

SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 1859

(SENATE AUTHORS: WEBER)		
DATE	D-PG	OFFICIAL STATUS
02/28/2019	581	Introduction and first reading Referred to Agriculture, Rural Development, and Housing Policy
03/13/2019	823a	Comm report: To pass as amended and re-refer to Agriculture, Rural Development, and Housing Finance See SF1414, Sec. 35-37

1.1

A bill for an act

1.2

relating to agriculture; making policy and technical changes to various agricultural

1.3

provisions including provisions related to aquaculture, feedlots, pesticides, hemp,

1.4

food handlers, eggs, milk, cheese, bioincentive programs, loan programs, and other

1.5

agriculture provisions; amending Minnesota Statutes 2018, sections 17.494;

1.6

17.4982, by adding subdivisions; 18B.34, subdivision 5; 18C.425, subdivision 6;

1.7

18C.70, subdivision 5; 18C.71, subdivision 4; 18C.80, subdivision 2; 18H.10;

1.8

25.33, subdivision 8; 28A.04, subdivision 1; 28A.05; 28A.075; 28A.0752,

1.9

subdivisions 1, 2; 28A.08, subdivision 3; 29.26; 32D.13, by adding a subdivision;

1.10

32D.20, subdivision 2; 32D.22; 34A.11, subdivision 7; 41A.15, subdivisions 2,

1.11

10, by adding a subdivision; 41A.16, subdivisions 1, 2, 4; 41A.17, subdivisions

1.12

1, 2, 3; 41A.18, subdivisions 1, 2, 3; 41B.02, subdivision 10a; 41B.0391,

1.13

subdivision 1; 41B.047, subdivisions 1, 3; 41B.049, subdivision 5; 41B.055,

1.14

subdivision 3; 41B.057, subdivision 3; 116.06, by adding a subdivision; 116.07,

1.15

subdivisions 7, 7d; 116.0714; proposing coding for new law in Minnesota Statutes,

1.16

chapter 17; repealing Minnesota Statutes 2018, section 41A.15, subdivisions 2a,

1.17

2b.

1.18

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

1.19

Section 1. Minnesota Statutes 2018, section 17.494, is amended to read:

1.20

17.494 AQUACULTURE PERMITS; RULES.

1.21

(a) The commissioner shall act as permit or license coordinator for aquatic farmers and

1.22

shall assist aquatic farmers to obtain licenses or permits.

1.23

~~By July 1, 1992,~~ (b) A state agency issuing multiple permits or licenses for aquaculture

1.24

shall consolidate the permits or licenses required for every aquatic farm location. The

1.25

Department of Natural Resources transportation permits are exempt from this requirement.

1.26

State agencies shall adopt rules or issue commissioner's orders that establish permit and

1.27

license requirements, approval timelines, and compliance standards. Saltwater aquatic farms,

1.28

as defined in section 17.4982, and processing facilities for saltwater aquatic life, as defined

in section 17.4982, must be classified as agricultural operations for purposes of any construction, discharge, or other permit issued by the Pollution Control Agency.

Nothing in this section modifies any state agency's regulatory authority over aquaculture production.

Sec. 2. Minnesota Statutes 2018, section 17.4982, is amended by adding a subdivision to read:

Subd. 20a. **Saltwater aquaculture.** "Saltwater aquaculture" means the commercial propagation and rearing of saltwater aquatic life primarily for consumption as human food.

Sec. 3. Minnesota Statutes 2018, section 17.4982, is amended by adding a subdivision to read:

Subd. 20b. **Saltwater aquatic farm.** "Saltwater aquatic farm" means a facility used for saltwater aquaculture including but not limited to artificial ponds, vats, tanks, raceways, and other facilities that an aquatic farmer owns or has exclusive control of for the sole purpose of producing saltwater aquatic life.

Sec. 4. Minnesota Statutes 2018, section 17.4982, is amended by adding a subdivision to read:

Subd. 20c. **Saltwater aquatic life.** "Saltwater aquatic life" means aquatic species that are saltwater obligates or perform optimally when raised in salinities closer to that of natural seawater and need saltwater to survive. Saltwater aquatic life includes but is not limited to crustaceans.

Sec. 5. **[17.499] TRANSPORTATION OR IMPORTATION OF SALTWATER AQUATIC LIFE; QUARANTINE REQUIREMENT.**

Subdivision 1. **Purpose.** The legislature finds that it is in the public interest to increase private saltwater aquaculture production and processing in this state under the coordination of the commissioner of agriculture. Additional private production will reduce dependence on foreign suppliers and benefit the rural economy by creating new jobs and economic activity.

Subd. 2. **Transportation permit.** (a) Notwithstanding the requirements in section 17.4985, saltwater aquatic life transportation and importation requirements are governed by this section. A transportation permit is required before importation or intrastate transportation of saltwater aquatic life not exempted under subdivision 3. A transportation

permit may be used for multiple shipments within the 30-day term of the permit if the source and the destination are the same. Transportation permits must be obtained from the commissioner before shipment of saltwater aquatic life.

(b) An application for a transportation permit must be made in the form required by the commissioner. The commissioner may reject an incomplete application.

(c) An application for a transportation permit must be accompanied by satisfactory evidence, as determined by the commissioner, that the shipment is free of any nonindigenous species of animal other than the saltwater aquatic species and either:

(1) the facility from which the saltwater aquatic life originated has provided documentation of 36 or more consecutive months of negative testing by an approved laboratory as free of any disease listed by OIE - the World Organisation for Animal Health for that species following the testing guidelines outlined in the OIE Aquatic Animal Health Code for crustaceans or the AFS Fish Health Blue Book for other species, as appropriate; or

(2) the saltwater aquatic life to be imported or transported includes documentation of negative testing for that specific lot by an approved laboratory as free of any disease listed by OIE - the World Organisation for Animal Health for crustaceans or in the AFS Fish Health Blue Book for other species, as appropriate.

If a shipment authorized by the commissioner under clause (1) includes saltwater aquatic life that originated in a foreign country, the shipment must be quarantined at the receiving facility according to a quarantine plan approved by the commissioner. A shipment authorized by the commissioner under clause (2) must be quarantined at the receiving facility according to a quarantine plan approved by the commissioner.

(d) For purposes of this subdivision, "approved laboratory" means a laboratory approved by the commissioner or the United States Department of Agriculture, Animal and Plant Health Inspection Services.

(e) No later than 14 calendar days after a completed transportation permit application is received, the commissioner shall approve or deny the transportation permit application.

(f) A copy of the transportation permit must accompany a shipment of saltwater aquatic life while in transit and must be available for inspection by the commissioner.

