

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH SESSION

S.F. No. 2618

(SENATE AUTHORS: SPARKS)

DATE	D-PG	OFFICIAL STATUS
03/12/2014	6170	Introduction and first reading Referred to Jobs, Agriculture and Rural Development
03/27/2014	6943a 7055	Comm report: To pass as amended Second reading
04/10/2014	8055	HF substituted on General Orders HF2746

A bill for an act

1.1 relating to agriculture; weights and measures; removing obsolete, redundant, and
 1.2 unnecessary laws administered by the Department of Agriculture; modifying
 1.3 biodiesel fuel requirements; amending Minnesota Statutes 2012, sections 17.03,
 1.4 subdivision 1; 17.101, subdivision 5; 17.54, subdivision 11; 17.63; 28A.05;
 1.5 28A.08, subdivision 3; 32.645, subdivision 1; 239.77, subdivisions 2, 3, by
 1.6 adding a subdivision; 609B.105; Minnesota Statutes 2013 Supplement, section
 1.7 28A.0752, subdivision 1; repealing Minnesota Statutes 2012, sections 17.03,
 1.8 subdivision 2; 17.038; 17.045; 17.1161; 17.138; 17.14, subdivisions 1, 3, 4; 17.15;
 1.9 17.16; 17.17; 17.18; 17.181; 17.19; 17.42; 17.43; 17.44; 17.452, subdivisions 1,
 1.10 2; 18.011; 18.62; 18.63; 18.64; 18.65; 18.66; 18.67; 18.68; 18.69; 18.70; 18.71;
 1.11 30.003; 30.01, subdivisions 1, 6; 30.099; 30.10; 30.102; 30.103; 30.104; 30.15;
 1.12 30.151; 30.152; 30.16; 30.161; 30.17; 30.19; 30.20; 30.201; 30.55; 30.56; 30.57;
 1.13 30.58; 30.59; 32.104; 32.411, subdivisions 1, 2, 3, 4, 5; 32.417; 32.57; 32.59.

1.14
 1.15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.16 Section 1. Minnesota Statutes 2012, section 17.03, subdivision 1, is amended to read:

1.17 Subdivision 1. **Development of agricultural industries.** The commissioner
 1.18 shall encourage and promote the development of agricultural industries, investigate
 1.19 marketing conditions affecting the marketing of farm products, and assist farmers,
 1.20 producers, and consumers in the organization and management of cooperative enterprises
 1.21 and the cooperative marketing of farm products; advise and assist in the location and
 1.22 establishment of local markets when the commissioner determines that the public
 1.23 necessity or the welfare of the community requires such markets, if satisfied that such
 1.24 markets will be successfully operated by a cooperative company or municipality. It shall
 1.25 be the duty of the Department of Agriculture and ~~the Department of Agriculture~~ of the
 1.26 University of Minnesota to cooperate in all ways that may be beneficial to the agricultural
 1.27 interests of the state. It is intended that police and organizational powers in reference
 1.28 to agriculture shall be exercised by the state Department of Agriculture and that ~~the~~

2.1 ~~Department of Agriculture~~ of the University of Minnesota shall retain its present powers
2.2 and duties relating to obtaining and disseminating agricultural information and conducting
2.3 agricultural research, and shall retain custody of scientific collections.

2.4 Sec. 2. Minnesota Statutes 2012, section 17.101, subdivision 5, is amended to read:

2.5 Subd. 5. **Value-added agricultural product processing and marketing grant**
2.6 **program.** (a) For purposes of this section:

2.7 (1) "agricultural commodity" means a material produced for use in or as food,
2.8 feed, seed, or fiber and includes crops for fiber, food, oilseeds, seeds, livestock,
2.9 livestock products, dairy, dairy products, poultry, poultry products, and other products or
2.10 by-products of the farm produced for the same or similar use, except ethanol; and

2.11 (2) "agricultural product processing facility" means land, buildings, structures,
2.12 fixtures, and improvements located or to be located in Minnesota and used or operated
2.13 primarily for the processing or production of marketable products from agricultural
2.14 commodities produced in Minnesota.

2.15 ~~(b) The commissioner shall establish and implement a value-added agricultural~~
2.16 ~~product processing and marketing grant program to help farmers finance new cooperatives~~
2.17 ~~that organize for the purposes of operating agricultural product processing facilities,~~
2.18 ~~forming marketing cooperatives, and marketing activities related to the sale and~~
2.19 ~~distribution of processed agricultural products.~~

2.20 (c) ~~To be eligible for this program a grantee must:~~

2.21 (1) ~~be a cooperative organized under chapter 308A;~~

2.22 (2) ~~certify that all of the control and equity in the cooperative is from farmers, family~~
2.23 ~~farm partnerships, family farm limited liability companies, or family farm corporations~~
2.24 ~~as defined in section 500.24, subdivision 2, who are actively engaged in agricultural~~
2.25 ~~commodity production;~~

2.26 (3) ~~be operated primarily for the processing of agricultural commodities produced~~
2.27 ~~in Minnesota;~~

2.28 (4) ~~receive agricultural commodities produced primarily by shareholders or members~~
2.29 ~~of the cooperative; and~~

2.30 (5) ~~have no direct or indirect involvement in the production of agricultural~~
2.31 ~~commodities.~~

