county;

19.21 (7) to submit reports and attend meetings that the commissioner requires; ~~and~~

19.22 (8) to publish a general weed notice of the legal duty to control noxious weeds in
19.23 one or more legal newspapers of general circulation throughout the county; and

19.24 (9) to be the primary contact in the county for all plant biological control agents.

19.25 Sec. 27. Minnesota Statutes 2008, section 18.81, is amended by adding a subdivision
19.26 to read:

19.27 Subd. 1a. County agricultural inspectors and county-designated employees;
19.28 mandatory duties. The county agricultural inspector or county-designated employee
19.29 shall be responsible for:

19.30 (1) the enforcement of sections 18.78; 18.82; 18.83; 18.84; 18.86; and 18.87; and

19.31 (2) providing a point of contact within the county for noxious weeds.

19.32 Sec. 28. Minnesota Statutes 2008, section 18.81, subdivision 3, is amended to read:

19.33 Subd. 3. **Nonperformance by inspectors; reimbursement for expenses.** If local
19.34 weed inspectors neglect or fail to do their duty as prescribed in this section, the county

20.1 agricultural inspector ~~shall~~ or county-designated employee, in consultation with the
20.2 commissioner, may issue a notice to the inspector providing instructions on how and
20.3 when to do their duty. If, after the time allowed in the notice, the local weed inspector
20.4 has not complied as directed, the county agricultural inspector or county-designated
20.5 employee may consult with the commissioner to perform the duty for the local weed
20.6 inspector. A claim for the expense of doing the local weed inspector's duty is a legal
20.7 charge against the municipality in which the inspector has jurisdiction. The county
20.8 agricultural inspector ~~doing~~ or county-designated employee overseeing the work may file
20.9 an itemized statement of costs with the clerk of the municipality in which the work was
20.10 performed. The municipality shall immediately issue proper warrants to the county for
20.11 the work performed. If the municipality fails to issue the warrants, the county auditor
20.12 may include the amount contained in the itemized statement of costs as part of the next
20.13 annual tax levy in the municipality and withhold that amount from the municipality in
20.14 making its next apportionment.

20.15 Sec. 29. Minnesota Statutes 2008, section 18.82, subdivision 1, is amended to read:

20.16 Subdivision 1. **Permits.** Except as provided in section 21.74, if a person wants to
20.17 transport along a public highway materials or equipment containing the propagating
20.18 parts of weeds designated as noxious by the commissioner, the person must secure
20.19 a written permit for transportation of the material or equipment from ~~a local weed~~
20.20 ~~inspector or county agricultural~~ an inspector or county-designated employee. Inspectors
20.21 or county-designated employees may issue permits to persons residing or operating within
20.22 their jurisdiction. If the noxious weed propagating parts are removed from materials and
20.23 equipment or devitalized before being transported, a permit is not needed.

20.24 Sec. 30. Minnesota Statutes 2008, section 18.82, subdivision 3, is amended to read:

20.25 Subd. 3. **Duration of permit; revocation.** A permit under subdivision 1 is valid for
20.26 up to one year after the date it is issued unless otherwise specified by the ~~weed~~ inspector
20.27 or county-designated employee issuing the permit. The permit may be revoked if ~~a~~
20.28 ~~county agricultural inspector or local weed~~ an inspector or county-designated employee
20.29 determines that the applicant has not complied with this section.

20.30 Sec. 31. Minnesota Statutes 2008, section 18.83, is amended to read:

20.31 **18.83 CONTROL; ERADICATION; NOTICES; EXPENSES.**

20.32 Subdivision 1. **General weed notice.** A general notice for noxious weed control
20.33 or eradication must be published on or before May 15 of each year ~~and at other~~

21.1 ~~times the commissioner directs.~~ Failure of the county agricultural weed inspector or
21.2 county-designated employee to publish the general notice does not relieve a person from
21.3 the necessity of full compliance with sections 18.76 to ~~18.88~~ 18.91 and related rules. The
21.4 published notice is legal and sufficient notice when an individual notice cannot be served.

21.5 Subd. 2. **Individual notice.** ~~A weed~~ An inspector or county-designated employee
21.6 may find it necessary to secure more prompt or definite control or eradication of
21.7 noxious weeds than is accomplished by the published general notice. In these special or
21.8 individual instances, involving one or a limited number of persons, the ~~weed~~ inspector
21.9 or county-designated employee having jurisdiction shall serve individual notices in
21.10 writing upon the person who owns the land and the person who occupies the land, or the
21.11 person responsible for or charged with the maintenance of public land, giving specific
21.12 instructions on when and how named noxious weeds are to be controlled or eradicated.
21.13 Individual notices provided for in this section must be served in the same manner as a
21.14 summons in a civil action in the district court or by certified mail. Service on a person
21.15 living temporarily or permanently outside of the ~~weed~~ inspector's or county-designated
21.16 employee's jurisdiction may be made by sending the notice by certified mail to the last
21.17 known address of the person, to be ascertained, if necessary, from the last tax list in the
21.18 county treasurer's office.

21.19 Subd. 3. **Appeal of individual notice; appeal committee.** (1) A recipient of an
21.20 individual notice may appeal, in writing, the order for control or eradication of noxious
21.21 weeds. This appeal must be filed with a member of the appeal committee in the county
21.22 where the land is located within two working days of the time the notice is received. The
21.23 committee must inspect the land specified in the notice and report back to the recipient and
21.24 the inspector or county-designated employee who issued the notice within five working
21.25 days, either agreeing, disagreeing, or revising the order. The decision may be appealed
21.26 in district court. If the committee agrees or revises the order, the control or eradication
21.27 specified in the order, as approved or revised by the committee, may be carried out.

21.28 (2) The county board ~~of commissioners~~ shall appoint members of the appeal
21.29 committee. The membership must include a county commissioner or municipal official
21.30 and a landowner residing in the county. The expenses of the members may be reimbursed
21.31 by the county upon submission of an itemized statement to the county auditor. At its
21.32 option, the county board ~~of commissioners~~, by resolution, may delegate the duties of the
21.33 appeal committee to its board of adjustment established pursuant to section 394.27. When
21.34 carrying out the duties of the appeal committee, the zoning board of adjustment shall
21.35 comply with all of the procedural requirements of this section.

22.1 Subd. 4. **Control or eradication by inspector or county-designated employee.** If
22.2 a person does not comply with an individual notice served on the person or an individual
22.3 notice cannot be served, the ~~weed~~ inspector or county-designated employee having
22.4 jurisdiction shall have the noxious weeds controlled or eradicated within the time and in
22.5 the manner the ~~weed~~ inspector or county-designated employee designates.

22.6 Subd. 5. **Control or eradication by inspector or county-designated employee**
22.7 **in growing crop.** ~~A weed~~ An inspector or county-designated employee may consider it
22.8 necessary to control or eradicate noxious weeds along with all or a part of a growing
22.9 crop to prevent the maturation and spread of noxious weeds within the inspector's or
22.10 county-designated employee's jurisdiction. If this situation exists, the ~~weed~~ inspector
22.11 or county-designated employee may have the noxious weeds controlled or eradicated
22.12 together with the crop after the appeal committee has reviewed the matter as outlined in
22.13 subdivision 3 and reported back agreement with the order.

22.14 Subd. 6. **Authorization for person hired to enter upon land.** The ~~weed~~ inspector
22.15 or county-designated employee may hire a person to control or eradicate noxious weeds if
22.16 the person who owns the land, the person who occupies the land, or the person responsible
22.17 for the maintenance of public land has failed to comply with an individual notice or with
22.18 the published general notice when an individual notice cannot be served. The person
22.19 hired must have authorization, in writing, from the ~~weed~~ inspector or county-designated
22.20 employee to enter upon the land.

22.21 Subd. 7. **Expenses; reimbursements.** A claim for the expense of controlling or
22.22 eradicating noxious weeds, which may include the costs of serving notices, is a legal
22.23 charge against the county in which the land is located. The officers having the work done
22.24 must file with the county auditor a verified and itemized statement of cost for all services
22.25 rendered on each separate tract or lot of land. The county auditor shall immediately issue
22.26 proper warrants to the persons named on the statement as having rendered services. To
22.27 reimburse the county for its expenditure in this regard, the county auditor shall certify
22.28 the total amount due and, unless an appeal is made in accordance with section 18.84,
22.29 enter it on the tax roll as a tax upon the land and it must be collected as other real estate
22.30 taxes are collected.

22.31 If public land is involved, the amount due must be paid from funds provided for
22.32 maintenance of the land or from the general revenue or operating fund of the agency
22.33 responsible for the land. Each claim for control or eradication of noxious weeds on public
22.34 lands must first be approved by the commissioner of agriculture.

22.35 Sec. 32. Minnesota Statutes 2008, section 18.84, subdivision 1, is amended to read:

23.1 Subdivision 1. **Counties and municipalities.** Counties and municipalities are
23.2 not liable for damages from the noxious weed control program for actions conducted in
23.3 accordance with sections 18.76 to ~~18.88~~ 18.91.

23.4 Sec. 33. Minnesota Statutes 2008, section 18.84, subdivision 2, is amended to read:

23.5 Subd. 2. **Appeal of charges to county board.** A person who is ordered to control
23.6 noxious weeds under sections 18.76 to ~~18.88~~ 18.91 and is charged for noxious weed
23.7 control may appeal the cost of noxious weed control to the county board of the county
23.8 where the noxious weed control measures were undertaken within 30 days after being
23.9 charged. The county board shall determine the amount and approve the charge and filing
23.10 of a lien against the property if it determines that the owner, or occupant if other than the
23.11 owner, responsible for controlling noxious weeds did not comply with the order of the
23.12 inspector or county-designated employee.