(g) A vehicle used by a licensee for transporting aquatic life must be identified with the license number and the licensee's name and town of residence as it appears on the license. A vehicle used by a licensee must have identification displayed so that it is readily visible

from either side of the vehicle in letters and numbers not less than 2-1/2 inches high and three-eighths inch wide. Identification may be permanently affixed to vehicles or displayed on removable plates or placards placed on opposite doors of the vehicle or on the tanks carried on the vehicle.

(h) An application to license a vehicle for brood stock or larvae transport or for use as a saltwater aquatic life vendor that is received by the commissioner is a temporary license until approved or denied by the commissioner.

Subd. 3. **Exemptions.** (a) A transportation permit is not required to transport or import saltwater aquatic life:

(1) previously processed for use as food or other purposes unrelated to propagation;

(2) transported directly to an outlet for processing as food or for other food purposes if accompanied by shipping documents;

(3) that is being exported if accompanied by shipping documents;

(4) that is being transported through the state if accompanied by shipping documents;

or

(5) transported intrastate within or between facilities licensed for saltwater aquaculture by the commissioner if accompanied by shipping documents.

(b) Shipping documents required under paragraph (a) must include the place of origin, owner or consignee, destination, number, species, and satisfactory evidence, as determined by the commissioner, of the disease-free certification required under subdivision 2, paragraph (c), clauses (1) and (2).

Sec. 6. Minnesota Statutes 2018, section 18B.34, subdivision 5, is amended to read:

Subd. 5. **Fees.** (a) A person initially applying for or renewing a noncommercial applicator license must pay a nonrefundable application fee of \$50, except an applicant who ~~is~~ uses pesticides in the course of performing official duties as: (1) a government employee; (2) a contractor providing rest area custodial services for the commissioner of transportation; or (3) a Conservation Corps Minnesota employee who uses pesticides in the course of performing official duties must pay a nonrefundable application fee of \$10.

(b) A license renewal application received after March 1 in the year for which the license is to be issued is subject to a penalty fee of 50 percent of the application fee. The penalty fee must be paid before the renewal license may be issued.

(c) An application for a duplicate noncommercial applicator license must be accompanied by a nonrefundable application fee of \$10.

Sec. 7. Minnesota Statutes 2018, section 18C.425, subdivision 6, is amended to read:

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

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

(c) The person responsible for payment of the inspection fees for fertilizers, soil amendments, or plant amendments sold and used in this state must pay an inspection fee of 39 cents per ton, and until June 30, ~~2019~~ 2029, an additional 40 cents per ton, of fertilizer, soil amendment, and plant amendment sold or distributed in this state, with a minimum of \$10 on all tonnage reports. Notwithstanding section 18C.131, the commissioner must deposit all revenue from the additional 40 cents per ton fee in the agricultural fertilizer research and education account in section 18C.80. Products sold or distributed to manufacturers or exchanged between them are exempt from the inspection fee imposed by this subdivision if the products are used exclusively for manufacturing purposes.

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

Sec. 8. Minnesota Statutes 2018, section 18C.70, subdivision 5, is amended to read:

Subd. 5. **Expiration.** This section expires June 30, ~~2020~~ 2030.

Sec. 9. Minnesota Statutes 2018, section 18C.71, subdivision 4, is amended to read:

Subd. 4. **Expiration.** This section expires June 30, ~~2020~~ 2030.

Sec. 10. Minnesota Statutes 2018, section 18C.80, subdivision 2, is amended to read:

Subd. 2. **Expiration.** This section expires June 30, ~~2020~~ 2030.

Sec. 11. Minnesota Statutes 2018, section 18H.10, is amended to read:

18H.10 STORAGE OF NURSERY STOCK.

(a) All nursery stock must be kept and displayed under conditions of temperature, light, and moisture sufficient to maintain the viability and vigor of the nursery stock.

(b) Packaged dormant nursery stock must be stored under conditions that retard growth, prevent etiolated growth, and protect its viability.

(c) Balled and burlapped nursery stock being held for sale to the public must be kept in a moisture-holding material approved by the commissioner and not toxic to plants. The moisture-holding material must adequately cover and protect the ball of earth and must be kept moist at all times. The commissioner may approve alternative nursery stock management practices to maintain the viability of balled and burlapped stock.

Sec. 12. Minnesota Statutes 2018, section 25.33, subdivision 8, is amended to read:

Subd. 8. **Drug.** "Drug" means (1) any article intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in animals other than humans; and (2) articles other than feed intended to affect the structure or any function of the animal body.

Sec. 13. Minnesota Statutes 2018, section 28A.04, subdivision 1, is amended to read:

Subdivision 1. **Application; date of issuance.** (a) No person shall engage in the business of manufacturing, processing, selling, handling, or storing food without having first obtained from the commissioner a license for doing such business. Applications for such license shall be made to the commissioner in such manner and time as required and upon such forms as provided by the commissioner and shall contain the name and address of the applicant, address or description of each place of business, and the nature of the business to be conducted at each place, and such other pertinent information as the commissioner may require.

(b) A retail or wholesale food handler license shall be issued for the period July 1 to June 30 following and shall be renewed thereafter by the licensee on or before July 1 each year, except that:

(1) licenses for all mobile food concession units and retail mobile units must be issued for the period April 1 to March 31, and must be renewed thereafter by the licensee on or before April 1 each year; and

(2) a license issued for a temporary food concession stand must have a license issuance and renewal date consistent with appropriate statutory provisions.

(c) A custom exempt food handler license shall be issued for the period July 1 to June 30 following and shall be renewed thereafter by the licensee on or before July 1 each year. The custom exempt food handler license is for businesses that only conduct custom exempt operations and mark all products as "Not For Sale." Food handlers that conduct retail exempt operations or other operations other than custom exempt processing or slaughter are not eligible for this license.

(d) A license for a food broker or for a food processor or manufacturer shall be issued for the period January 1 to December 31 following and shall be renewed thereafter by the licensee on or before January 1 of each year, except that a license for a wholesale food processor or manufacturer operating only at the state fair shall be issued for the period July 1 to June 30 following and shall be renewed thereafter by the licensee on or before July 1 of each year. A penalty for a late renewal shall be assessed in accordance with section 28A.08.

~~(e)~~ (e) A person applying for a new license up to 14 calendar days before the effective date of the new license period under paragraph (b) must be issued a license for the 14 days and the next license year as a single license and pay a single license fee as if the 14 days were part of the upcoming license period.

Sec. 14. Minnesota Statutes 2018, section 28A.05, is amended to read:

28A.05 CLASSIFICATION.

All persons required to have a license under section 28A.04 shall be classified into one of the following classes of food handlers, according to their principal mode of business.