2.32 (d) ~~The commissioner may receive applications from and make grants up to~~
2.33 ~~\$50,000 for feasibility, marketing analysis, assistance with organizational development,~~
2.34 ~~financing and managing new cooperatives, product development, development of~~
2.35 ~~business and marketing plans, and predesign of facilities including site analysis,~~

3.1 ~~development of bid specifications, preliminary blueprints and schematics, and completion~~
 3.2 ~~of purchase agreements and other necessary legal documents to eligible cooperatives.~~
 3.3 ~~The commissioner shall give priority to applicants who use the grants for planning costs~~
 3.4 ~~related to an application for financial assistance from the United States Department of~~
 3.5 ~~Agriculture, Rural Business -- Cooperative Service.~~

3.6 Sec. 3. Minnesota Statutes 2012, section 17.54, subdivision 11, is amended to read:

3.7 Subd. 11. **Membership and terms; area potato councils.** Notwithstanding
 3.8 subdivisions 3, 4, and 5, any area potato council which continues in existence pursuant to
 3.9 subdivision 10 shall include one voting member ~~who is a private processor of potatoes~~
 3.10 ~~and one voting member~~ who represents potato wash plants. ~~These two members~~ This
 3.11 member shall be appointed by the governor for a four-year term ~~terms~~ term coterminous with
 3.12 that of the governor.

3.13 Sec. 4. Minnesota Statutes 2012, section 17.63, is amended to read:

3.14 **17.63 REFUND OF FEES.**

3.15 (a) Any producer, except a producer of potatoes in area number one, as listed
 3.16 in section 17.54, subdivision 9, a producer of wheat or barley, a producer of canola,
 3.17 or a producer of cultivated wild rice, may, by the use of forms to be provided by the
 3.18 commissioner and upon presentation of such proof as the commissioner requires, have the
 3.19 checkoff fee paid pursuant to sections 17.51 to 17.69 fully or partially refunded, provided
 3.20 the checkoff fee was remitted on a timely basis. The request for refund must be received in
 3.21 the office of the commissioner within the time specified in the promotion order following
 3.22 the payment of the checkoff fee. In no event shall these requests for refund be accepted
 3.23 more often than 12 times per year. Refund shall be made by the commissioner and council
 3.24 within 30 days of the request for refund provided that the checkoff fee sought to be refunded
 3.25 has been received. Rules governing the refund of checkoff fees for all commodities shall
 3.26 be formulated by the commissioner, shall be fully outlined in the promotion order, and
 3.27 shall be available for the information of all producers concerned with the referendum.

3.28 (b) The commissioner must allow partial refund requests from corn producers who
 3.29 have checked off and must allow for assignment of payment to the Minnesota Corn
 3.30 Growers Association if the Minnesota Corn Research and Promotion Council requests
 3.31 such action by the commissioner.

3.32 (c) The Minnesota Corn Research and Promotion Council shall not elect to impose
 3.33 membership on any individual producer not requesting a partial refund or assignment of
 3.34 payment to the association.

4.1 (d) For any wheat, barley, or cultivated wild rice for which the checkoff fee must be
 4.2 paid pursuant to sections 17.51 to 17.69 and for which a checkoff fee or fee that serves a
 4.3 comparable purpose in a jurisdiction outside Minnesota had been previously paid for the
 4.4 same wheat, barley, or cultivated wild rice, the producer of the wheat, barley, or cultivated
 4.5 wild rice is exempt from payment of the checkoff fee. The commissioner, in consultation
 4.6 with the Wheat Research and Promotion Council, Barley Research and Promotion
 4.7 Council, and Cultivated Wild Rice Research and Promotion Council, shall determine
 4.8 jurisdictions outside of Minnesota which collect a checkoff fee or fee that serves a
 4.9 comparable purpose. In order to qualify for the exemption, the producer must demonstrate
 4.10 to the first purchaser that a checkoff fee or fee has been paid to such a jurisdiction.

4.11 Sec. 5. Minnesota Statutes 2012, section 28A.05, is amended to read:

4.12 **28A.05 CLASSIFICATION.**

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

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

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

4.22 (c) Wholesale food processors or manufacturers are persons who process or
 4.23 manufacture raw materials and other food ingredients into food items, or who reprocess
 4.24 food items, or who package food for sale to others for resale, or who commercially
 4.25 slaughter animals or poultry. Included herein are persons who can, extract, ferment, distill,
 4.26 pickle, bake, freeze, dry, smoke, grind, mix, stuff, pack, bottle, recondition, or otherwise
 4.27 treat or preserve food for sale to others for resale, cold storage warehouse operators as
 4.28 defined in section 28.01, subdivision 3, salvage food processors as defined in section
 4.29 31.495, subdivision 1, and dairy plants as defined in section 32.01, subdivision 6, ~~and~~
 4.30 ~~nonresident manufacturers of frozen foods as described in section 32.59.~~

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

4.33 Sec. 6. Minnesota Statutes 2013 Supplement, section 28A.0752, subdivision 1, is
 4.34 amended to read:

5.1 Subdivision 1. **Agreements to perform duties of the commissioner.** (a)
 5.2 Agreements to delegate licensing and inspection duties pertaining to retail grocery or
 5.3 convenience stores shall include licensing, inspection, reporting, and enforcement duties
 5.4 authorized under sections 17.04, 29.21, 29.23, 29.235, 29.236, 29.237, 29.24, 29.25,
 5.5 29.26, 29.27, ~~30.003, 30.01, 30.099, 30.103, 30.104, 30.15, 30.19, and 30.49, 30.55,~~
 5.6 ~~30.56, 30.57, 30.58, and 30.59,~~ appropriate sections of the Minnesota Food Law, chapters
 5.7 31 and 34A, and applicable Minnesota food rules.