23.13 Sec. 34. Minnesota Statutes 2008, section 18.84, subdivision 3, is amended to read:

23.14 Subd. 3. **Court Appeal of costs to district court; petition.** (a) A ~~landowner who~~
23.15 ~~has appealed~~ person who is ordered to control noxious weeds under sections 18.76 to 18.91
23.16 and is charged for the cost of noxious weed control measures under subdivision 2 may
23.17 petition for judicial review of the charges. The petition must be filed within 30 days after
23.18 ~~the conclusion of the hearing before the county board~~ being charged. The petition must be
23.19 filed with the court administrator in the county in which the land where the noxious weed
23.20 control measures were undertaken is located, together with proof of service of a copy of
23.21 the petition on the county auditor. No responsive pleadings may be required of the county,
23.22 and no court fees may be charged for the appearance of the county in this matter.

23.23 (b) The petition must be captioned in the name of the person making the petition as
23.24 petitioner and respective county as respondents. The petition must include the petitioner's
23.25 name, the legal description of the land involved, a copy of the notice to control noxious
23.26 weeds, and the date or dates on which appealed control measures were undertaken.

23.27 (c) The petition must state with specificity the grounds upon which the petitioner
23.28 seeks to avoid the imposition of a lien for the cost of noxious weed control measures.

23.29 Sec. 35. Minnesota Statutes 2008, section 18.86, is amended to read:

23.30 **18.86 UNLAWFUL ACTS.**

23.31 No person may:

24.1 (1) hinder or obstruct in any way ~~the county agricultural inspectors or local weed~~
24.2 ~~inspectors~~ an inspector or county-designated employee in the performance of ~~their~~ duties
24.3 ~~as provided in~~ under sections 18.76 to ~~18.88~~ 18.91 or related rules;

24.4 (2) neglect, fail, or refuse to comply with section 18.82 or related rules in the
24.5 transportation and use of material or equipment infested with noxious weed propagating
24.6 parts;

24.7 (3) sell material containing noxious weed propagating parts to a person who does
24.8 not have a permit to transport that material or to a person who does not have a screenings
24.9 permit issued in accordance with section 21.74; or

24.10 (4) neglect, fail, or refuse to comply with a general notice or an individual notice to
24.11 control or eradicate noxious weeds.

24.12 Sec. 36. Minnesota Statutes 2008, section 18.87, is amended to read:

24.13 **18.87 PENALTY.**

24.14 A violation of section 18.86 or a rule adopted under that section is a misdemeanor.
24.15 ~~County agricultural inspectors, local weed~~ Inspectors, county-designated employees, or
24.16 their appointed assistants are not subject to the penalties of this section for failure, neglect,
24.17 or refusal to perform duties imposed on them by sections 18.76 to ~~18.88~~ 18.91.

24.18 Sec. 37. Minnesota Statutes 2008, section 18.88, is amended to read:

24.19 **18.88 NOXIOUS WEED PROGRAM FUNDING.**

24.20 Subdivision 1. **County.** The county board shall pay, from the general revenue
24.21 or other fund for the county, the expenses for the county agricultural inspector or
24.22 county-designated employee position, for noxious weed control or eradication on all
24.23 land owned by the county or on land ~~that~~ for which the county is responsible for ~~the~~
24.24 its maintenance of, and for the expenses of the appeal committee, ~~and for necessary~~
24.25 ~~expenses as required for quarantines within the county.~~ Use of funding from grants and
24.26 other sources for the administration and enforcement of the noxious weed law must be
24.27 approved by the county board.

24.28 Subd. 2. **Municipality.** The municipality shall pay, from the general revenue or
24.29 other fund for the municipality, the necessary expenses of the local weed inspector or
24.30 county-designated employee in the performance of duties required ~~for quarantines within~~
24.31 ~~the municipality, and~~ for noxious weed control or eradication on land owned by the
24.32 municipality or on land for which the municipality is responsible for its maintenance. Use
24.33 of funding from grants and other sources for the administration and enforcement of the
24.34 noxious weed law must be approved by the town board or city mayor.

25.1 Subd. 3. **Funding.** Funding in the form of grants or cost sharing may be provided to
25.2 the counties for the performance of their activities under section 18.81, subdivision 1.

25.3 Sec. 38. **[18.89] NOXIOUS WEED AND INVASIVE PLANT SPECIES**
25.4 **ASSISTANCE ACCOUNT.**

25.5 The noxious weed and invasive plant species assistance account is created in the
25.6 agricultural fund. The account may be used to carry out the purposes of section 18.90.
25.7 Any money transferred to the account and any money received by the account as gifts or
25.8 grants or other private or public funds obtained for the purposes in section 18.91 must
25.9 be credited to the account. The money in the account is annually appropriated to the
25.10 commissioner to implement section 18.90.

25.11 Sec. 39. **[18.90] GRANT PROGRAM.**

25.12 (a) From funds available in the noxious weed and invasive plant species assistance
25.13 account established in section 18.89, the commissioner shall administer a grant program
25.14 to assist counties and municipalities and other weed management entities in the cost
25.15 of implementing and maintaining noxious weed control programs and in addressing
25.16 special weed control problems. The commissioner shall receive applications by counties,
25.17 municipalities, weed management areas, and weed management entities for assistance
25.18 under this section and, in consultation with the Noxious Weed Advisory Committee,
25.19 award grants for any of the following eligible purposes:

25.20 (1) to conduct applied research to solve locally significant weed management
25.21 problems;

25.22 (2) to demonstrate innovative control methods or land management practices which
25.23 have the potential to reduce landowner costs to control noxious weeds or improve the
25.24 effectiveness of noxious weed control;

25.25 (3) to encourage the ongoing support of weed management areas;

25.26 (4) to respond to introductions or infestations of invasive plants that threaten or
25.27 potentially threaten the productivity of cropland and rangeland over a wide area;

25.28 (5) to respond to introductions or infestations of invasive plant species that threaten
25.29 or potentially threaten the productivity of biodiversity of wildlife and fishery habitats on
25.30 public and private lands;

25.31 (6) to respond to special weed control problems involving weeds not included in the
25.32 list of noxious weeds published and distributed by the commissioner;

26.1 (7) to conduct monitoring or surveillance activities to detect, map, or determine
26.2 the distribution of invasive plant species and to determine susceptible locations for the
26.3 introduction or spread of invasive plant species; and

26.4 (8) to conduct educational activities.

26.5 (b) The commissioner shall select and prioritize applications for assistance under
26.6 this section based on the following considerations:

26.7 (1) the seriousness of the noxious weed or invasive plant problem or potential
26.8 problem addressed by the project;

26.9 (2) the ability of the project to provide timely intervention to save current and future
26.10 costs of control and eradication;

26.11 (3) the likelihood that the project will prevent or resolve the problem or increase
26.12 knowledge about resolving similar problems in the future;

26.13 (4) the extent to which the project will leverage federal funds and other nonstate
26.14 funds;

26.15 (5) the extent to which the applicant has made progress in addressing noxious weed
26.16 or invasive plant problems;

26.17 (6) the extent to which the project will provide a comprehensive approach to the
26.18 control or eradication of noxious weeds;

26.19 (7) the extent to which the project will reduce the total population or area of
26.20 infestation of a noxious weed;

26.21 (8) the extent to which the project uses the principles of integrated vegetation
26.22 management and sound science; and

26.23 (9) other factors that the commissioner determines to be relevant.

26.24 (c) Nothing in this section may be construed to relieve a person of the duty or
26.25 responsibility to control the spread of noxious weeds on lands owned and controlled
26.26 by the person.

26.27 **Sec. 40. [18.91] ADVISORY COMMITTEE; MEMBERSHIP.**

26.28 Subdivision 1. **Duties.** The commissioner shall consult with the Noxious Weed
26.29 Advisory Committee to advise the commissioner concerning responsibilities under
26.30 the noxious weed control program. The committee shall also evaluate species for
26.31 invasiveness, difficulty of control, cost of control, benefits, and amount of injury caused
26.32 by them. For each species evaluated, the committee shall recommend to the commissioner
26.33 on which noxious weed list or lists, if any, the species should be placed. Species currently
26.34 designated as prohibited or restricted noxious weeds must be reevaluated every three years
26.35 for a recommendation on whether or not they need to remain on the noxious weed lists.

27.1 Members of the committee are not entitled to reimbursement of expenses nor payment
27.2 of per diem. Members shall serve two-year terms with subsequent reappointment by
27.3 the commissioner.

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

27.6 (1) horticultural science, agronomy, and forestry at the University of Minnesota;

27.7 (2) the nursery and landscape industry in Minnesota;

27.8 (3) the seed industry in Minnesota;

27.9 (4) the Department of Agriculture;

27.10 (5) the Department of Natural Resources;

27.11 (6) a conservation organization;

27.12 (7) an environmental organization;

27.13 (8) at least two farm organizations;

27.14 (9) the county agricultural inspectors;

27.15 (10) city, township, and county governments;

27.16 (11) the Department of Transportation;

27.17 (12) the University of Minnesota Extension;

27.18 (13) the timber and forestry industry in Minnesota;

27.19 (14) the Board of Water and Soil Resources; and

27.20 (15) soil and water conservation districts.

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

27.26 Subd. 4. **Organization.** The committee shall select a chair from its membership.
27.27 Meetings of the committee may be called by or at the direction of the commissioner or
27.28 upon direction of its chair.

27.29 Subd. 5. **Expiration.** Notwithstanding section 15.059, subdivision 3, the committee
27.30 expires June 30, 2013.

27.31 Sec. 41. Minnesota Statutes 2008, section 18B.01, is amended by adding a subdivision
27.32 to read:

27.33 Subd. 1a. **Agricultural pesticide.** "Agricultural pesticide" means a pesticide
27.34 that bears labeling that meets federal worker protection agricultural use requirements
27.35 established in Code of Federal Regulations, title 40, parts 156 and 170.

S.F. No. 1779, 2nd Engrossment - 86th Legislative Session (2009-2010) [s1779-2]

28.1 Sec. 42. Minnesota Statutes 2008, section 18B.01, subdivision 8, is amended to read:

28.2 Subd. 8. **Distribute.** "Distribute" means offer for sale, sell, barter, ship, deliver for
28.3 shipment, receive and deliver, and offer to deliver pesticides in this state or into this state.