(a) Retail food handlers are persons who sell or process and sell food directly to the ultimate consumer or who custom process meat or poultry. The term includes a person who sells food directly to the ultimate consumer through the use of vending machines, and a person who sells food for consumption on site or off site if the sale is conducted on the premises that are part of a grocery or convenience store operation.

(b) Wholesale food handlers are persons who sell to others for resale. A person who handles food in job lots (jobbers) is included in this classification.

(c) Wholesale food processors or manufacturers are persons who process or manufacture raw materials and other food ingredients into food items, or who reprocess food items, or who package food for sale to others for resale, or who commercially slaughter animals or

poultry. Included herein are persons who can, extract, ferment, distill, pickle, bake, freeze, dry, smoke, grind, mix, stuff, pack, bottle, recondition, or otherwise treat or preserve food for sale to others for resale, cold storage warehouse operators as defined in section 28.01, subdivision 3, salvage food processors as defined in section 31.495, subdivision 1, and dairy plants as defined in section 32D.01, subdivision 6.

(d) Custom exempt food handlers are persons who only conduct custom exempt processing as defined in section 31A.02, subdivision 5. A retail or wholesale transaction may not take place in a facility operated by a person with a custom exempt food handler license.

~~(d)~~ (e) A food broker is a person who buys and sells food and who negotiates between a buyer and a seller of food, but who at no time has custody of the food being bought and sold.

Sec. 15. Minnesota Statutes 2018, section 28A.075, is amended to read:

28A.075 DELEGATION TO LOCAL BOARD OF HEALTH.

(a) At the request of a local board of health that licensed and inspected grocery and convenience stores on January 1, 1999, the commissioner must enter into agreements before January 1, 2001, with local boards of health to delegate to the appropriate local board of health the licensing and inspection duties of the commissioner pertaining to retail food handlers that are grocery or convenience stores. At the request of a local board of health that licensed and inspected part of any grocery or convenience store on January 1, 1999, the commissioner must enter into agreements before July 1, 2001, with local boards of health to delegate to the appropriate local board of health the licensing and inspection duties of the commissioner pertaining to retail food handlers that are grocery or convenience stores. At any time thereafter, the commissioner may enter into an agreement with a local board of health that licensed and inspected all or part of any grocery or convenience store on January 1, 1999, to delegate to the appropriate local board of health the licensing and inspection duties of the commissioner pertaining to retail food handlers ~~that are~~ such as grocery or convenience stores. ~~Retail grocery or convenience stores~~ food handlers inspected under the state meat inspection program of chapter 31A are exempt from delegation.

(b) A local board of health must adopt an ordinance consistent with the Minnesota Food Code, Minnesota Rules, chapter 4626, for all of its jurisdiction to regulate ~~grocery and convenience stores~~ retail food handlers and the ordinance (Food Code) must not be in conflict with standards set in law or rule.

(c) A fee to recover the estimated costs of enforcement of this chapter must be established by ordinance and must be fair, reasonable, and proportionate to the actual cost of the licensing and inspection services. The fee must only be maintained and used for the estimated costs of enforcing this chapter.

Sec. 16. Minnesota Statutes 2018, section 28A.0752, subdivision 1, is amended to read:

Subdivision 1. **Agreements to perform duties of commissioner.** (a) Agreements to delegate licensing and inspection duties pertaining to retail ~~grocery or convenience stores~~ food handlers shall include licensing, inspection, reporting, and enforcement duties authorized under sections 17.04, 29.21, 29.23, 29.235, 29.236, 29.237, 29.24, 29.25, 29.26, 29.27, and 30.49, appropriate sections of the Minnesota Food Law, chapters 31 and 34A, and applicable Minnesota food rules.

(b) Agreements are subject to subdivision 3.

(c) This subdivision does not affect agreements entered into under section 28A.075 or current cooperative agreements which base inspections and licensing responsibility on the firm's most predominant mode of business.

Sec. 17. Minnesota Statutes 2018, section 28A.0752, subdivision 2, is amended to read:

Subd. 2. **Approval of agreements.** An agreement to delegate licensing and inspection of retail food handlers ~~that are grocery or convenience stores~~ to a community health board must be approved by the commissioner and is subject to subdivision 3.

Sec. 18. Minnesota Statutes 2018, section 28A.08, subdivision 3, is amended to read:

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

Type of food handler	License Fee Effective July 1, 2003	Penalties	
		Late Renewal	No License
1. <u>Retail food handler or custom exempt food handler</u>			
(a) Having gross sales of only prepackaged nonperishable food of less than \$15,000 for the immediately previous license or fiscal year and filing a statement with the commissioner	\$ 50	\$ 17	\$ 33
(b) Having under \$15,000 gross sales or service including food preparation or having \$15,000 to \$50,000 gross sales or service	\$ 77	\$ 25	\$ 51

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

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

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

13.1 Sec. 19. Minnesota Statutes 2018, section 29.26, is amended to read:

13.2 **29.26 EGGS IN POSSESSION OF RETAILER.**

13.3 All eggs sold or offered for sale at retail must have been candled and graded and must
13.4 be clearly labeled according to Minnesota consumer grades as established by rule under
13.5 section 29.23. No eggs shall be sold or offered for sale as "ungraded," "unclassified," or by
13.6 any other name that does not clearly designate the grade. All eggs in possession of the
13.7 retailer, either in temporary storage or on display, must be held at a temperature not to
13.8 exceed 45 degrees Fahrenheit (7 degrees Celsius).

13.9 ~~Candled and graded~~ Grade AA eggs held 31 days past the coded pack date for Grade
13.10 AA eggs, or Grade A eggs held 46 days past the coded pack date for Grade A eggs, lose
13.11 their grades and must be removed from sale.

13.12 Sec. 20. Minnesota Statutes 2018, section 32D.13, is amended by adding a subdivision to
13.13 read:

13.14 Subd. 11. **Milk storage requirement.** (a) A milk hauler must not pick up milk from a
13.15 farm that has a bulk tank that is not in proper working order.

13.16 (b) Milk must not be stored for longer than 72 hours at a farm before the milk is picked
13.17 up by a milk hauler for transport to a plant. The commissioner or an agent of the
13.18 commissioner may waive the 72-hour time limit in the case of hardship, emergency, or
13.19 natural disaster.

13.20 Sec. 21. Minnesota Statutes 2018, section 32D.20, subdivision 2, is amended to read:

13.21 Subd. 2. **Labels.** (a) Pasteurized milk or fluid milk products offered or exposed for sale
13.22 or held in possession for sale shall be labeled or otherwise designated as pasteurized milk
13.23 or pasteurized fluid milk products, and in the case of fluid milk products the label shall also
13.24 state the name of the specific product.