5.8 (b) Agreements are subject to subdivision 3.

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

5.12 Sec. 7. Minnesota Statutes 2012, section 28A.08, subdivision 3, is amended to read:

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

		Penalties		
Type of food handler		License Fee Effective July 1, 2003	Late Renewal	No License
5.14				
5.15	1. Retail food handler			
5.16	(a) Having gross sales of only prepackaged			
5.17	nonperishable food of less than \$15,000			
5.18	for the immediately previous license or			
5.19	fiscal year and filing a statement with the			
5.20	commissioner	\$ 50	\$ 17	\$ 33
5.21	(b) Having under \$15,000 gross sales			
5.22	or service including food preparation or			
5.23	having \$15,000 to \$50,000 gross sales			
5.24	or service for the immediately previous			
5.25	license or fiscal year	\$ 77	\$ 25	\$ 51
5.26	(c) Having \$50,001 to \$250,000 gross sales			
5.27	or service for the immediately previous			
5.28	license or fiscal year	\$155	\$ 51	\$102
5.29	(d) Having \$250,001 to \$1,000,000 gross			
5.30	sales or service for the immediately			
5.31	previous license or fiscal year	\$276	\$ 91	\$ 182
5.32	(e) Having \$1,000,001 to \$5,000,000			
5.33	gross sales or service for the immediately			
5.34	previous license or fiscal year	\$799	\$264	\$527
5.35	(f) Having \$5,000,001 to \$10,000,000			
5.36	gross sales or service for the immediately			
5.37	previous license or fiscal year	\$1,162	\$383	\$767
5.38	(g) Having \$10,000,001 to \$15,000,000			
5.39	gross sales or service for the immediately			
5.40	previous license or fiscal year	\$1,376	\$454	\$908
5.41				
5.42				
5.43				

6.1	(h) Having \$15,000,001 to \$20,000,000			
6.2	gross sales or service for the immediately			
6.3	previous license or fiscal year	\$1,607	\$530	\$1,061
6.4	(i) Having \$20,000,001 to \$25,000,000			
6.5	gross sales or service for the immediately			
6.6	previous license or fiscal year	\$1,847	\$610	\$1,219
6.7	(j) Having over \$25,000,001 gross sales			
6.8	or service for the immediately previous			
6.9	license or fiscal year	\$2,001	\$660	\$1,321
6.10	2. Wholesale food handler			
6.11	(a) Having gross sales or service of less			
6.12	than \$25,000 for the immediately previous			
6.13	license or fiscal year	\$ 57	\$ 19	\$ 38
6.14	(b) Having \$25,001 to \$250,000 gross sales			
6.15	or service for the immediately previous			
6.16	license or fiscal year	\$284	\$ 94	\$187
6.17	(c) Having \$250,001 to \$1,000,000 gross			
6.18	sales or service from a mobile unit without			
6.19	a separate food facility for the immediately			
6.20	previous license or fiscal year	\$444	\$147	\$293
6.21	(d) Having \$250,001 to \$1,000,000			
6.22	gross sales or service not covered under			
6.23	paragraph (c) for the immediately previous			
6.24	license or fiscal year	\$590	\$195	\$389
6.25	(e) Having \$1,000,001 to \$5,000,000			
6.26	gross sales or service for the immediately			
6.27	previous license or fiscal year	\$769	\$254	\$508
6.28	(f) Having \$5,000,001 to \$10,000,000			
6.29	gross sales or service for the immediately			
6.30	previous license or fiscal year	\$920	\$304	\$607
6.31	(g) Having \$10,000,001 to \$15,000,000			
6.32	gross sales or service for the immediately			
6.33	previous license or fiscal year	\$990	\$327	\$653
6.34	(h) Having \$15,000,001 to \$20,000,000			
6.35	gross sales or service for the immediately			
6.36	previous license or fiscal year	\$1,156	\$381	\$763
6.37	(i) Having \$20,000,001 to \$25,000,000			
6.38	gross sales or service for the immediately			
6.39	previous license or fiscal year	\$1,329	\$439	\$877
6.40	(j) Having over \$25,000,001 or more			
6.41	gross sales or service for the immediately			
6.42	previous license or fiscal year	\$1,502	\$496	\$991
6.43	3. Food broker	\$150	\$ 50	\$ 99
6.44	4. Wholesale food processor or manufacturer			
6.45	(a) Having gross sales or service of			
6.46	less than \$125,000 for the immediately			
6.47	previous license or fiscal year	\$169	\$ 56	\$112
6.48	(b) Having \$125,001 to \$250,000 gross			
6.49	sales or service for the immediately			
6.50	previous license or fiscal year	\$392	\$129	\$259