28.4 Sec. 43. Minnesota Statutes 2008, section 18B.01, is amended by adding a subdivision
28.5 to read:

28.6 Subd. 14b. **Nonagricultural pesticide.** "Nonagricultural pesticide" means a
28.7 pesticide that does not bear labeling that meets federal worker protection agricultural use
28.8 requirements established in Code of Federal Regulations, title 40, parts 156 and 170.

28.9 Sec. 44. Minnesota Statutes 2008, section 18B.065, subdivision 2, is amended to read:

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

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

28.16 Sec. 45. Minnesota Statutes 2008, section 18B.065, subdivision 2a, is amended to read:

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

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

28.30 (c) A person who collects waste pesticide under paragraph (a) or (b) shall, on a
28.31 form provided by the commissioner, record information on each waste pesticide product
28.32 collected including, but not limited to, the quantity collected and either the product
28.33 name, ~~and its active ingredient or ingredients, quantity, and~~ or the product's United

29.1 States Environmental Protection Agency registration number, ~~on a form provided by the~~
29.2 ~~commissioner~~. The person must submit this information to the commissioner at least
29.3 annually.

29.4 Sec. 46. **[18B.346] PESTICIDE APPLICATION ON RAILROAD PROPERTY.**

29.5 Subdivision 1. **Applicability.** This section applies only to common carrier railroads.

29.6 Subd. 2. **Safety information.** (a) In coordination with common carrier railroad
29.7 companies operating in this state, the commissioner shall provide annual pesticide safety
29.8 outreach opportunities for railroad employees.

29.9 (b) A common carrier railroad that operates in this state must provide annual
29.10 employee pesticide safety training opportunities.

29.11 Subd. 3. **Pesticide applications.** (a) A person may not directly apply a restricted-use
29.12 pesticide to occupied or unoccupied locomotives, track repair equipment, or on-track
29.13 housing units unless the pesticide is specifically labeled for that use.

29.14 (b) Employees of common carrier railroads must not be required to work in affected
29.15 areas in a manner that is inconsistent with the pesticide label.

29.16 Subd. 4. **Misuse reporting.** A common carrier railroad or a commercial applicator
29.17 hired by the common carrier railroad to apply pesticide must report to the commissioner
29.18 within four hours, or as soon as practicable, any pesticide misuse known to the railroad
29.19 company or commercial applicator that occurred on railroad property or to other property
29.20 under the control of the railroad company. For the purposes of this section "misuse" means
29.21 a pesticide application that violates subdivision 3 or any provision in section 18B.07.

29.22 Sec. 47. Minnesota Statutes 2008, section 18C.415, subdivision 3, is amended to read:

29.23 Subd. 3. **Effective period.** ~~Other~~ Licenses are for the period from January 1 to the
29.24 following December 31 and must be renewed annually by the licensee before January 1. A
29.25 license is not transferable from one person to another, from the ownership to whom issued
29.26 to another ownership, or from one location to another location.

29.27 Sec. 48. Minnesota Statutes 2008, section 18C.421, is amended to read:

29.28 **18C.421 DISTRIBUTOR'S TONNAGE REPORT.**

29.29 Subdivision 1. ~~Semiannual statement~~ **Annual tonnage report.** (a) Each licensed
29.30 distributor of fertilizer and each registrant of a specialty fertilizer, soil amendment, or plant
29.31 amendment must file a semiannual statement for the periods ending December 31 and June
29.32 30 with the commissioner on forms furnished by the commissioner stating the number of
29.33 net tons and grade of each raw fertilizer material distributed or the number of net tons of

30.1 ~~each brand or grade of fertilizer, soil amendment, or plant amendment~~ registrant under
30.2 section 18C.411 and licensee under section 18C.415 shall file an annual tonnage report for
30.3 the previous year ending June 30 with the commissioner, on forms provided or approved
30.4 by the commissioner, stating the number of net tons of each brand or grade of fertilizer,
30.5 soil amendment, or plant amendment distributed in this state or the number of net tons and
30.6 grade of each raw fertilizer material distributed in this state during the reporting period.

30.7 (b) ~~A tonnage reports are report is~~ not required to be ~~filed with~~ submitted, and an
30.8 inspection fee under section 18C.425, subdivision 6, is not required to be paid to the
30.9 commissioner ~~from licensees~~ by a licensee who distributed distributes fertilizer solely by
30.10 custom application.

30.11 (c) ~~A report from a licensee who sells to an ultimate consumer must be accompanied~~
30.12 ~~by records or invoice copies indicating the name of the distributor who paid the inspection~~
30.13 ~~fee, the net tons received, and the grade or brand name of the products received.~~

30.14 (d) ~~The annual tonnage report is due~~ must be submitted to the commissioner on or
30.15 before the last day of the month following the close of each reporting period July 31 of
30.16 each ~~calendar~~ year.

30.17 (e) (d) The inspection fee at the rate stated in section 18C.425, subdivision 6, must
30.18 accompany the statement.

30.19 Subd. 2. **Additional reports.** The commissioner may by rule require additional
30.20 reports for the purpose of gathering statistical data relating to fertilizer, soil amendments,
30.21 and plant amendments distribution in the state.

30.22 Subd. 3. **Late annual report and inspection fee penalty.** (a) ~~If a distributor does~~
30.23 ~~not file the semiannual statement~~ registrant or licensee fails to submit an annual tonnage
30.24 report or pay the inspection fees fee under section 18C.425, subdivision 6, by 31 days
30.25 after the end of the reporting period July 31, the commissioner shall assess the registrant
30.26 or licensee a penalty of the greater of ~~\$25~~ \$50 or ten percent of the amount due ~~against~~
30.27 ~~the licensee or registrant.~~

30.28 (b) The fees due, plus the penalty, may be recovered in a civil action against the
30.29 licensee or registrant.

30.30 (c) The assessment of the penalty does not prevent the commissioner from taking
30.31 other actions as provided in this chapter and sections 18D.301 to 18D.331.

30.32 Subd. 4. **Responsibility for inspection fees.** ~~If more than one person is involved~~
30.33 ~~in the distribution of a fertilizer, soil amendment, or plant amendment, the distributor~~
30.34 ~~who imports, manufactures, or produces the fertilizer or who has the specialty fertilizer,~~
30.35 ~~soil amendment, or plant amendment registered is responsible for the inspection fee on~~
30.36 ~~products produced or brought into this state. The distributor must separately list the~~

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31.1 ~~inspection fee on the invoice to the licensee. The last licensee must retain the invoices~~
31.2 ~~showing proof of inspection fees paid for three years and must pay the inspection fee on~~
31.3 ~~products brought into this state before July 1, 1989, unless the reporting and paying of~~
31.4 ~~fees have been made by a prior distributor of the fertilizer.~~

31.5 Subd. 5. **Verification of statements annual tonnage report.** The commissioner
31.6 may verify the records on which the ~~statement of~~ annual tonnage report is based.

31.7 Sec. 49. Minnesota Statutes 2008, section 18C.425, subdivision 4, is amended to read:

31.8 Subd. 4. **Fee for late application.** If an application for renewal of a ~~fertilizer~~
31.9 ~~license or registration of a specialty fertilizer, soil amendment, or plant amendment~~
31.10 ~~under section 18C.411 or a license under section 18C.415 is not filed before January 1~~
31.11 ~~or July 1 of a year, as required~~ submitted to the commissioner after December 31, an
31.12 additional ~~application~~ late fee of one-half of the amount due must be paid in addition to
31.13 the application fee before the renewal license or registration may be issued.

31.14 Sec. 50. Minnesota Statutes 2008, section 18C.425, subdivision 6, is amended to read:

31.15 Subd. 6. **Payment of inspection fees fee.** (a) The person who registers and
31.16 distributes in the state a specialty fertilizer, soil amendment, or plant amendment under
31.17 section 18C.411 shall pay the inspection fee to the commissioner.

31.18 (b) The person licensed under section 18C.415 who distributes a fertilizer to a person
31.19 not required to be so licensed shall pay the inspection fee to the commissioner, except as
31.20 exempted under section 18C.421, subdivision 1, paragraph (b).

31.21 (c) The person responsible for payment of the inspection fees for fertilizers, soil
31.22 amendments, or plant amendments sold and used in this state must pay an inspection fee
31.23 of 30 cents per ton of fertilizer, soil amendment, and plant amendment sold or distributed
31.24 in this state, with a minimum of \$10 on all tonnage reports. Products sold or distributed to
31.25 manufacturers or exchanged between them are exempt from the inspection fee imposed by
31.26 this subdivision if the products are used exclusively for manufacturing purposes.

31.27 (d) A registrant or licensee must retain invoices showing proof of fertilizer, plant
31.28 amendment, or soil amendment distribution amounts and inspection fees paid for a period
31.29 of three years.

31.30 Sec. 51. Minnesota Statutes 2008, section 18E.03, subdivision 2, is amended to read:

31.31 Subd. 2. **Expenditures.** (a) Money in the agricultural chemical response and
31.32 reimbursement account may only be used:

32.1 (1) to pay for the commissioner's responses to incidents under chapters 18B, 18C,
32.2 and 18D that are not eligible for payment under section 115B.20, subdivision 2;

32.3 (2) to pay for emergency responses that are otherwise unable to be funded;

32.4 (3) to reimburse and pay corrective action costs under section 18E.04; ~~and~~

32.5 (4) by the board to reimburse the commissioner for board staff and other
32.6 administrative costs up to \$225,000 per fiscal year; and

32.7 (5) to pay costs for the commissioner's incident response program related to
32.8 ACRRA-eligible sites.

32.9 (b) Money in the agricultural chemical response and reimbursement account is
32.10 appropriated to the commissioner to make payments as provided in this subdivision.