13.25 (b) Milk and dairy products must be labeled (1) with the plant number where the product
13.26 was produced^{5,2}; or (2) if produced in a state where official plant numbers are not assigned,
13.27 with the name and address of the manufacturer and the address of the plant where it was
13.28 manufactured or distributor.

14.1 Sec. 22. Minnesota Statutes 2018, section 32D.22, is amended to read:

14.2 **32D.22 MANUFACTURE OF CHEESE; REQUIREMENTS IN PROCESS.**

14.3 (a) No person, firm, or corporation shall manufacture, transport, sell, offer, or expose
14.4 for sale or have in possession with intent to sell at retail to a consumer any cheese that has
14.5 not been (1) manufactured from milk or milk products that have been pasteurized; (2)
14.6 subjected to a heat treatment equivalent to pasteurization during the process of manufacturing
14.7 or processing; or (3) subjected to an aging process where it has been kept for at least 60
14.8 days after manufacture at a temperature no lower than 35 degrees Fahrenheit.

14.9 (b) Any cheese described in paragraph (a), clause (3), that has been made from
14.10 unpasteurized milk must be labeled with a statement that the cheese has been aged for 60
14.11 days or more.

14.12 Sec. 23. Minnesota Statutes 2018, section 34A.11, subdivision 7, is amended to read:

14.13 Subd. 7. **Emergency powers.** After an emergency declaration issued under chapter 12,
14.14 chapter 35, or the federal Stafford Act, the commissioner may restrict the movement of food
14.15 if the commissioner has probable cause to believe that the movement of food may: threaten
14.16 the agricultural economy; transport a dangerous, infectious, or communicable disease; or
14.17 threaten the health of animals. The commissioner may provide for the issuance of permits
14.18 to allow for the continued movement of food upon meeting the disease control measures
14.19 established by the commissioner.

14.20 Sec. 24. Minnesota Statutes 2018, section 41A.15, subdivision 2, is amended to read:

14.21 Subd. 2. **Advanced biofuel.** "Advanced biofuel" ~~has the meaning given in section~~
14.22 ~~239.051, subdivision 1a.~~ means a renewable fuel, other than ethanol derived from corn
14.23 starch, that has lifecycle greenhouse gas emissions that are at least 50 percent less than
14.24 baseline lifecycle greenhouse gas emissions.

14.25 Sec. 25. Minnesota Statutes 2018, section 41A.15, is amended by adding a subdivision to
14.26 read:

14.27 Subd. 2e. **Biomass.** "Biomass" means any organic matter that is available on a renewable
14.28 or recurring basis, including agricultural crops and trees, wood and wood waste and residues,
14.29 plants including aquatic plants, grasses, residues, fibers, animal waste, and the organic
14.30 portion of solid wastes.

15.1 Sec. 26. Minnesota Statutes 2018, section 41A.15, subdivision 10, is amended to read:

15.2 Subd. 10. **Renewable chemical.** "Renewable chemical" means a chemical ~~with biobased~~
15.3 ~~content~~, polymer, monomer, plastic, or composite material that is entirely produced from
15.4 biomass.

15.5 Sec. 27. Minnesota Statutes 2018, section 41A.16, subdivision 1, is amended to read:

15.6 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
15.7 source from Minnesota at least 80 percent ~~raw materials from Minnesota~~ of the biomass
15.8 used to produce an advanced biofuel, except that, if a facility is sited 50 miles or less from
15.9 the state border, raw materials biomass used to produce an advanced biofuel may be sourced
15.10 from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from
15.11 within a 100-mile radius of the facility or from within Minnesota. ~~Raw materials must be~~
15.12 ~~from agricultural or forestry sources or from solid waste.~~ The facility must be located in
15.13 Minnesota, must begin production at a specific location by June 30, 2025, and must not
15.14 begin operating above 23,750 MMbtu of quarterly advanced biofuel production before July
15.15 1, 2015. Eligible facilities include existing companies and facilities that are adding advanced
15.16 biofuel production capacity, or retrofitting existing capacity, as well as new companies and
15.17 facilities. Production of conventional corn ethanol and conventional biodiesel is not eligible.
15.18 Eligible advanced biofuel facilities must produce at least ~~23,750~~ 1,500 MMbtu of advanced
15.19 biofuel quarterly.

15.20 (b) No payments shall be made for advanced biofuel production that occurs after June
15.21 30, 2035, for those eligible biofuel producers under paragraph (a).

15.22 (c) An eligible producer of advanced biofuel shall not transfer the producer's eligibility
15.23 for payments under this section to an advanced biofuel facility at a different location.

15.24 (d) A producer that ceases production for any reason is ineligible to receive payments
15.25 under this section until the producer resumes production.

15.26 (e) Renewable chemical production for which payment has been received under section
15.27 41A.17, and biomass thermal production for which payment has been received under section
15.28 41A.18, are not eligible for payment under this section.

15.29 (f) Biobutanol is eligible under this section.

15.30 Sec. 28. Minnesota Statutes 2018, section 41A.16, subdivision 2, is amended to read:

15.31 Subd. 2. **Payment amounts; limits.** (a) The commissioner shall make payments to
15.32 eligible producers of advanced biofuel. The amount of the payment for each eligible

producer's annual production is \$2.1053 per MMBtu for advanced biofuel production from cellulosic biomass, and \$1.053 per MMBtu for advanced biofuel production from sugar ~~or~~₂ starch, oil, or animal fat at a specific location for ten years after the start of production.

(b) Total payments under this section to an eligible biofuel producer in a fiscal year may not exceed the amount necessary for 2,850,000 MMBtu of biofuel production. Total payments under this section to all eligible biofuel producers in a fiscal year may not exceed the amount necessary for 17,100,000 MMBtu of biofuel production. ~~The commissioner shall award payments on a first-come, first-served basis within the limits of available funding.~~

(c) For purposes of this section, an entity that holds a controlling interest in more than one advanced biofuel facility is considered a single eligible producer.

Sec. 29. Minnesota Statutes 2018, section 41A.16, subdivision 4, is amended to read:

Subd. 4. **Cellulosic forestry biomass requirements.** All forestry-derived cellulosic biomass used for advanced biofuel production must be produced using Minnesota ~~state~~ forest biomass harvesting guidelines or the equivalent. All cellulosic biomass from brushlands must be produced using Minnesota brushland ~~harvesting~~ biomass ~~harvest~~ harvesting guidelines or the equivalent. Forestry-derived cellulosic biomass that comes from land parcels greater than 160 acres must be certified by the Forest Stewardship Council, the Sustainable Forestry Initiative, or the American Tree Farm System. Uncertified land from parcels of 160 acres or less and federal land must be harvested by a logger who has completed training for biomass harvesting from the Minnesota logger education program or the equivalent and have a forest ~~stewardship~~ management plan, as defined in section 290C.02, subdivision 7, or its equivalent.