7.1	(c) Having \$250,001 to \$1,000,000 gross			
7.2	sales or service for the immediately			
7.3	previous license or fiscal year	\$590	\$195	\$389
7.4	(d) Having \$1,000,001 to \$5,000,000			
7.5	gross sales or service for the immediately			
7.6	previous license or fiscal year	\$769	\$254	\$508
7.7	(e) Having \$5,000,001 to \$10,000,000			
7.8	gross sales or service for the immediately			
7.9	previous license or fiscal year	\$920	\$304	\$607
7.10	(f) Having \$10,000,001 to \$15,000,000			
7.11	gross sales or service for the immediately			
7.12	previous license or fiscal year	\$1,377	\$454	\$909
7.13	(g) Having \$15,000,001 to \$20,000,000			
7.14	gross sales or service for the immediately			
7.15	previous license or fiscal year	\$1,608	\$531	\$1,061
7.16	(h) Having \$20,000,001 to \$25,000,000			
7.17	gross sales or service for the immediately			
7.18	previous license or fiscal year	\$1,849	\$610	\$1,220
7.19	(i) Having \$25,000,001 to \$50,000,000			
7.20	gross sales or service for the immediately			
7.21	previous license or fiscal year	\$2,090	\$690	\$1,379
7.22	(j) Having \$50,000,001 to \$100,000,000			
7.23	gross sales or service for the immediately			
7.24	previous license or fiscal year	\$2,330	\$769	\$1,538
7.25	(k) Having \$100,000,000 or more gross			
7.26	sales or service for the immediately			
7.27	previous license or fiscal year	\$2,571	\$848	\$1,697
7.28	5. Wholesale food processor of meat or			
7.29	poultry products under supervision of the			
7.30	U.S. Department of Agriculture			
7.31	(a) Having gross sales or service of			
7.32	less than \$125,000 for the immediately			
7.33	previous license or fiscal year	\$112	\$ 37	\$ 74
7.34	(b) Having \$125,001 to \$250,000 gross			
7.35	sales or service for the immediately			
7.36	previous license or fiscal year	\$214	\$ 71	\$141
7.37	(c) Having \$250,001 to \$1,000,000 gross			
7.38	sales or service for the immediately			
7.39	previous license or fiscal year	\$333	\$110	\$220
7.40	(d) Having \$1,000,001 to \$5,000,000			
7.41	gross sales or service for the immediately			
7.42	previous license or fiscal year	\$425	\$140	\$281
7.43	(e) Having \$5,000,001 to \$10,000,000			
7.44	gross sales or service for the immediately			
7.45	previous license or fiscal year	\$521	\$172	\$344
7.46	(f) Having over \$10,000,001 gross sales			
7.47	or service for the immediately previous			
7.48	license or fiscal year	\$765	\$252	\$505
7.49	(g) Having \$15,000,001 to \$20,000,000			
7.50	gross sales or service for the immediately			
7.51	previous license or fiscal year	\$893	\$295	\$589

8.1	(h) Having \$20,000,001 to \$25,000,000			
8.2	gross sales or service for the immediately			
8.3	previous license or fiscal year	\$1,027	\$339	\$678
8.4	(i) Having \$25,000,001 to \$50,000,000			
8.5	gross sales or service for the immediately			
8.6	previous license or fiscal year	\$1,161	\$383	\$766
8.7	(j) Having \$50,000,001 to \$100,000,000			
8.8	gross sales or service for the immediately			
8.9	previous license or fiscal year	\$1,295	\$427	\$855
8.10	(k) Having \$100,000,001 or more gross			
8.11	sales or service for the immediately			
8.12	previous license or fiscal year	\$1,428	\$471	\$942
8.13	6. Wholesale food processor or manufacturer			
8.14	operating only at the State Fair	\$125	\$ 40	\$ 50
8.15	7. Wholesale food manufacturer having the			
8.16	permission of the commissioner to use the			
8.17	name Minnesota Farmstead cheese	\$ 30	\$ 10	\$ 15
8.18	8. Nonresident frozen dairy manufacturer	\$200	\$ 50	\$ 75
8.19	9 Wholesale food manufacturer processing			
8.20	<u>8.</u> less than 700,000 pounds per year of raw			
8.21	milk	\$ 30	\$ 10	\$ 15
8.22	10 A milk marketing organization without			
8.23	<u>9.</u> facilities for processing or manufacturing			
8.24	that purchases milk from milk producers			
8.25	for delivery to a licensed wholesale food			
8.26	processor or manufacturer	\$ 50	\$ 15	\$ 25

8.27 Sec. 8. Minnesota Statutes 2012, section 32.645, subdivision 1, is amended to read:

8.28 Subdivision 1. **Gross misdemeanor; license revocation.** Any person licensed
8.29 under the provisions of sections 28A.04, 28A.14, and 32.56, and 32.59, who knowingly
8.30 violates, or who directs or knowingly permits any officer, agent, or employee to violate,
8.31 section 32.62, subdivision 2, clause (1) or (3), is guilty of a gross misdemeanor. For
8.32 each subsequent offense, in addition to any fine or imprisonment imposed under this
8.33 subdivision, upon conviction thereof, the commissioner of agriculture shall revoke or
8.34 withhold issuing to such offender any license required under the provisions of sections
8.35 28A.04, 28A.14, and 32.56, and 32.59, and in such case of revocation of license
8.36 the commissioner shall not issue any license for the operation of such frozen food
8.37 manufacturing plant for a period of one year from the date of such revocation.