32.11 Sec. 52. Minnesota Statutes 2008, section 28A.085, subdivision 1, is amended to read:

32.12 Subdivision 1. **Violations; prohibited acts.** The commissioner may charge a
32.13 reinspection fee for each reinspection of a food handler that:

32.14 (1) is found with a major violation of requirements in chapter 28, 29, 30, 31, 31A,
32.15 32, 33, or 34, or rules adopted under one of those chapters;

32.16 (2) is found with a violation of section 31.02, 31.161, or 31.165, and requires a
32.17 follow-up inspection after an administrative meeting held pursuant to section 31.14; or

32.18 (3) fails to correct equipment and facility deficiencies as required in rules adopted
32.19 under chapter 28, 29, 30, 31, 31A, 32, or 34. The first reinspection of a firm with gross
32.20 food sales under \$1,000,000 must be assessed at ~~\$75~~ \$150. The fee for a firm with gross
32.21 food sales over \$1,000,000 is ~~\$100~~ \$200. The fee for a subsequent reinspection of a firm
32.22 for the same violation is 50 percent of their current license fee or ~~\$200~~ \$300, whichever is
32.23 greater. The establishment must be issued written notice of violations with a reasonable
32.24 date for compliance listed on the notice. An initial inspection relating to a complaint is
32.25 not a reinspection.

32.26 Sec. 53. **[31.97] FEEDING MINNESOTA TASK FORCE.**

32.27 Subdivision 1. Establishment; purpose. The commissioner of agriculture
32.28 shall establish the Feeding Minnesota Task Force to make proposals to maximize the
32.29 consumption of Minnesota grown produce and livestock by facilitating the donation of
32.30 harvested products to charities that provide food for hungry people.

32.31 Subd. 2. Members. The commissioner shall appoint members of the task force
32.32 to represent the following organizations and industries, with consideration given to
32.33 geographic diversity:

32.34 (1) the Minnesota grown program;

- 33.1 (2) the Second Harvest food bank organization;
- 33.2 (3) the Minnesota Fruit and Vegetable Growers Association;
- 33.3 (4) the Minnesota Apple Growers Association;
- 33.4 (5) the Minnesota Milk Producers Association;
- 33.5 (6) the Minnesota Pork Producers Association;
- 33.6 (7) the Minnesota Beef Council;
- 33.7 (8) the Minnesota Egg and Poultry Association;
- 33.8 (9) the Minnesota Agri-Growth Council;
- 33.9 (10) the Minnesota Farmers' Market Association;
- 33.10 (11) the Minnesota Trucking Association;
- 33.11 (12) the Area 2 Potato Growers Association;
- 33.12 (13) University of Minnesota Extension;
- 33.13 (14) the food canning and processing industry;
- 33.14 (15) the meatpacking and processing industry; and
- 33.15 (16) youth corps organizations.

33.16 Subd. 3. **Administrative support.** The commissioner shall provide staff and other
33.17 administrative support for the task force.

33.18 Subd. 4. **Report.** The task force shall make policy recommendations, including
33.19 any necessary draft legislation, to the chairs and ranking minority members of the
33.20 legislative committees having jurisdiction over agricultural finance by February 1, 2010,
33.21 and thereafter as necessary.

33.22 Subd. 5. **Expiration.** The task force and this section expire June 30, 2011.

33.23 Sec. 54. Minnesota Statutes 2008, section 32.394, subdivision 8, is amended to read:

33.24 Subd. 8. **Grade A inspection fees.** A processor or marketing organization of milk,
33.25 milk products, sheep milk, or goat milk who wishes to market Grade A milk or use the
33.26 Grade A label must apply for Grade A inspection service from the commissioner. A
33.27 pasteurization plant requesting Grade A inspection service must hold a Grade A permit
33.28 and pay an annual inspection fee of no more than \$500. For Grade A farm inspection
33.29 service, the fee must be no more than \$50 per farm, paid annually by the processor or by
33.30 the marketing organization on behalf of its patrons. For a farm requiring a reinspection in
33.31 addition to the required biannual inspections, an additional fee of ~~\$45 per reinspection~~
33.32 must be paid by the processor or by the marketing organization on behalf of its patrons.
33.33 The fee for reinspection of a farm with fewer than 100 cows is \$60 per reinspection. The
33.34 fee for reinspection of a farm with 100 or more cows is \$150 per reinspection.

34.1 Sec. 55. Minnesota Statutes 2008, section 41B.039, subdivision 2, is amended to read:

34.2 Subd. 2. **State participation.** The state may participate in a new real estate loan
34.3 with an eligible lender to a beginning farmer to the extent of 45 percent of the principal
34.4 amount of the loan or ~~\$200,000~~ \$300,000, whichever is less. The interest rates and
34.5 repayment terms of the authority's participation interest may be different than the interest
34.6 rates and repayment terms of the lender's retained portion of the loan.

34.7 Sec. 56. Minnesota Statutes 2008, section 41B.04, subdivision 8, is amended to read:

34.8 Subd. 8. ~~State's~~ **State participation.** With respect to loans that are eligible for
34.9 restructuring under sections 41B.01 to 41B.23 and upon acceptance by the authority,
34.10 the authority shall enter into a participation agreement or other financial arrangement
34.11 whereby it shall participate in a restructured loan to the extent of 45 percent of the primary
34.12 principal or ~~\$225,000~~ \$400,000, whichever is less. The authority's portion of the loan
34.13 must be protected during the authority's participation by the first mortgage held by the
34.14 eligible lender to the extent of its participation in the loan.

34.15 Sec. 57. Minnesota Statutes 2008, section 41B.042, subdivision 4, is amended to read:

34.16 Subd. 4. **Participation limit; interest.** The authority may participate in new
34.17 seller-sponsored loans to the extent of 45 percent of the principal amount of the loan or
34.18 ~~\$200,000~~ \$300,000, whichever is less. The interest rates and repayment terms of the
34.19 authority's participation interest may be different than the interest rates and repayment
34.20 terms of the seller's retained portion of the loan.

34.21 Sec. 58. Minnesota Statutes 2008, section 41B.043, subdivision 1b, is amended to read:

34.22 Subd. 1b. **Loan participation.** The authority may participate in an agricultural
34.23 improvement loan with an eligible lender to a farmer who meets the requirements of
34.24 section 41B.03, subdivision 1, clauses (1) and (2), and who is actively engaged in farming.
34.25 Participation is limited to 45 percent of the principal amount of the loan or ~~\$200,000~~
34.26 \$300,000, whichever is less. The interest rates and repayment terms of the authority's
34.27 participation interest may be different than the interest rates and repayment terms of
34.28 the lender's retained portion of the loan.

34.29 Sec. 59. Minnesota Statutes 2008, section 41B.045, subdivision 2, is amended to read:

34.30 Subd. 2. **Loan participation.** The authority may participate in a livestock
34.31 expansion loan with an eligible lender to a livestock farmer who meets the requirements
34.32 of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in

35.1 a livestock operation. A prospective borrower must have a total net worth, including
35.2 assets and liabilities of the borrower's spouse and dependents, of less than \$660,000 in
35.3 2004 and an amount in subsequent years which is adjusted for inflation by multiplying
35.4 that amount by the cumulative inflation rate as determined by the United States All-Items
35.5 Consumer Price Index.

35.6 Participation is limited to 45 percent of the principal amount of the loan or ~~\$275,000~~
35.7 \$400,000, whichever is less. The interest rates and repayment terms of the authority's
35.8 participation interest may be different from the interest rates and repayment terms of
35.9 the lender's retained portion of the loan.

35.10 Sec. 60. Minnesota Statutes 2008, section 583.215, is amended to read:

35.11 **583.215 EXPIRATION.**

35.12 ~~(a)~~ Sections 336.9-601, subsections (h) and (i); 550.365; 559.209; 582.039; and
35.13 583.20 to 583.32, expire June 30, ~~2009~~ 2013.

35.14 ~~(b) Laws 1986, chapter 398, article 1, section 18, as amended, is repealed.~~

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

35.16 Sec. 61. Laws 2008, chapter 274, section 5, is amended to read:

35.17 Sec. 5. **BOVINE TUBERCULOSIS CONTROL ASSESSMENT;**
35.18 **TEMPORARY ASSESSMENT; APPROPRIATION.**

35.19 (a) From January 1, 2009, to December 31, 2009, a person who purchases ~~a beef~~
35.20 ~~cow, heifer, or steer in~~ cattle that were raised or fed within this state shall collect a
35.21 bovine tuberculosis control assessment of \$1 per head from the seller and shall submit
35.22 all assessments collected to the commissioner of agriculture at least once every 30 days.
35.23 If cattle that were raised or fed within this state are sold outside of the state and the
35.24 assessment is not collected by the purchaser, the seller is responsible for submitting the
35.25 assessment to the commissioner. For the purposes of this section, "a person who purchases
35.26 ~~a beef cow, heifer, or steer in~~ cattle that were raised or fed within this state" includes the
35.27 first purchaser, as defined in Minnesota Statutes, section 17.53, subdivision 8, paragraph
35.28 (a), and any subsequent purchaser of the living animal.

35.29 (b) Money collected under this section shall be deposited in an account in the special
35.30 revenue fund and is appropriated to the Board of Animal Health for bovine tuberculosis
35.31 control activities.

35.32 (c) Notwithstanding paragraph (a), a person may not collect a bovine tuberculosis
35.33 control assessment from a person whose cattle operation is located within a modified

36.1 accredited zone established under Minnesota Statutes, section 35.244, unless the cattle
36.2 owner voluntarily pays the assessment. The commissioner of agriculture shall publish and
36.3 make available a list of cattle producers exempt under this paragraph.

36.4 (d) This section may be enforced under Minnesota Statutes, sections 17.982 to
36.5 17.984.

36.6 **EFFECTIVE DATE.** This section is effective the day following final enactment
36.7 and applies retroactively to cattle purchased on January 1, 2009, and thereafter.

36.8 Sec. 62. **DEADLINE FOR APPOINTMENTS.**

36.9 The commissioner shall complete the appointments required under Minnesota
36.10 Statutes, section 31.97, by September 1, 2009. The commissioner or the commissioner's
36.11 designee shall convene the first meeting of the Feeding Minnesota Task Force no later
36.12 than October 1, 2009.