Sec. 30. Minnesota Statutes 2018, section 41A.17, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this ~~program~~ section must source from Minnesota at least 80 percent ~~biobased content from Minnesota. of the~~ biomass used to produce a renewable chemical, except that, if a facility is sited 50 miles or less from the state border, biobased content must biomass used to produce a renewable chemical may be sourced from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from within a 100-mile radius of the facility or from within Minnesota. ~~Biobased content must be from agricultural or forestry sources or from solid waste.~~ The facility must be located in Minnesota, must begin production at a specific location by June 30, 2025, and must not begin production of ~~750,000~~ 250,000 pounds of chemicals quarterly before January 1, 2015. Eligible facilities include existing companies and facilities that are

adding production capacity, or retrofitting existing capacity, as well as new companies and facilities. Eligible renewable chemical facilities must produce at least ~~750,000~~ 250,000 pounds of renewable chemicals quarterly. Renewable chemicals produced through processes that are fully commercial before January 1, 2000, are not eligible.

(b) No payments shall be made for renewable chemical production that occurs after June 30, 2035, for those eligible renewable chemical producers under paragraph (a).

(c) An eligible producer of renewable chemicals shall not transfer the producer's eligibility for payments under this section to a renewable chemical facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

(e) Advanced biofuel production for which payment has been received under section 41A.16, and biomass thermal production for which payment has been received under section 41A.18, are not eligible for payment under this section.

Sec. 31. Minnesota Statutes 2018, section 41A.17, subdivision 2, is amended to read:

Subd. 2. **Payment amounts; bonus; limits.** (a) The commissioner shall make payments to eligible producers of renewable chemicals located in the state. The amount of the payment for each producer's annual production is \$0.03 per pound of sugar-derived renewable chemical, \$0.03 per pound of cellulosic sugar, and \$0.06 per pound of cellulosic-derived renewable chemical produced at a specific location for ten years after the start of production.

(b) An eligible facility producing renewable chemicals using agricultural cellulosic biomass is eligible for a 20 percent bonus payment for each pound produced from agricultural biomass that is derived from perennial crop or cover crop biomass.

(c) Total payments under this section to an eligible renewable chemical producer in a fiscal year may not exceed the amount necessary for 99,999,999 pounds of renewable chemical production. Total payments under this section to all eligible renewable chemical producers in a fiscal year may not exceed the amount necessary for 599,999,999 pounds of renewable chemical production. ~~The commissioner shall award payments on a first-come, first-served basis within the limits of available funding.~~

(d) An eligible facility may blend renewable chemicals with other chemicals that are not renewable chemicals, but only the percentage attributable to renewable chemicals in the blended product is eligible to receive payment.

(d) (e) For purposes of this section, an entity that holds a controlling interest in more than one renewable chemical production facility is considered a single eligible producer.

Sec. 32. Minnesota Statutes 2018, section 41A.17, subdivision 3, is amended to read:

Subd. 3. **Cellulosic forestry biomass requirements.** All forestry-derived cellulosic biomass used for renewable chemical production must be produced using Minnesota ~~state forest~~ biomass harvesting guidelines or the equivalent. All cellulosic biomass from brushlands must be produced using Minnesota brushland ~~harvesting~~ biomass ~~harvest~~ harvesting guidelines or the equivalent. Forestry-derived cellulosic biomass that comes from land parcels greater than 160 acres must be certified by the Forest Stewardship Council, the Sustainable Forestry Initiative, or the American Tree Farm System. Uncertified land from parcels of 160 acres or less and federal land must be harvested by a logger who has completed training for biomass harvesting from the Minnesota logger education program or the equivalent and have a forest ~~stewardship~~ management plan, as defined in section 290C.02, subdivision 7, or its equivalent.

Sec. 33. Minnesota Statutes 2018, section 41A.18, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must source from Minnesota at least 80 percent ~~raw materials from Minnesota.~~ of the biomass used for biomass thermal production, except that, if a facility is sited 50 miles or less from the state border, raw materials should biomass used for biomass thermal production may be sourced from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from within a 100-mile radius of the facility, or from within Minnesota. ~~Raw materials~~ Biomass must be from agricultural or forestry sources. The facility must be located in Minnesota, must have begun production at a specific location by June 30, 2025, and must not begin before July 1, 2015. Eligible facilities include existing companies and facilities that are adding production capacity, or retrofitting existing capacity, as well as new companies and facilities. Eligible biomass thermal production facilities must produce at least 250 MMbtu of biomass thermal quarterly.

(b) No payments shall be made for biomass thermal production that occurs after June 30, 2035, for those eligible biomass thermal producers under paragraph (a).

(c) An eligible producer of biomass thermal production shall not transfer the producer's eligibility for payments under this section to a biomass thermal production facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

(e) Biofuel production for which payment has been received under section 41A.16, and renewable chemical production for which payment has been received under section 41A.17, are not eligible for payment under this section.

Sec. 34. Minnesota Statutes 2018, section 41A.18, subdivision 2, is amended to read:

Subd. 2. Payment amounts; bonus; limits; blending. (a) The commissioner shall make payments to eligible producers of biomass thermal located in the state. The amount of the payment for each producer's annual production is \$5.00 per MMbtu of biomass thermal production produced at a specific location for ten years after the start of production.

(b) An eligible facility producing biomass thermal using agricultural cellulosic biomass is eligible for a 20 percent bonus payment for each MMbtu produced from agricultural biomass that is derived from perennial crop or cover crop biomass.

(c) Total payments under this section to an eligible thermal producer in a fiscal year may not exceed the amount necessary for 30,000 MMbtu of thermal production. Total payments under this section to all eligible thermal producers in a fiscal year may not exceed the amount necessary for 150,000 MMbtu of total thermal production. ~~The commissioner shall award payments on a first-come, first-served basis within the limits of available funding.~~

(d) An eligible facility may blend a cellulosic feedstock with other fuels in the biomass thermal production facility, but only the percentage attributable to cellulosic material is eligible to receive payment.

(e) For purposes of this section, an entity that holds a controlling interest in more than one biomass thermal production facility is considered a single eligible producer.