8.38 Sec. 9. Minnesota Statutes 2012, section 239.77, subdivision 2, is amended to read:

8.39 Subd. 2. **Minimum content.** (a) Except as otherwise provided in this section, all
8.40 diesel fuel sold or offered for sale in Minnesota for use in internal combustion engines
8.41 must contain at least the stated percentage of biodiesel fuel oil by volume on and after
8.42 the following dates:

9.1	(1)	September 29, 2005	2 percent
9.2	(2)	May 1, 2009	5 percent
9.3	(3)	May 1, 2012	10 percent
9.4	(4)	May 1, 2015 <u>2018</u>	20 percent

9.5 The minimum content levels in clauses (3) and (4) are effective during the months of
 9.6 April, May, June, July, August, and September, ~~and October~~ only. The minimum content
 9.7 for the remainder of the year is five percent. However, if the commissioners of agriculture,
 9.8 commerce, and pollution control determine, after consultation with the biodiesel task
 9.9 force and other technical experts, that an American Society for Testing and Materials
 9.10 specification or equivalent federal standard exists for the specified biodiesel blend level in
 9.11 those clauses that adequately addresses technical issues associated with Minnesota's cold
 9.12 weather and publish a notice in the State Register to that effect, the commissioners may
 9.13 allow the specified biodiesel blend level in those clauses to be effective year-round.

9.14 (b) The minimum content levels in paragraph (a), clauses (3) and (4), become
 9.15 effective on the date specified only if the commissioners of agriculture, commerce,
 9.16 and pollution control publish notice in the State Register and provide written notice to
 9.17 the chairs of the house of representatives and senate committees with jurisdiction over
 9.18 agriculture, commerce, and transportation policy and finance, at least 270 days prior to the
 9.19 date of each scheduled increase, that all of the following conditions have been met and the
 9.20 state is prepared to move to the next scheduled minimum content level:

9.21 (1) an American Society for Testing and Materials specification or equivalent federal
 9.22 standard exists for the next minimum diesel-biodiesel blend;

9.23 (2) a sufficient supply of biodiesel is available and the amount of biodiesel produced
 9.24 in this state from feedstock with at least 75 percent that is produced in the United States
 9.25 and Canada is equal to at least 50 percent of anticipated demand at the next minimum
 9.26 content level;

9.27 (3) adequate blending infrastructure and regulatory protocol are in place in order to
 9.28 promote biodiesel quality and avoid any potential economic disruption; and

9.29 (4) at least five percent of the amount of biodiesel necessary for that minimum
 9.30 content level will be produced from a biological resource other than an agricultural
 9.31 resource traditionally grown or raised in the state, including, but not limited to, algae
 9.32 cultivated for biofuels production, waste oils, and tallow.

9.33 The condition in clause (2) may be waived if the commissioner finds that, due to
 9.34 weather-related conditions, the necessary feed stock is unavailable.

10.1 The condition in clause (4) may be waived if the commissioners find that the use of
 10.2 these nontraditional feedstocks would be uneconomic under market conditions existing at
 10.3 the time notice is given under this paragraph.

10.4 (c) The commissioners of agriculture, commerce, and pollution control must consult
 10.5 with the biodiesel task force when assessing and certifying conditions in paragraph (b),
 10.6 and in general must seek the guidance of the biodiesel task force regarding biodiesel
 10.7 labeling, enforcement, and other related issues.

10.8 (d) During a period of biodiesel fuel shortage or a problem with biodiesel quality
 10.9 that negatively affects the availability of biodiesel fuel, the commissioner of commerce
 10.10 may temporarily suspend the minimum content requirement in subdivision 2 until there
 10.11 is sufficient biodiesel fuel, as defined in subdivision 1, available to fulfill the minimum
 10.12 content requirement.

10.13 (e) By February 1, 2012, and periodically thereafter, the commissioner of commerce
 10.14 shall determine the wholesale diesel price at various pipeline and refinery terminals in the
 10.15 region, and the biodiesel price determined after credits and incentives are subtracted at
 10.16 biodiesel plants in the region. The commissioner shall report wholesale price differences to
 10.17 the governor who, after consultation with the commissioners of commerce and agriculture,
 10.18 may by executive order adjust the biodiesel mandate if a price disparity reported by the
 10.19 commissioner will cause economic hardship to retailers of diesel fuel in this state. Any
 10.20 adjustment must be for a specified period of time, after which the percentage of biodiesel
 10.21 fuel to be blended into diesel fuel returns to the amount required in subdivision 2. The
 10.22 biodiesel mandate must not be adjusted to less than five percent.

10.23 Sec. 10. Minnesota Statutes 2012, section 239.77, subdivision 3, is amended to read:

10.24 Subd. 3. **Exceptions Exempt equipment.** (a) The minimum content requirements
 10.25 of subdivision 2 do not apply to fuel used in the following equipment:

10.26 (1) motors located at an electric generating plant regulated by the Nuclear
 10.27 Regulatory Commission;

10.28 (2) railroad locomotives;

10.29 (3) off-road taconite and copper mining equipment and machinery;

10.30 (4) off-road logging equipment and machinery; ~~and~~

10.31 (5) vessels of the United States Coast Guard and vessels subject to inspection under
 10.32 United States Code, title 46, section 3301, subsection (1), (9), (10), (13), or (15); and

10.33 (6) generators tested and validated by an entity that designs and manufactures the
 10.34 generators for use in jurisdictions where biodiesel use is not required.

11.1 (b) The exemption in paragraph (a), clause (1), expires 30 days after the Nuclear
 11.2 Regulatory Commission has approved the use of biodiesel fuel in motors at electric
 11.3 generating plants under its regulation.