36.13 Sec. 63. **DEADLINE FOR APPOINTMENTS.**

36.14 The commissioner shall complete the appointments required under Minnesota
36.15 Statutes, section 18.91 by September 1, 2009. The commissioner or the commissioner's
36.16 designee shall convene the first meeting of the committee no later than October 1, 2009.

36.17 Sec. 64. **REPEALER.**

36.18 Minnesota Statutes 2008, sections 17.49, subdivision 3; 38.02, subdivisions 3 and 4;
36.19 41.51; 41.52; 41.53; 41.55; 41.56; 41.57; 41.58, subdivisions 1 and 2; 41.59, subdivision
36.20 1; 41.60; 41.61, subdivision 1; 41.62; 41.63; 41.65; and 84.02, are repealed.

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

36.22 **ARTICLE 2**

36.23 **RURAL FINANCE AUTHORITY BONDS**

36.24 Section 1. **RURAL FINANCE AUTHORITY.**

36.25 Subdivision 1. **Appropriation.** \$35,000,000 is appropriated from the bond proceeds
36.26 fund for the purposes set forth in the Minnesota Constitution, article XI, section 5, clause
36.27 (h), to the Rural Finance Authority to purchase participation interests in or to make direct
36.28 agricultural loans to farmers under Minnesota Statutes, chapter 41B. This appropriation is
36.29 for the beginning farmer program under Minnesota Statutes, section 41B.039; the loan
36.30 restructuring program under Minnesota Statutes, section 41B.04; the seller-sponsored
36.31 program under Minnesota Statutes, section 41B.042; the agricultural improvement loan

37.1 program under Minnesota Statutes, section 41B.043; and the livestock expansion loan
37.2 program under Minnesota Statutes, section 41B.045. All debt service on bond proceeds
37.3 used to finance this appropriation must be repaid by the Rural Finance Authority under
37.4 Minnesota Statutes, section 16A.643. Loan participations must be priced to provide full
37.5 interest and principal coverage and a reserve for potential losses. Priority for loans must be
37.6 given first to basic beginning farmers loans; second, to seller-sponsored loans; and third,
37.7 to agricultural improvement loans. The authority may use a portion of this appropriation
37.8 to pay bond sales expenses under Minnesota Statutes, section 16A.641, subdivision 8.

37.9 Subd. 2. **Bond sale.** To provide the money appropriated in this section from the
37.10 bond proceeds fund, the commissioner of finance shall sell and issue bonds of the state in
37.11 an amount up to \$35,000,000 in the manner, upon the terms, and with the effect prescribed
37.12 by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution,
37.13 article XI, sections 4 to 7.

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

37.15 **ARTICLE 3**

37.16 **VETERANS AFFAIRS**

37.17 Section 1. **VETERANS AFFAIRS.**

37.18 The sums shown in the columns marked "Appropriations" are appropriated to the
37.19 agencies and for the purposes specified in this article. The appropriations are from the
37.20 general fund and are available for the fiscal years indicated for each purpose. The figures
37.21 "2010" and "2011" used in this article mean that the appropriations listed under them are
37.22 available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. "The
37.23 first year" is fiscal year 2010. "The second year" is fiscal year 2011. "The biennium" is
37.24 fiscal years 2010 and 2011.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2010</u>	<u>2011</u>
37.25		
37.26		
37.27		
37.28		
37.29	Sec. 2. <u>VETERANS AFFAIRS</u>	<u>\$ 14,152,000 \$ 14,152,000</u>
37.30	<u>\$250,000 each year is for a grant to the</u>	
37.31	<u>Minnesota Assistance Council for Veterans.</u>	
37.32	<u>This appropriation is in addition to the</u>	
37.33	<u>existing agency base appropriation and must</u>	

38.1 be added to the agency appropriation base
38.2 for fiscal years 2012 and later.
38.3 \$100,000 each year is for the costs of
38.4 administering the Minnesota GI Bill program
38.5 under Minnesota Statutes, section 197.791.

38.6 Sec. 3. [168.1253] GOLD STAR LICENSE PLATE.

38.7 Subdivision 1. Definitions. (a) The terms used in this section have the meanings
38.8 given them in this subdivision.

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

38.10 (c) "Eligible person" means a surviving spouse or parent of a person who has died
38.11 while serving honorably in active service.

38.12 (d) "Motor vehicle" means a vehicle for personal use, not used for commercial
38.13 purposes, and may include a passenger automobile, motorcycle, recreational vehicle,
38.14 pickup truck, or van.

38.15 Subd. 2. Issuance; eligibility. Beginning October 1, 2009, the commissioner shall
38.16 issue special plates bearing the inscription "GOLD STAR" to an applicant who:

38.17 (1) is an owner or joint owner of a motor vehicle;

38.18 (2) is an eligible person; and

38.19 (3) complies with all laws relating to the registration and licensing of motor vehicles
38.20 and drivers.

38.21 Subd. 3. Design. The special plates issued under this section must be of a design
38.22 and size determined by the commissioner, in consultation with the commissioner of
38.23 veterans affairs. The commissioner may design the plates in accordance with section
38.24 168.1291, subdivision 2.

38.25 Subd. 4. Transfer. On payment of a fee of \$5 and notification to the commissioner,
38.26 special plates issued under this section may be transferred to another motor vehicle owned
38.27 or jointly owned by the eligible person.

38.28 Subd. 5. Costs of production. The commissioner of finance may transfer money
38.29 in the "Support Our Troops" account under section 190.19, subdivision 2a, to the driver
38.30 and vehicle services account under section 299A.705, subdivision 1, to pay for the cost
38.31 of production of the license plates authorized under this section. The commissioner of
38.32 veterans affairs and the commissioner of public safety must agree on a payment schedule
38.33 before any money may be transferred under this subdivision.

38.34 Sec. 4. Minnesota Statutes 2008, section 190.19, subdivision 2a, is amended to read:

39.1 Subd. 2a. **Uses; veterans.** Money appropriated to the Department of Veterans
39.2 Affairs from the Minnesota "Support Our Troops" account may be used for:
39.3 (1) grants to veterans service organizations; ~~and~~
39.4 (2) outreach to underserved veterans; and
39.5 (3) transfers to the vehicle services account for gold star license plates under section
39.6 168.1253.

39.7 Sec. 5. Minnesota Statutes 2008, section 197.585, subdivision 5, is amended to read:

39.8 Subd. 5. **Expiration.** This section expires at the end of the first fiscal year in which
39.9 the number of veterans enrolled in Minnesota public institutions of higher education is
39.10 fewer than 4,000, but no later than June 30, ~~2011~~ 2013.

39.11 Sec. 6. Minnesota Statutes 2008, section 197.791, subdivision 6, is amended to read:

39.12 Subd. 6. **Insufficient Appropriation.** ~~If~~ The amount appropriated is determined by
39.13 ~~the commissioner to be insufficient~~ necessary to pay the benefit amounts in subdivision
39.14 5, is appropriated from the general fund to the commissioner ~~must reduce the amounts~~
39.15 ~~specified in subdivision 5, paragraph (c), clauses (1) and (2).~~ During any fiscal year
39.16 beginning on or after July 1, 2013, the amount paid under this subdivision must not
39.17 exceed \$6,000,000.

ARTICLE 4

MILITARY AFFAIRS

39.20 Section 1. **MILITARY APPROPRIATIONS.**

39.21 The sums shown in the columns marked "Appropriations" are appropriated to the
39.22 agencies and for the purposes specified in this article. The appropriations are from the
39.23 general fund and are available for the fiscal years indicated for each purpose. The figures
39.24 "2010" and "2011" used in this article mean that the appropriations listed under them are
39.25 available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. "The
39.26 first year" is fiscal year 2010. "The second year" is fiscal year 2011. "The biennium" is
39.27 fiscal years 2010 and 2011.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2010</u>	<u>2011</u>

39.32 Sec. 2. **MILITARY AFFAIRS**

39.33 <u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>20,894,000</u>	<u>\$</u>	<u>19,374,000</u>
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40.1 The amounts that may be spent for each
40.2 purpose are specified in the following
40.3 subdivisions.

40.4	<u>Subd. 2. Maintenance of Training Facilities</u>	<u>6,660,000</u>	<u>6,660,000</u>
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40.5	<u>Subd. 3. General Support</u>	<u>2,386,000</u>	<u>2,366,000</u>
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40.6 \$20,000 is for a grant to a nonprofit
40.7 organization supporting the morale
40.8 of deployed service personnel. This
40.9 appropriation is available until June 30,
40.10 2011, to the extent it is matched by nonstate
40.11 money. This is a onetime appropriation.

40.12	<u>Subd. 4. Enlistment Incentives</u>	<u>11,848,000</u>	<u>10,348,000</u>
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40.13 \$1,500,000 the first year is for additional
40.14 costs of enlistment incentives. This is a
40.15 onetime appropriation.

40.16 If appropriations for either year of the
40.17 biennium are insufficient, the appropriation
40.18 from the other year is available. The
40.19 appropriations for enlistment incentives are
40.20 available until expended.

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Article locations in s1779-2

ARTICLE 1	AGRICULTURE	Page.Ln 1.21
ARTICLE 2	RURAL FINANCE AUTHORITY BONDS	Page.Ln 36.22
ARTICLE 3	VETERANS AFFAIRS	Page.Ln 37.15
ARTICLE 4	MILITARY AFFAIRS	Page.Ln 39.18

17.49 AQUACULTURE PROGRAM AND PROMOTION.

Subd. 3. **Report.** The commissioner shall prepare an annual report on the amount of fish and aquaculture products produced in the state, where the products were produced, the opportunities in the state for aquaculture development, and impediments to Minnesota development of aquaculture.

38.02 AID, DISTRIBUTION.

Subd. 3. **Entitlement for pro rata distribution.** A county or district agricultural society which has held its second annual fair is entitled to share pro rata in the distribution. Payments shall be based on reports submitted by agricultural societies under subdivision 1, paragraph (b), clause (6).