Sec. 35. Minnesota Statutes 2018, section 41A.18, subdivision 3, is amended to read:

Subd. 3. Cellulosic forestry biomass requirements. All forestry-derived cellulosic biomass used for biomass thermal production must be produced using Minnesota ~~state forest~~ biomass harvesting guidelines or the equivalent. All cellulosic biomass from ~~brushland~~ brushlands must be produced using Minnesota brushland ~~harvesting~~ biomass harvesting guidelines or the equivalent. Forestry-derived cellulosic biomass that comes from land parcels greater than 160 acres must be certified by the Forest Stewardship Council, the Sustainable Forestry Initiative, or the American Tree Farm System. Uncertified land from parcels of 160 acres or less and federal land must be harvested by a logger who has completed

20.1 training for biomass harvesting from the Minnesota logger education program or the
20.2 equivalent and have a forest ~~stewardship~~ management plan, as defined in section 290C.02,
20.3 subdivision 7, or its equivalent.

20.4 Sec. 36. Minnesota Statutes 2018, section 41B.02, subdivision 10a, is amended to read:

20.5 Subd. 10a. **Livestock expansion.** "Livestock expansion" means the purchase of a
20.6 livestock farm or improvements to a livestock operation, including the purchase and
20.7 construction or installation of improvements to land, buildings, and other permanent
20.8 structures, including equipment incorporated in or permanently affixed to the land, buildings,
20.9 or structures, which are useful for and intended to be used for the purpose of raising livestock.

20.10 Sec. 37. Minnesota Statutes 2018, section 41B.0391, subdivision 1, is amended to read:

20.11 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
20.12 the meanings given.

20.13 (b) "Agricultural assets" means agricultural land, livestock, facilities, buildings, and
20.14 machinery used for farming in Minnesota.

20.15 (c) "Beginning farmer" means an individual who:

20.16 (1) is a resident of Minnesota;

20.17 (2) is seeking entry, or has entered within the last ten years, into farming;

20.18 (3) intends to farm land located within the state borders of Minnesota; and

20.19 (4) ~~is not and whose spouse is not a family member of the owner of the agricultural~~
20.20 ~~assets from whom the beginning farmer is seeking to purchase or rent agricultural assets;~~

20.21 (5) ~~is not and whose spouse is not a family member of a partner, member, shareholder,~~
20.22 ~~or trustee of the owner of agricultural assets from whom the beginning farmer is seeking to~~
20.23 ~~purchase or rent agricultural assets; and~~

20.24 (6) meets the following eligibility requirements as determined by the authority:

20.25 (i) has a net worth that does not exceed the limit provided under section 41B.03,
20.26 subdivision 3, paragraph (a), clause (2);

20.27 (ii) provides the majority of the day-to-day physical labor and management of the farm;

20.28 (iii) has, by the judgment of the authority, adequate farming experience or demonstrates
20.29 knowledge in the type of farming for which the beginning farmer seeks assistance from the
20.30 authority;

21.1 (iv) demonstrates to the authority a profit potential by submitting projected earnings
21.2 statements;

21.3 (v) asserts to the satisfaction of the authority that farming will be a significant source
21.4 of income for the beginning farmer;

21.5 (vi) participates in a financial management program approved by the authority or the
21.6 commissioner of agriculture;

21.7 (vii) agrees to notify the authority if the beginning farmer no longer meets the eligibility
21.8 requirements within the three-year certification period, in which case the beginning farmer
21.9 is no longer eligible for credits under this section; and

21.10 (viii) has other qualifications as specified by the authority.

21.11 (d) "Family member" means a family member within the meaning of the Internal Revenue
21.12 Code, section 267(c)(4).

21.13 (e) "Farm product" means plants and animals useful to humans and includes, but is not
21.14 limited to, forage and sod crops, oilseeds, grain and feed crops, dairy and dairy products,
21.15 poultry and poultry products, livestock, fruits, and vegetables.

21.16 (f) "Farming" means the active use, management, and operation of real and personal
21.17 property for the production of a farm product.

21.18 (g) "Owner of agricultural assets" means an individual, trust, or pass-through entity that
21.19 is the owner in fee of agricultural land or has legal title to any other agricultural asset. Owner
21.20 of agricultural assets does not mean an equipment dealer, livestock dealer defined in section
21.21 17A.03, subdivision 7, or comparable entity that is engaged in the business of selling
21.22 agricultural assets for profit and that is not engaged in farming as its primary business
21.23 activity. An owner of agricultural assets approved and certified by the authority under
21.24 subdivision 4 must notify the authority if the owner no longer meets the definition in this
21.25 paragraph within the three year certification period and is then no longer eligible for credits
21.26 under this section.

21.27 (h) "Resident" has the meaning given in section 290.01, subdivision 7.

21.28 (i) "Share rent agreement" means a rental agreement in which the principal consideration
21.29 given to the owner of agricultural assets is a predetermined portion of the production of
21.30 farm products produced from the rented agricultural assets and which provides for sharing
21.31 production costs or risk of loss, or both.

22.1 Sec. 38. Minnesota Statutes 2018, section 41B.047, subdivision 1, is amended to read:

22.2 Subdivision 1. **Establishment.** The authority shall establish and implement a disaster
22.3 recovery loan program to help farmers:

22.4 (1) clean up, repair, or replace farm structures and septic and water systems, as well as
22.5 replace seed, other crop inputs, feed, and livestock, ~~when damaged by high winds, hail,~~
22.6 ~~tornado, or flood;~~

22.7 (2) purchase watering systems, irrigation systems, and other drought mitigation systems
22.8 and practices when drought is the cause of the purchase;

22.9 (3) restore farmland; ~~or~~

22.10 (4) replace flocks, make building improvements, or cover the loss of revenue when the
22.11 replacement, improvements, or loss of revenue is due to the confirmed presence of the
22.12 highly pathogenic avian influenza in a commercial poultry or game flock located in
22.13 Minnesota; or

22.14 (5) replace livestock, make building improvements, or cover the loss of revenue when
22.15 the replacement, improvements, or loss of revenue is due to the confirmed presence of a
22.16 highly contagious disease in a livestock operation located in Minnesota.

22.17 Sec. 39. Minnesota Statutes 2018, section 41B.047, subdivision 3, is amended to read:

22.18 Subd. 3. **Eligibility.** To be eligible for this program, a borrower must:

22.19 (1) meet the requirements of section 41B.03, subdivision 1;

22.20 (2) certify that the damage or loss was (i) sustained within a county that was the subject
22.21 of a state or federal disaster declaration ~~or~~; (ii) due to the confirmed presence of the highly
22.22 pathogenic avian influenza in a commercial poultry or game flock located in Minnesota; or
22.23 (iii) due to a market disaster or emergency as determined by the authority;

22.24 (3) demonstrate an ability to repay the loan; and

22.25 (4) have received at least 50 percent of average annual gross income from farming for
22.26 the past three years.

22.27 Sec. 40. Minnesota Statutes 2018, section 41B.049, subdivision 5, is amended to read:

22.28 Subd. 5. **Loan criteria.** (a) To be eligible, a borrower must be a resident of Minnesota
22.29 or an entity that is not prohibited from owning agricultural land under section 500.24.