11.4 ~~(e) The minimum content requirements of subdivision 2 do not apply to Number 1~~
 11.5 ~~diesel fuel sold or offered for sale during the months of October, November, December,~~
 11.6 ~~January, February, and March.~~

11.7 ~~(d) This subdivision expires May 1, 2015.~~

11.8 Sec. 11. Minnesota Statutes 2012, section 239.77, is amended by adding a subdivision
 11.9 to read:

11.10 Subd. 3a. **Number 1 diesel fuel exempt.** (a) The minimum content requirements of
 11.11 subdivision 2 do not apply to Number 1 diesel fuel.

11.12 (b) This subdivision expires May 1, 2020.

11.13 Sec. 12. Minnesota Statutes 2012, section 609B.105, is amended to read:

11.14 **609B.105 VIOLATION OF CONTAINER LABEL INFORMATION LAWS;**
 11.15 **LICENSE REVOCATION.**

11.16 Section 32.645 requires the commissioner of agriculture to revoke or withhold
 11.17 issuing any license required under sections 28A.04, 28A.14, and 32.56, and 32.59 to a
 11.18 person convicted of a subsequent offense under section 32.645.

11.19 Sec. 13. **REVISOR'S INSTRUCTION.**

11.20 (a) The revisor of statutes shall make all necessary cross-reference changes in
 11.21 Minnesota Statutes and Minnesota Rules consistent with section 9. The revisor shall
 11.22 make any necessary grammatical changes or changes to sentence structure to preserve the
 11.23 meaning of the text as a result of any cross-reference change required by this section.

11.24 (b) The revisor of statutes shall renumber Minnesota Statutes, section 17.037 as
 11.25 Minnesota Statutes, section 28A.0753. The revisor of statutes shall make any necessary
 11.26 cross-reference changes consistent with the renumbering.

11.27 Sec. 14. **REPEALER.**

11.28 Minnesota Statutes 2012, sections 17.03, subdivision 2; 17.038; 17.045; 17.1161;
 11.29 17.138; 17.14, subdivisions 1, 3, and 4; 17.15; 17.16; 17.17; 17.18; 17.181; 17.19; 17.42;
 11.30 17.43; 17.44; 17.452, subdivisions 1 and 2; 18.011; 18.62; 18.63; 18.64; 18.65; 18.66;
 11.31 18.67; 18.68; 18.69; 18.70; 18.71; 30.003; 30.01, subdivisions 1 and 6; 30.099; 30.10;
 11.32 30.102; 30.103; 30.104; 30.15; 30.151; 30.152; 30.16; 30.161; 30.17; 30.19; 30.20;

- 12.1 30.201; 30.55; 30.56; 30.57; 30.58; 30.59; 32.104; 32.411, subdivisions 1, 2, 3, 4, and
- 12.2 5; 32.417; 32.57; and 32.59, are repealed.

17.03 POWERS AND DUTIES OF COMMISSIONER.

Subd. 2. **Statistics and information.** The commissioner may collect, compile, and supply statistics and information in regard to the agricultural products of the state and agricultural industries and, to attain this result, may cause a farm census at least once in two years, and may do so annually if deemed advisable.

17.038 STATISTICAL SERVICES ACCOUNT.

The statistical services account is established in the agricultural fund. All payments for statistical services performed by the Agricultural Statistics Division of the Department of Agriculture must be deposited in the agricultural fund and credited to the statistical services account. The money in the account is appropriated to the commissioner of agriculture to administer the programs of the Agricultural Statistics Division.

17.045 FOOD PROCESSORS; INVESTIGATION OF COMPLAINTS.

The commissioner of the Department of Agriculture, with the cooperation and assistance of the attorney general, may investigate any complaint which suggests that an establishment licensed by the state and engaging in the production, processing or handling of meat, fish, poultry, dairy or other food products has been subjected to food handling requirements which are inconsistent with the published laws, rules or standards of a federal, state or local agency. The findings of any such investigation shall be promptly reported to the complainant, to any trade association with whom the complainant is associated or which has requested a copy of the report of findings, and to any agency or official against which the complaint is directed or which has jurisdiction over the matter complained of. Provided, however, that the provisions of this section shall not apply to an official establishment which is operating under inspection programs pursuant to the Federal Meat Inspection Act or the Federal Poultry Products Inspection Act.

17.1161 SUSTAINABLE DEVELOPMENT OF MINNESOTA AGRICULTURE PROGRAM.

Subdivision 1. **Establishment; framework.** The Minnesota Institute for Sustainable Agriculture shall establish a framework for participatory problem-solving in local communities throughout rural Minnesota that will strengthen the connection between local communities, regions, and the land-grant university; invest research, education, and outreach dollars to meet agreed-upon local and regional needs; and foster the development of integrated agricultural systems that are profitable, enhance environmental quality, and support rural communities. The framework must include regional, community-controlled agricultural sustainable development centers located at University of Minnesota regional experiment stations. At each center, the Minnesota Institute for Sustainable Agriculture shall facilitate the development of a leadership team comprised of farmers, researchers, public agencies, and other local community representatives to identify problems, chart trends in problems over time, and develop an understanding of the agricultural system as a whole, common goals for development of the system, and five-year action plans to address those goals. The Minnesota Institute for Sustainable Agriculture shall appoint a statewide oversight group of persons with a thorough knowledge of agriculture-related issues, including farmers' organizations, commodity groups, rural economic development groups, the Department of Agriculture and other public agencies, academic personnel, the Agricultural Utilization Research Institute, the Minnesota Extension Service, and representatives from each regional leadership team. The oversight group shall review and comment on the regional centers' action plans and integrate them into a comprehensive agenda for long-term basic and applied research, education, and outreach activities. The oversight group shall use this agenda to make recommendations on the allocation of funds for regional or statewide use. The Minnesota Institute for Sustainable Agriculture board of directors shall review and give final approval of the allocation of funds after consultation with the dean of the College of Agricultural, Food, and Environmental Sciences at the University of Minnesota.