Subd. 4. **Poultry association or society; premiums aid.** A poultry association or society that receives aid in payment of premiums at exhibitions of poultry shall not receive an amount greater than the annual premium paid to exhibitors by it and the amount of aid paid shall not in any case exceed the sum of \$150 to any one county. A society or association to be entitled to its distributive share of aid to poultry associations shall file annually with the commissioner of agriculture by the first day of April of each year a sworn statement signed by the president or secretary of the association or society showing the amount of cash premiums paid during the year to exhibitors. The amount to be distributed to the society or association from the aid appropriation shall be based and determined upon the amount of cash premiums paid out as hereinbefore provided. Except as herein provided, where there is more than one association in a county, the amount allotted to the county, not exceeding \$150, shall be distributed to the societies in equal amounts.

41.51 PURPOSE.

In order to aid farmers in obtaining credit for the acquisition of farm real estate, there is established a family farm security program to provide state money in guarantee of loans made according to this chapter. The family farm security program established by this chapter, and the issuance of state bonds under section 41.62, is necessary to develop the state's agricultural resources.

41.52 DEFINITIONS.

Subdivision 1. **Scope.** For the purposes of Laws 1976, chapter 210 the following terms shall have the meanings given.

Subd. 2. **Applicant.** "Applicant" means a natural person applying for a family farm security loan.

Subd. 3. **Council.** "Council" means the Family Farm Advisory Council.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of agriculture.

Subd. 5. **Family farm security loan.** "Family farm security loan", except in the case of a seller-sponsored loan, means a loan secured by a first real estate mortgage. In the case of a seller-sponsored loan, it means a loan secured either by a real estate mortgage evidenced by one or more notes or secured by a contract for deed. It shall be used for acquisition of farm land and shall be approved by the commissioner. This loan shall be guaranteed and may qualify for a payment adjustment as defined in subdivision 10 and may be a seller-sponsored loan as defined in subdivision 8.

Subd. 6. **Farm land.** "Farm land" means land in Minnesota that is capable of supporting the commercial production of agricultural crops, livestock or livestock products, poultry products, milk or dairy products, or fruit or other horticultural products.

Subd. 7. **Lender.** "Lender" means any bank, savings bank, mutual savings bank, savings association, organized under the laws of this state or the United States, trust companies, trust companies acting as fiduciaries, and other financial institutions subject to the supervision of the commissioner of commerce; and any foreign or domestic corporation engaged in the business of insurance which is subject to the supervision of the commissioner of commerce as defined in section 60A.02, subdivision 3; and any financial institution operating under the supervision of the farm credit administration. In case of seller-sponsored loans as authorized in section 41.58, "lender" also means the seller of the property.

Subd. 8. **Seller-sponsored loan.** "Seller-sponsored loan" means a loan in which part or all of the purchase price of the farm is financed by a loan from the seller of the property who is a

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natural person, a partnership or a family farm corporation as defined in section 500.24, and the remainder of the loan, if any, is supplied by a lender as defined in subdivision 7 or other person. This loan shall be secured by a real estate mortgage evidenced by one or more notes that may carry different interest rates, or by a contract for deed.

Subd. 9. **Family farm loan guarantee.** "Family farm loan guarantee" means an agreement that in the event of default the state of Minnesota shall pay the lender 90 percent of the sums due and payable under the first real estate mortgage, or, in the case of a seller-sponsored loan, 90 percent of the sums due and payable under the note and mortgage or contract for deed.

Subd. 10. **Payment adjustment.** "Payment adjustment" means an amount of money equal to four percent interest on the principal balance of the family farm security loan.

Subd. 11. **Cooperating agency.** "Cooperating agency" means any individual, financial institution, state or federal agency, or any other legal entity which executes a memorandum of understanding with the family farm security program.

Subd. 12. **Memorandum of understanding.** "Memorandum of understanding" means an agreement outlining conditions under which a cooperating agency will provide farm real estate loan funds not to be included under a family farm loan guarantee to applicants.

Subd. 13. **Participant.** "Participant" means an applicant who has received final approval for a guarantee which has been fully executed by the state.

41.53 ADMINISTRATION AND RULES.

Subdivision 1. **Commissioner's powers.** The family farm security program shall be administered by the commissioner.

Subd. 2. **Rules.** The commissioner may adopt rules necessary for the efficient administration of sections 41.51 to 41.57; 41.58, subdivisions 1 and 2; 41.59, subdivision 1; and 41.61.

Subd. 3. **Report.** On or before January 1 of each year the commissioner shall submit a report to the legislature, as provided in section 3.195, concerning the actions of the commissioner and the status of loans granted.

41.55 ELIGIBILITY.

A family farm security loan approval may be granted if the following criteria are satisfied:

- (a) that the applicant is a resident of the state of Minnesota;
- (b) that the applicant has sufficient education, training, or experience in the type of farming for which the loan is desired and participation in a farm management program approved by the commissioner;
- (c) that the applicant and the applicant's dependents and spouse have total net worth valued at less than \$75,000 and have demonstrated a need for the loan;
- (d) that the applicant intends to purchase farm land to be used by the applicant for agricultural purposes;
- (e) that the applicant is credit worthy according to standards prescribed by the commissioner.

41.56 PROCEDURE.

Subdivision 1. **Loan application; denial.** Any person desiring to acquire farm land may make application with a lender for a family farm security loan. Upon completion of the appropriate forms by the applicant and the lender, the applicant shall forward the application to the commissioner for approval. The commissioner shall prescribe a screening process to determine eligibility and may arrange for local lenders to perform this function for the state. The commissioner may approve the application if the criteria of sections 41.55 and 41.57 are satisfied, and shall notify the applicant and the lender of the decision.

If the application is denied, the commissioner shall provide the applicant with a written statement of the reasons for the denial. An applicant who later becomes eligible may reapply.

Subd. 2. **Approved loans.** On approving a loan application, the commissioner shall notify the applicant and lender of the decision. The applicant and the lender may then complete the transaction for the loan.

Subd. 3. **Default, filing claim.** Within 90 days of a default on a guaranteed family farm security loan, the lender shall send notice to the participant stating that the commissioner must be notified if the default continues for 180 days, and the consequences of that default. The lender and the participant may agree to take any steps reasonable to assure the fulfillment of the loan obligation.

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If a participant cannot meet scheduled loan payments because of unique or temporary circumstances and the participant proves sufficiently to the commissioner that the necessary cash flow can be generated in the future, the commissioner may use money in the special account in section 41.61, subdivision 1, to meet the participant's loan obligation for up to two consecutive years. This money must be paid back within eight years with interest at an annual percentage rate four percent below the prevailing Federal Land Bank rate.

A contract for deed participant may enter into an agreement with the commissioner whereby the outstanding principal balance of the loan is reduced by a minimum of ten percent, the loan is reamortized for the years remaining, and the commissioner agrees that the state shall pay the lender 100 percent of the sum due and payable if a default occurs during the remaining term of the reamortized loan.

After 180 days from the initial default, if the participant has not made arrangements to meet the obligation, the lender shall file a claim with the commissioner, identifying the loan and the nature of the default, and assigning to the state all of the lender's security and interest in the loan in exchange for payment according to the terms of the family farm security loan guarantee. In the case of a seller-sponsored loan, the seller may elect to pay the commissioner all sums owed the commissioner by the participant and retain title to the property in lieu of payment by the commissioner under the terms of the loan guarantee. If the commissioner determines that the terms of the family farm security loan guarantee have been met, the commissioner shall authorize payment of state funds to the lender, and shall notify the defaulting party. The state of Minnesota shall then succeed to the interest of the mortgagee or the vendor of the contract for deed. Taxes shall be levied and paid on the land as though the owner were a natural person and not a political subdivision of the state. The commissioner may, on behalf of the state, commence foreclosure or termination proceedings in the manner provided by law.

The commissioner may add any unpaid principal and interest payments on special assistance loans to the interest adjustment obligation balance provided for in section 41.57, subdivision 2. The commissioner and participant may agree to any other terms of repayment that are mutually satisfactory.

Subd. 4. Sale of defaulted property. In the event that title to any property is acquired by the state, upon conveyance of title to the state and expiration of the period of redemption, the commissioner shall undertake to sell the property by publishing a notice of the impending sale at least once each week for four successive weeks in a legal newspaper and also in a newspaper of general distribution in the county in which the property to be sold is situated. The notice must describe the lots or tracts to be offered and the terms of sale. Except as further provided, the terms and method of sale shall be determined by the commissioner.

The commissioner shall first attempt to sell the property to a person who is eligible for a family farm security loan. If the commissioner is unable to effect a sale to an eligible person, the commissioner shall attempt to sell the property for cash as provided in subdivision 4a. If the commissioner is unable to effect a sale to an eligible person or for cash, or if the commissioner finds that sale to an eligible person or for cash would not best protect the interests of the state, the commissioner may sell the property on terms which the commissioner finds will best protect the interests of the state. The commissioner may lease any real property which the commissioner is unable to sell with reasonable promptness. In any event, any acquired farm property must be sold within three years after the conveyance of title to the state or after the expiration of the period of redemption. The commissioner may contract for the services of a licensed real estate agent or broker to assist in selling any property acquired under this section and may pay for the services from the proceeds of the sale before proceeds are distributed under subdivision 4b.

In lieu of selling property under this subdivision, the commissioner may utilize participation under the beginning farmer program under chapter 41B.

In selling property acquired under this section, the commissioner may not sell the property to a relative within the second degree of kindred according to common law of a person who has defaulted.

Subd. 4a. Sale for cash. In selling any farm property for cash, the commissioner shall follow the procedures provided in this subdivision. The commissioner may sell the property to the highest bidder by taking sealed bids, by bids at public auction, or through negotiation. The commissioner may refuse to accept any or all bids. The successful bidder shall submit bid security in the form of a certified check, money order, or bank draft in the amount of five percent of the bid price on the day of selection and shall remit the balance of the purchase price within 90 days of the date of sale. Upon remittance by the purchaser of the balance within 90 days of the date of sale, the commissioner shall transfer title to the property, including any acquired mineral rights, to the purchaser by quitclaim deed. In the event that the purchaser fails to remit all of the balance within

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90 days of the date of sale, the purchaser forfeits all rights to the property and any money paid for the property and the commissioner shall recommence the sale process specified in this subdivision.