(b) State participation in a participation loan is limited to 45 percent of the principal amount of the loan. A direct loan or loan participation may not exceed \$250,000.

(c) Loans under this program may be used as a match for federal loans or grants.

~~(d) A borrower who has previously received a loan under subdivision 1 is prohibited from receiving another methane digester loan under subdivision 1.~~

Sec. 41. Minnesota Statutes 2018, section 41B.055, subdivision 3, is amended to read:

Subd. 3. **Loans.** (a) The authority may participate in a livestock equipment loan equal to 90 percent of the purchased equipment value with an eligible lender to a farmer who is eligible under subdivision 2. Participation is limited to 45 percent of the principal amount of the loan or ~~\$40,000~~ \$100,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may differ from the interest rates and repayment terms of the lender's retained portion of the loan, but the authority's interest rate must not exceed three percent. The authority may review the interest annually and make adjustments as necessary.

(b) Standards for loan amortization must be set by the Rural Finance Authority and must not exceed ten years.

(c) Security for a livestock equipment loan must be a personal note executed by the borrower and whatever other security is required by the eligible lender or the authority.

(d) Refinancing of existing debt is not an eligible purpose.

(e) The authority may impose a reasonable, nonrefundable application fee for a livestock equipment loan. The authority may review the fee annually and make adjustments as necessary. The initial application fee is \$50. Application fees received by the authority must be deposited in the Rural Finance Authority administrative account established in section 41B.03.

(f) Loans under this program must be made using money in the revolving loan account established in section 41B.06.

Sec. 42. Minnesota Statutes 2018, section 41B.057, subdivision 3, is amended to read:

Subd. 3. **Loan participation.** The authority may participate in a farm opportunity loan with an eligible lender, as defined in section 41B.02, subdivision 8, to a farmer or a group of farmers on joint projects who are eligible under subdivision 2, paragraph (c), and who are actively engaged in farming. Participation is limited to 45 percent of the principal amount

of the loan or ~~\$45,000~~ \$100,000 per individual, whichever is less. For loans to a group made up of four or more individuals, participation is limited to 45 percent of the principal amount of the loan or ~~\$180,000~~ \$250,000, whichever is less. The interest rate on the loans must not exceed six percent.

Sec. 43. Minnesota Statutes 2018, section 116.06, is amended by adding a subdivision to read:

Subd. 16a. **Pastures.** "Pastures" means areas, including winter feeding areas as part of a grazing area, where grass or other growing plants are used for grazing of livestock and where the concentration of animals allows a vegetative cover to be maintained during the growing season. "Pastures" also includes agricultural land that is used for growing crops during the growing season and is used for grazing of livestock on vegetation or crop residues during the winter. In either case, a cover of vegetation or crop residues is not required:

(1) in the immediate vicinity of supplemental feeding or watering devices;

(2) in associated corrals and chutes where livestock are gathered for the purpose of sorting, veterinary services, loading and unloading trucks and trailers, and other necessary activities related to good animal husbandry practices;

(3) in associated livestock access lanes used to convey livestock to and from areas of the pasture; and

(4) in sacrificial areas that are part of a larger pasture system and are used to temporarily accommodate livestock and protect other pasture areas when adverse soil or weather conditions pose a risk of damaging the pastures, and on which the vegetation is naturally restored or replanted after the adverse soil or weather conditions are removed and the livestock are moved to other areas of the pasture.

Sec. 44. Minnesota Statutes 2018, section 116.07, subdivision 7, is amended to read:

Subd. 7. Counties; processing applications for animal lot permits. Any Minnesota county board may, by resolution, with approval of the Pollution Control Agency, assume responsibility for processing applications for permits required by the Pollution Control Agency under this section for livestock feedlots, poultry lots or other animal lots. The responsibility for permit application processing, if assumed by a county, may be delegated by the county board to any appropriate county officer or employee.

(a) For the purposes of this subdivision, the term "processing" includes:

(1) the distribution to applicants of forms provided by the Pollution Control Agency;

(2) the receipt and examination of completed application forms, and the certification, in writing, to the Pollution Control Agency either that the animal lot facility for which a permit is sought by an applicant will comply with applicable rules and standards, or, if the facility will not comply, the respects in which a variance would be required for the issuance of a permit; and

(3) rendering to applicants, upon request, assistance necessary for the proper completion of an application.

(b) For the purposes of this subdivision, the term "processing" may include, at the option of the county board, issuing, denying, modifying, imposing conditions upon, or revoking permits pursuant to the provisions of this section or rules promulgated pursuant to it, subject to review, suspension, and reversal by the Pollution Control Agency. The Pollution Control Agency shall, after written notification, have 15 days to review, suspend, modify, or reverse the issuance of the permit. After this period, the action of the county board is final, subject to appeal as provided in chapter 14. For permit applications filed after October 1, 2001, section 15.99 applies to feedlot permits issued by the agency or a county pursuant to this subdivision.

(c) For the purpose of administration of rules adopted under this subdivision, the commissioner and the agency may provide exceptions for cases where the owner of a feedlot has specific written plans to close the feedlot within five years. These exceptions include waiving requirements for major capital improvements.

(d) For purposes of this subdivision, a discharge caused by an extraordinary natural event such as a precipitation event of greater magnitude than the 25-year, 24-hour event, tornado, or flood in excess of the 100-year flood is not a "direct discharge of pollutants."

(e) In adopting and enforcing rules under this subdivision, the commissioner shall cooperate closely with other governmental agencies.

(f) The Pollution Control Agency shall work with the Minnesota Extension Service, the Department of Agriculture, the Board of Water and Soil Resources, producer groups, local units of government, as well as with appropriate federal agencies such as the Natural Resources Conservation Service and the Farm Service Agency, to notify and educate producers of rules under this subdivision at the time the rules are being developed and adopted and at least every two years thereafter.

(g) The Pollution Control Agency shall adopt rules governing the issuance and denial of permits for livestock feedlots, poultry lots or other animal lots pursuant to this section. Pastures are exempt from the rules authorized under this paragraph, and no feedlot permit

shall include any terms or conditions that impose any requirements related to any pastures located on, adjacent to, or in the vicinity of the feedlot. A feedlot permit is not required for livestock feedlots with more than ten but less than 50 animal units; provided they are not in shoreland areas. A livestock feedlot permit does not become required solely because of a change in the ownership of the buildings, grounds, or feedlot. These rules apply both to permits issued by counties and to permits issued by the Pollution Control Agency directly.

(h) The Pollution Control Agency shall exercise supervising authority with respect to the processing of animal lot permit applications by a county.