Subd. 2. **Program areas.** Long-term research and education activities must be focused in four program areas:

- (1) sustainable cropping systems;
- (2) development of markets and agriculture-related businesses;
- (3) sustainable livestock systems; and

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(4) intergenerational transfer in agriculture.

17.138 MANURE MANAGEMENT RESEARCH AND MONITORING PRIORITIES; COORDINATION OF RESEARCH.

Subdivision 1. **Priorities.** (a) The commissioner, in consultation with the commissioner of the Pollution Control Agency and the Feedlot and Manure Management Advisory Committee, shall develop and maintain a list of manure management research and monitoring needs and priorities.

(b) The commissioner shall solicit the needs and ideas of livestock producers and consult with producers in developing the list.

(c) The commissioner shall also consult with agricultural and environmental researchers, state and federal agencies, and other appropriate organizations to identify current efforts as well as to assist in the development of research and monitoring needs and priorities.

Subd. 2. **Coordination of research.** The commissioner shall coordinate manure management research and monitoring and make recommendations on manure management research and monitoring funding priorities to funding bodies other than the legislature.

Subd. 3. **Best management practices.** The commissioner of the Pollution Control Agency, in consultation with the commissioner and the Feedlot and Manure Management Advisory Committee, shall develop voluntary best management practices for odor control at feedlots.

17.14 DEFINITIONS.

Subdivision 1. **Terms.** Unless the language or context clearly indicates that a different meaning is intended, the terms defined in subdivisions 2, 3, and 4 shall, for the purposes of sections 17.15 to 17.19, and 17.037, subdivisions 1 and 2, be given the meanings subjoined to them.

Subd. 3. **Farm products.** "Farm products" means butter, milk, cream, butterfat, cheese, other dairy products, honey, eggs, poultry, poultry products, perishable fresh fruits and vegetables, and all livestock and products of livestock such as wool, mohair, hides, and meats.

Subd. 4. **Bona fide competitor.** The term "bona fide competitor" means a duly licensed dealer in farm products maintaining a place of business in the same trade territory.

17.15 DISCRIMINATION.

Any person engaged in the business of buying any farm products for manufacture or sale thereof, who shall discriminate between different sections, localities, communities, or cities, or between persons in the same community, in this state, by purchasing any farm products at a higher price or rate in one locality or from one person than is paid for farm products of the same kind, quality, and grade by such person in another section, locality, community, or city, or than is paid to another person of the same community, after making due allowance for the difference, if any, in the reasonable cost of transportation from the locality of purchase to the locality of manufacture or sale, or who shall fail to deduct reasonable transportation costs from the purchase price paid, or who shall fail to deduct the reasonable costs of hauling when such products are gathered by wagon or truck, or who shall pay or offer to pay in trade or in exchange for goods, wares or merchandise a higher price for such farm products than the cash price paid or offered to be paid for such farm products, shall be deemed guilty of unfair discrimination, which is hereby prohibited and declared to be unlawful. Wherever the transportation costs actually charged for hauling cream shall be two cents or more per pound for butterfat therein contained, and 15 cents per 100 pounds for transportation of whole milk, such charge shall be deemed a compliance with the terms of sections 17.14 to 17.19. It shall not be unfair discrimination for any person to pay, in any section, locality, community, or city, a price equal to that actually paid on the same day by any bona fide competitor in such place for farm products of the same kind and grade, provided such price is paid in good faith effort to meet such competition, and the burden of proving such facts shall be upon the defendant.

17.16 PRIMA FACIE EVIDENCE OF DISCRIMINATION.

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Proof that any person has paid a higher price for any such farm products in one section, locality, community, or city than in another, after due allowance for the cost of transportation has been made, shall be prima facie evidence of a violation of sections 17.14 to 17.19.

17.17 COMPLAINTS; INVESTIGATIONS; PROSECUTIONS; FORFEITURES; INJUNCTIONS.

If complaint be made to the commissioner that any person is guilty of unfair discrimination defined by section 17.15, the commissioner shall investigate such complaint and may, upon personal initiative, investigate whether or not section 17.15 has been violated; and, in either event, for that purpose, may subpoena witnesses, administer oaths, take testimony, and if, in the commissioner's opinion, sufficient ground exists therefor, may prosecute an action, in the name of the state, in the proper court, to annul the act of incorporation or the existence of a corporation engaged in such business practice. If any corporation is adjudged by any court guilty of unfair discrimination as defined by section 17.15, such court may vacate the charter or revoke the authority of such corporation to do business in this state and may permanently enjoin it from transacting business in this state.

17.18 PROSECUTIONS INSTITUTED BY OTHERS.

The authority hereby extended to the commissioner shall be considered as duties only and shall not be construed to preclude any prosecuting officer or any party interested from instituting proceedings, civil or criminal, for the enforcement of any of the provisions of sections 17.14 to 17.19.

17.181 PENALTY.

Any person violating the provisions of section 17.15 shall, upon conviction thereof, be fined not less than \$50 for each offense; or in default of the payment of such fine by imprisonment in the county jail for not less than three months nor more than one year.