Subd. 4b. **Proceeds of sale.** Proceeds from the sale of a parcel of property obtained by the state under this section shall be paid into the state family farm program bond account to the extent that proceeds of bonds issued under section 41.62, have been expended by the commissioner of agriculture for the purposes specified in section 41.62. The balance of the sale proceeds shall be paid into the general fund to the extent that funds were disbursed as payment adjustments by the commissioner and into the special account authorized in section 41.61, subdivision 1, to the extent that funds from the special account were disbursed according to the terms of the family farm security loan guarantee and for any insurance premiums or taxes paid on the property. Proceeds in excess of these amounts shall be paid to the lender to the extent that payment to the lender pursuant to the loan guarantee was less than the money due and payable to the lender under the family farm security loan. Proceeds in excess of these amounts shall be paid to cooperating agencies according to the terms of the family farm memorandum of understanding. Additional proceeds, if any, shall be paid into the special account authorized in section 41.61, subdivision 1.

Subd. 5. **Guarantee void.** The loan guarantee is void only if the guaranteed loan was obtained or retained by fraud or material misrepresentation of which the original lender or subsequent holder had actual knowledge.

Subd. 6. **Secondary market guarantees without recourse.** In the case of all family farm loan guarantees, except seller-sponsored loan guarantees, the commissioner is authorized to extend said guarantees to a bona fide purchaser of the guaranteed portion of the note and mortgage executed by an original lender and borrower without recourse by the state of Minnesota against said bona fide purchaser of said guaranteed portion, provided the state of Minnesota is made the named beneficiary of a title insurance policy insuring marketable title to the farm land in question and the state of Minnesota is given the written opinion of original lender's counsel that the original loan transaction was fully closed, that disbursements were made correctly, that lender's security was properly perfected and constitutes a valid first lien upon the property, that original borrower's note is a valid and binding obligation, and that all conditions deemed desirable to assure the validity and legal enforceability of the note and mortgage and all agreements delivered to the original lender in connection with the original loan have been complied with satisfactorily. In the event title insurance is, as a practical matter, unavailable or an undue hardship, the commissioner is authorized to provide said guarantee without recourse by the state of Minnesota against said bona fide purchaser provided the state of Minnesota is given the written opinion of competent local counsel concerning marketable title and the written opinion of original lender's counsel that the original loan transaction was fully closed, that disbursements were made correctly, that lender's security was properly perfected and constitutes a valid first lien upon the property, that original borrower's note is a valid and binding obligation, and that all conditions deemed desirable to assure the validity and legal enforceability of the note and mortgage and all agreements delivered to the original lender in connection with the original loan have been complied with satisfactorily. The making of such a guarantee without recourse shall not affect the rights the state of Minnesota may have with respect to the original lender, mortgagor, or any other party.

Subd. 7. **Insurance.** The commissioner may insure the state against loss to farm properties acquired under this section by fire, lightning, windstorm, tornado, flood, or hail, using any insurance company licensed to do business in Minnesota. The insurance may be in an amount the commissioner determines and the commissioner may pay the premiums from the special account created in section 41.61, subdivision 1.

41.57 TERMS OF THE LOAN.

Subdivision 1. **Forms; appraisal procedure; limitations.** A family farm security loan shall be transacted on forms approved by the commissioner with the advice of the attorney general. The commissioner shall establish by rule an appraisal procedure and shall thereby determine the value and income potential of the property before guaranteeing a family farm security loan. No guarantee shall be made if the purchase price of the farm land exceeds the appraisal value as determined under the provisions of this subdivision.

Subd. 2. **Payment adjustment.** To be eligible for payment adjustment a family farm security loan shall have a maximum term of 20 years and shall provide for payments at least annually so that the loan shall be amortized over its term with equal annual payments of principal and interest, adjusted for variable interest rates, except that a loan to be amortized over a term of ten years or less need not provide for equal annual payments of principal and interest. During the first ten years of a family farm security loan, the commissioner shall annually pay to the lender four percent of the outstanding balance due at the beginning of that year and the participant

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shall pay the remainder of the payment due. After the tenth year, the participant shall make payments according to the stated interest rate. The participant may petition the commissioner for one ten-year renewal of the payment adjustment. If a renewal is granted, in the 21st year the participant shall reimburse the commissioner for the sums paid on the participant's behalf under this subdivision. If no renewal is granted, the participant shall reimburse the commissioner in the 11th year for the sums paid on the participant's behalf under this subdivision. The obligation to repay the payment adjustment is a lien against the property. If the participant does not reimburse the state within the required time period, the commissioner may charge interest at the rate of two percent above the prevailing rate charged by the Federal Land Bank of St. Paul on the net amount owed for the period of delinquency. To recover the adjustment payment due in delinquency cases, the commissioner may proceed to foreclose by advertisement on the lien as if it were a real estate mortgage following the procedures in chapter 580.

Subd. 2a. **Settlements before due date.** The commissioner may settle interest adjustment payment accounts of participants before the contractual due date. These settlements may include receiving partial payments for outstanding obligations if the participant and cooperating lender agree to voluntarily withdraw from the program.

Subd. 2b. **Discounting using present value.** The commissioner may settle interest adjustment payment accounts by discounting the obligation using a present value calculation. The interest rate used in this calculation must be three percent above the current Farm Credit Bank of St. Paul wholesale loan rate to the agricultural credit associations as certified each month by the commissioner.

Subd. 3. **Annual review.** (a) The participant and the participant's dependents and spouse shall annually submit to the commissioner a statement of their net worth. If their net worth in any year exceeds the sum of \$135,000, the participant shall be ineligible for a payment adjustment in that year.

(b) The participant shall annually submit to the commissioner evidence of participation in an approved farm management program for at least the first ten years of the family farm security loan. The commissioner may waive this requirement if the participant requests a waiver and provides justification.

Subd. 4. **Additional payment; principal reduction.** (a) The commissioner must annually pay to qualified sellers of property, financed by a family farm security loan, an amount approximately equal to the additional state income tax paid as a result of the inclusion in gross income of the interest and payment adjustment earned on a seller sponsored family farm security loan. No payment may be made under this subdivision to a qualified seller, unless the seller agrees to reduce the outstanding principal amount of the loan by three percent effective prior to or beginning the year in which application is made.

(b) The payment amount must be determined as follows: In order to qualify for a payment, the seller must apply to the commissioner by October 1, following the previous tax year. The application must include a copy of the seller's previous tax year state income tax return. The commissioner must recompute the seller's total state income tax liability that would be due if the interest and payment adjustment amounts were not includable in gross income for state income tax purposes. The commissioner may require the seller to compute these amounts as part of the application. For any calendar year the amount of the payment equals the reduction in state income tax liability that would occur if the interest and payment adjustment were not included in gross income for state tax purposes.

(c) If the seller elects to receive payments under this subdivision, the buyer's payments of principal and interest under the loan must be recalculated. The revised payment schedule must reflect the three percent reduction in the outstanding principal required by paragraph (a) and must provide for equal payments over the remaining term of the loan. The interest rate on the loan may not be increased.

(d) The commissioner may make the payments under this subdivision in the same manner provided for the payment adjustment under subdivision 2.

(e) For purposes of this subdivision, the following terms have the meanings given:

(1) "Gross income" means gross income as defined for purposes of chapter 290.

(2) "Qualified seller" means an individual who sold farm land under a seller sponsored loan after April 1, 1978, and before December 31, 1985, and who is a resident of Minnesota during the calendar year and is subject to the payment of Minnesota income taxes.

41.58 SELLER-SPONSORED LOANS.

Subdivision 1. **Authorization.** The commissioner may provide a guarantee to the lenders on seller-sponsored loans when the buyer satisfies the eligibility criteria in section 41.55. The

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commissioner may also provide a payment adjustment on behalf of the participant in the case of seller-sponsored loans.

Subd. 2. **Negotiability and marketability.** A seller-sponsored loan shall be secured by a purchase money real estate mortgage evidenced by negotiable note or notes as defined in section 336.3-104 or by a contract for deed. The commissioner must be notified in writing within 30 days after a family farm security loan note is sold or exchanged or vendor's interest in a contract for deed is sold, exchanged, assigned or transferred.

41.59 SALE OR CONVEYANCE.

Subdivision 1. **Immediate repayment of loan.** Any participant who sells or conveys the property for which a family farm security loan was issued shall immediately retire the entire indebtedness still owed to the lender and the commissioner. The new owner may negotiate a new family farm security loan, but under no circumstances may the original loan be assumed by the new owner. If the new owner is granted a family farm security loan, the new owner may agree to assume the original participant's responsibility to reimburse the commissioner for a payment adjustment received, as a portion of the total purchase price. That portion of the purchase price may not be included under the guarantee or considered when calculating the payment adjustment for the new owner. This subdivision is not intended to prohibit the participant from granting a security interest in the property for the purposes of securing an additional loan.

Any participant who fails to personally maintain the land covered by a family farm security loan in active agricultural production for a period of time longer than one year is in default. The default may be waived by the commissioner in the event of a physical disability or other extenuating circumstances.

41.60 DISCRIMINATION PROHIBITED.

In carrying out their respective duties under Laws 1976, chapter 210, the council and the commissioner shall not discriminate between applicants because of race, color, creed, religion, national origin, sex, marital status, disability, political or ideological persuasion.

41.61 APPROPRIATIONS.

Subdivision 1. **Special account; standing appropriation.** There is created a special account in the state treasury for the purposes of financing the family farm security program.