(i) Any new rules or amendments to existing rules proposed under the authority granted in this subdivision, or to implement new fees on animal feedlots, must be submitted to the members of legislative policy and finance committees with jurisdiction over agriculture and the environment prior to final adoption. The rules must not become effective until 90 days after the proposed rules are submitted to the members.

(j) Until new rules are adopted that provide for plans for manure storage structures, any plans for a liquid manure storage structure must be prepared or approved by a registered professional engineer or a United States Department of Agriculture, Natural Resources Conservation Service employee.

(k) A county may adopt by ordinance standards for animal feedlots that are more stringent than standards in Pollution Control Agency rules.

(l) After January 1, 2001, a county that has not accepted delegation of the feedlot permit program must hold a public meeting prior to the agency issuing a feedlot permit for a feedlot facility with 300 or more animal units, unless another public meeting has been held with regard to the feedlot facility to be permitted.

(m) After the proposed rules published in the State Register, volume 24, number 25, are finally adopted, the agency may not impose additional conditions as a part of a feedlot permit, unless specifically required by law or agreed to by the feedlot operator.

(n) For the purposes of feedlot permitting, a discharge from land-applied manure or a manure stockpile that is managed according to agency rule must not be subject to a fine for a discharge violation.

(o) For the purposes of feedlot permitting, manure that is land applied, or a manure stockpile that is managed according to agency rule, must not be considered a discharge into waters of the state, unless the discharge is to waters of the state, as defined by section 103G.005, subdivision 17, except type 1 or type 2 wetlands, as defined in section 103G.005,

27.1 subdivision 17b, and does not meet discharge standards established for feedlots under agency
27.2 rule.

27.3 (p) The natural deposit of manure by livestock on pasture shall not be considered a
27.4 discharge into waters of the state and shall not be subject to any fine or penalty.

27.5 (q) Unless the upgrade is needed to correct an immediate public health threat under
27.6 section 145A.04, subdivision 8, or the facility is determined to be a concentrated animal
27.7 feeding operation under Code of Federal Regulations, title 40, section 122.23, in effect on
27.8 April 15, 2003, the agency may not require a feedlot operator:

27.9 (1) to spend more than \$3,000 to upgrade an existing feedlot with less than 300 animal
27.10 units unless cost-share money is available to the feedlot operator for 75 percent of the cost
27.11 of the upgrade; or

27.12 (2) to spend more than \$10,000 to upgrade an existing feedlot with between 300 and
27.13 500 animal units, unless cost-share money is available to the feedlot operator for 75 percent
27.14 of the cost of the upgrade or \$50,000, whichever is less.

27.15 ~~(q) For the purposes of this section, "pastures" means areas, including winter feeding~~
27.16 ~~areas as part of a grazing area, where grass or other growing plants are used for grazing and~~
27.17 ~~where the concentration of animals allows a vegetative cover to be maintained during the~~
27.18 ~~growing season except that vegetative cover is not required:~~

27.19 ~~(1) in the immediate vicinity of supplemental feeding or watering devices;~~

27.20 ~~(2) in associated corrals and chutes where livestock are gathered for the purpose of~~
27.21 ~~sorting, veterinary services, loading and unloading trucks and trailers, and other necessary~~
27.22 ~~activities related to good animal husbandry practices; and~~

27.23 ~~(3) in associated livestock access lanes used to convey livestock to and from areas of~~
27.24 ~~the pasture.~~

27.25 (r) A feedlot operator who stores and applies up to 100,000 gallons per calendar year of
27.26 private truck wash wastewater resulting from trucks that transport animals or supplies to
27.27 and from the feedlot does not require a permit to land-apply industrial by-products if the
27.28 feedlot operator stores and applies the wastewater in accordance with Pollution Control
27.29 Agency requirements for land applications of industrial by-product that do not require a
27.30 permit.

27.31 (s) A feedlot operator who holds a permit from the Pollution Control Agency to
27.32 land-apply industrial by-products from a private truck wash is not required to have a certified
27.33 land applicator apply the private truck wash wastewater if the wastewater is applied by the

feedlot operator to cropland owned or leased by the feedlot operator or by a commercial animal waste technician licensed by the commissioner of agriculture under chapter 18C. For purposes of this paragraph and paragraph (r), "private truck wash" means a truck washing facility owned or leased, operated, and used only by a feedlot operator to wash trucks owned or leased by the feedlot operator and used to transport animals or supplies to and from the feedlot.

Sec. 45. Minnesota Statutes 2018, section 116.07, subdivision 7d, is amended to read:

Subd. 7d. **Exemption.** (a) Notwithstanding subdivision 7 or Minnesota Rules, chapter 7020, to the contrary, and notwithstanding the proximity to public or private waters, an owner or resident of agricultural land on which livestock have been allowed to pasture at any time during the ten-year period beginning January 1, 2010, is permanently exempt from requirements related to feedlot or manure management on that land for so long as the property remains in pasture.

~~(b) For the purposes of this subdivision, "pasture" means areas where livestock graze on grass or other growing plants. Pasture also means agricultural land where livestock are allowed to forage during the winter time and which land is used for cropping purposes in the growing season. In either case, the concentration of animals must be such that a vegetative cover, whether of grass, growing plants, or crops, is maintained during the growing season except in the immediate vicinity of temporary supplemental feeding or watering devices.~~

Sec. 46. Minnesota Statutes 2018, section 116.0714, is amended to read:

116.0714 NEW OPEN-AIR SWINE BASINS.

(a) The commissioner of the Pollution Control Agency or a county board shall not approve any permits for the construction of new open-air swine basins, except that existing facilities may use one basin of less than 1,000,000 gallons as part of a permitted waste treatment program for resolving pollution problems or to allow conversion of an existing basin of less than 1,000,000 gallons to a different animal type, provided all standards are met. This section expires June 30, 2022.

(b) This section does not apply to basins used solely for wastewater from truck-washing facilities.

Sec. 47. **REPEALER.**

Minnesota Statutes 2018, section 41A.15, subdivisions 2a and 2b, are repealed.

APPENDIX
Repealed Minnesota Statutes: S1859-1

41A.15 DEFINITIONS.

Subd. 2a. **Biobased content.** "Biobased content" means a chemical, polymer, monomer, or plastic that is not sold primarily for use as food, feed, or fuel and that has a biobased percentage of at least 51 percent as determined by testing representative samples using American Society for Testing and Materials specification D6866.

Subd. 2b. **Biobased formulated product.** "Biobased formulated product" means a product that is not sold primarily for use as food, feed, or fuel and that has a biobased content percentage of at least ten percent as determined by testing representative samples using American Society for Testing and Materials specification D6866, or that contains a biobased chemical constituent that displaces a known hazardous or toxic constituent previously used in the product formulation.