The amount needed from time to time to pay lenders for defaulted loans and make other payments authorized by this chapter including insurance premiums, taxes, repairs and maintenance costs, advertising, and other sales expenses on defaulted farms is appropriated from the special account to the commissioner. Money is also appropriated to the commissioner from the special account so that the commissioner may purchase the rights of first lienholders at mortgage foreclosure sales and satisfy certain fixture loans. The sum of all outstanding family farm security loans guaranteed by the commissioner at any time may not exceed \$100,000,000. All bond proceeds received in the fund must be used only for the purposes specified in section 41.62.

41.62 GENERAL OBLIGATION BONDS.

Subdivision 1. **Procedure.** Upon request of the commissioner of agriculture, the commissioner of finance is authorized to issue general obligation bonds of the state in a principal amount not exceeding \$20,000,000 to acquire public lands by providing money to be paid by the commissioner of agriculture from the special account established by section 41.61 to pay lenders for defaulted loans and to purchase the rights of first lienholders at mortgage foreclosure sales. The bonds shall be secured as provided in the Minnesota Constitution, article XI, section 7, and, except as provided in this section, shall be issued and secured as provided in section 16A.641. The proceeds of the bonds, except any premium and accrued interest, shall be deposited in the special account established in section 41.61 and used solely for the purposes specified above and in section 16A.641, subdivision 8. The premium and accrued interest, if any, shall be deposited in the state family farm security program bond account in the state bond fund. The commissioner shall issue only the amount of bonds as from time to time the commissioner determines are necessary for the purposes specified in this section.

Subd. 2. **Terms of bonds.** The commissioner of finance may fix the terms of the bonds in any manner permitted for bonds of a municipality under chapter 475, and may enter into, on behalf of the state, all agreements deemed necessary for this purpose, including those authorized to be entered into by municipalities in chapter 475.

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Subd. 3. **Sale of bonds.** If determined by the commissioner of finance to be necessary in order to reduce costs of issuance, to secure a favorable prevailing interest rate, or to receive the bond proceeds by a specified date, or if the terms of the bonds are fixed as provided in sections 475.54, subdivision 5a, and 475.56, paragraph (b), the bonds may be sold by negotiation and without solicitation of sealed bids.

Subd. 4. **Bond fund account.** The commissioner of finance shall maintain in the state bond fund a separate bookkeeping account that shall be designated as the state family farm security program bond account, to record receipts and disbursements of money transferred to the fund to pay bonds issued under this section and to record income from the investment of the money. The income shall be credited to the account in each fiscal year in an amount equal to the approximate average return that year on all funds invested by the commissioner of finance, as determined by the commissioner of finance, times the average balance in the account that year.

Subd. 5. **Transfers, appropriation.** In addition to the money required to be transferred to the state family farm security program bond account under section 41.56, subdivision 4b, and in order to reduce the amount of taxes otherwise required by the Minnesota Constitution to be levied for the state bond fund, the commissioner of finance shall transfer from the general fund to the state family farm security program bond account, on December 1 in each year, a sum of money sufficient in amount, when added to the balance then on hand in that account, to pay all bonds issued under this section and the interest on them due and to become due to and including July 1 in the second ensuing year. All money to be so credited and all income from its investment is annually appropriated for the payment of the bonds and interest on them, and shall be available in the state family farm security program bond account before the levy of the tax in any year required by the Minnesota Constitution, article XI, section 7. The legislature may also appropriate to the state family farm security program bond account any other money in the state treasury not otherwise appropriated, for the security of bonds issued under this section in the event that sufficient money should not be available in the account from the appropriation in this section, before the levy of the tax in any year. The commissioner of finance shall make the appropriate entries in the accounts of the respective funds.

Subd. 6. **Constitutional levy.** On or before December 1 in each year the state auditor shall levy on all taxable property within the state whatever tax may be necessary to produce an amount sufficient, with all money then in the state family farm security program bond account, to pay the entire amount of principal and interest due then or earlier and principal and interest to become due on or before July 1 in the second year thereafter on bonds issued under this section. This tax shall be levied upon all real property used for a homestead, as well as other taxable property, notwithstanding section 273.13, subdivisions 6 and 7. The tax must not be limited in rate or amount until all the bonds and interest on them are fully paid. The proceeds of this tax are appropriated and shall be credited to the state bond fund, and the principal and interest on the bonds are payable from all the proceeds. As much of the proceeds as is necessary, is appropriated for the payments. If at any time there is insufficient money from the proceeds of the taxes to pay the principal and interest when due on the bonds, the principal and interest must be paid out of the general fund in the state treasury, and the amount necessary for the payment is appropriated.

Subd. 7. **Compliance with federal law.** The commissioner of finance is authorized to covenant and agree with the holders of the bonds issued under this section that the state will comply, insofar as possible, with the provisions of the United States Internal Revenue Code now or hereafter enacted that are applicable to the bonds and that establish conditions under which the interest to be paid on the bonds will not be includable in gross income for federal tax purposes.

Subd. 8. **Taxability of interest.** The bonds authorized by this section may be issued without regard to whether the interest to be paid on them is includable in gross income for federal tax purposes.

41.63 DATA PRIVACY.

Personal financial information, credit reports, financial statements, tax refund calculations, and net worth statements, received or prepared by the commissioner regarding any family farm security loans, are private data on individuals under chapter 13.

41.65 USE AND DISPOSITION OF PROPERTY.

Subdivision 1. **Commissioner may sell or lease property.** The commissioner may sell or lease property acquired by the state in a manner that protects the interests of the state. Persons desiring to purchase or lease property must apply to the commissioner.

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Subd. 2. **Managing and selling property.** (a) The commissioner must attempt to sell agricultural property to persons entering farming and farmers that need additional property to continue their farming operations.

(b) The commissioner must give priority to applicants desiring to purchase or lease property who:

(1) are residents of the state of Minnesota;

(2) have sufficient education, training, or experience in the type of farming for which the property is desired and agree to continued participation in a farm management program, approved by the commissioner for at least the first ten years;

(3) have, including the applicant's dependents and spouse, a total net worth valued at less than \$100,000 and have demonstrated a need for acquiring property from the commissioner;

(4) intend to purchase farm land to be used by the applicant for agricultural purposes; and

(5) are credit worthy according to standards prescribed by the commissioner.

(c) The commissioner must attempt to sell the property by a cash sale. Agricultural property may be leased with an option to purchase to accommodate a sale. The commissioner should avoid long-term leasing of property.

Subd. 3. **Restricted agricultural use.** (a) Acquired property that has marginal land as defined in section 103F.511, subdivision 7, or wetlands must be restricted from agricultural use on the marginal land or wetlands.

(b) If the commissioner determines that all or a portion of acquired property should be taken out of agricultural use or particular agricultural uses should be restricted, the commissioner shall have the attorney general prepare an easement restricting the agricultural use and record the easement with the county recorder where the property is located.

Subd. 4. **Exclusive agricultural use.** The commissioner may place easements on acquired property restricting development and allowing only agricultural or conservation use.

84.02 DEFINITIONS.

Subdivision 1. **Definitions.** For purposes of this chapter, the terms defined in this section shall have the meanings given them.

Subd. 2. **Best management practice for native prairie restoration.** "Best management practice for native prairie restoration" means using seeds collected from a native prairie within the same county or within 25 miles of the county's border, but not across the boundary of an ecotype region.

Subd. 3. **Created grassland.** "Created grassland" means a restoration using seeds or plants with origins outside of the state of Minnesota.

Subd. 4. **Ecotype region.** "Ecotype region" means the following ecological subsections and counties based on the Department of Natural Resources map, "County Landscape Groupings Based on Ecological Subsections," dated February 15, 2007.

Ecotype Region	Counties or portions thereof:
Rochester Plateau, Blufflands, and Oak Savanna	Houston, Winona, Fillmore, Wabasha, Goodhue, Mower, Freeborn, Steele, Olmsted, Rice, Waseca, Dakota, Dodge
Anoka Sand Plain, Big Woods, and St. Paul Baldwin Plains and Moraines	Anoka, Hennepin, Ramsey, Washington, Chisago, Scott, Carver, McLeod, Wright, Benton, Isanti, Le Sueur, Sherburne
Inner Coteau and Coteau Moraines	Lincoln, Lyon, Pipestone, Rock, Murray, Nobles, Jackson, Cottonwood
Red River Prairie (South)	Traverse, Wilkin, Clay, Becker
Red River Prairie (North) and Aspen Parklands	Kittson, Roseau, Red Lake, Pennington, Marshall, Clearwater, Mahnommen, Polk, Norman
Minnesota River Prairie (North)	Big Stone, Pope, Stevens, Grant, Swift, Chippewa, Meeker, Kandiyohi, Renville, Lac qui Parle, Yellow Medicine
Minnesota River Prairie (South)	Nicollet, Redwood, Brown, Watonwan, Martin, Faribault, Blue Earth, Sibley
Hardwood Hills	Douglas, Morrison, Otter Tail, Stearns, Todd

APPENDIX

Repealed Minnesota Statutes: s1779-2

Subd. 5. **Native prairie.** "Native prairie" means land that has never been plowed where native prairie vegetation originating from the site currently predominates or, if disturbed, is predominantly covered with native prairie vegetation that originated from the site. Unbroken pasture land used for livestock grazing can be considered native prairie if it has predominantly native vegetation originating from the site and conservation practices have maintained biological diversity.

Subd. 6. **Native prairie species of a local ecotype.** "Native prairie species of a local ecotype" means a genetically differentiated population of a species that has at least one trait (morphological, biochemical, fitness, or phenological) that is evolutionarily adapted to local environmental conditions, notably plant competitors, pathogens, pollinators, soil microorganisms, growing season length, climate, hydrology, and soil.

Subd. 7. **Restored native prairie.** "Restored native prairie" means a restoration using at least 25 representative and biologically diverse native prairie plant species of a local ecotype originating in the same county as the restoration site or within 25 miles of the county's border, but not across the boundary of an ecotype region.

Subd. 8. **Restored prairie.** "Restored prairie" means a restoration using at least 25 representative and biologically diverse native prairie plant species originating from the same ecotype region in which the restoration occurs.