17.19 CONSTRUCTION; CUMULATIVE REMEDIES.

Nothing in sections 17.14 to 17.19 shall be construed as repealing any other act or part of any other act, unless inconsistent herewith, but the remedies therein provided shall be cumulative to all other remedies provided by law.

17.42 CHEMICALLY TREATED GRAIN, SALE.

Subdivision 1. **Knowing sale of certain harmful grain.** It shall be unlawful for any person, firm, corporation, or association to sell, or offer for sale, or expose for sale, or to purchase for the purpose of resale, any grain for human, animal, or poultry consumption, if such grain contains toxic chemicals in sufficient quantities to be harmful to humans, animals, or poultry, providing such person, firm, corporation or association knew or upon the exercise of reasonable diligence could have known of the presence in the grains in question of toxic chemicals in sufficient quantities to be harmful to humans, animals or poultry.

Subd. 2. **Sale without written notice of grain containing toxic chemicals.** It shall also be unlawful for any person knowingly to sell, or offer for sale, or expose for sale any grain for human, animal or poultry consumption, containing toxic chemicals in any quantity, without informing the purchaser, in writing, of such fact.

17.43 VIOLATIONS; PENALTIES.

Any person violating section 17.42 is guilty of a gross misdemeanor.

17.44 SEIZURE OF CHEMICALLY TREATED GRAIN; RECONDITIONING.

Subdivision 1. **Court proceedings.** In the event grain is sold or offered for sale for the purpose of human, animal, or poultry consumption, which contains toxic chemicals in sufficient quantities to be harmful to humans, animals, or poultry, the district court of the judicial district in which the grain is found may, upon complaint and showing made by the commissioner of agriculture, order said grain to be seized. In the event the court finds that the grain is subject to seizure, it shall order the grain to be sold or otherwise disposed of for purposes other than human, animal, or poultry consumption. To this end the court may require the grain to be specially

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labeled, dyed, or otherwise altered in appearance. Upon application of the owner or any other person interested in the grain, the court shall permit such person at the person's own expense to recondition said grain and if, after reconditioning, it appears to the satisfaction of the court that the toxic chemicals have been removed so that the grain is no longer harmful to humans, animals, or poultry, the court then shall release the grain.

Subd. 2. **Right to sample and copy of analysis.** The court at any time after seizure and up to a reasonable time before trial shall allow any interested party, or the party's attorney or agent, to obtain a representative sample of the grain seized and a true copy of the analysis on which the seizure is based.

17.452 FARM-RAISED CERVIDAE.

Subdivision 1. **Promotion and coordination.** The commissioner shall promote the commercial raising of farmed cervidae and shall coordinate programs and rules related to the commercial raising of farmed cervidae. Farmed cervidae research, projects, and demonstrations must be reported to the commissioner before state appropriations for the research projects or demonstrations are encumbered. The commissioner shall maintain a database of information on raising farmed cervidae.

Subd. 2. **Development program.** The commissioner may establish a Minnesota development and aid program that may support applied research, demonstration, financing, marketing, promotion, breeding development, registration, and other services for owners.

18.011 DEFINITION.

Subdivision 1. **Scope.** Except where the context otherwise indicates, for the purposes of this chapter, the terms defined in this section have the meanings given them.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of the Department of Agriculture.

18.62 ENACTMENT; INSURANCE FUND; ADMINISTRATION; FINANCE.

The Pest Control Compact is hereby enacted into law and entered into with all other jurisdictions legally joining therein in the form substantially as follows:

PEST CONTROL COMPACT

ARTICLE I

Findings

The party states find that:

(a) In the absence of the higher degree of cooperation among them possible under this compact, the annual loss of approximately seven billion dollars from the depredations of pests is virtually certain to continue, if not to increase.

(b) Because of varying climatic, geographic and economic factors, each state may be affected differently by particular species of pests; but all states share the inability to protect themselves fully against those pests which present serious dangers to them.

(c) The migratory character of pest infestations makes it necessary for states both adjacent to and distant from one another, to complement each other's activities when faced with conditions of infestation and reinfestation.

(d) While every state is seriously affected by a substantial number of pests, and every state is susceptible of infestation by many species of pests not now causing damage to its crop and plant life and products, the fact that relatively few species of pests present equal danger to or are of interest to all states makes the establishment and operation of an Insurance Fund, from which individual states may obtain financial support for pest control programs of benefit to them in other states and to which they may contribute in accordance with their relative interests, the most equitable means of financing cooperative pest eradication and control programs.

ARTICLE II

Definitions

As used in this compact, unless the context clearly requires a different construction:

(a) "State" means a state, territory or possession of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

(b) "Requesting state" means a state which invokes the procedures of the compact to secure the undertaking or intensification of measures to control or eradicate one or more pests within one or more other states.

(c) "Responding state" means a state requested to undertake or intensify the measures referred to in subdivision (a) of this Article.

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(d) "Pest" means any invertebrate animal, pathogen, parasitic plant or similar or allied organism which can cause disease or damage in any crops, trees, shrubs, grasses or other plants of substantial value.

(e) "Insurance Fund" means the Pest Control Insurance Fund established pursuant to this compact.

(f) "Governing Board" means the administrators of this compact representing all of the party states when such administrators are acting as a body in pursuance of authority vested in them by this compact.

(g) "Executive Committee" means the committee established pursuant to Article V (e) of this compact.

ARTICLE III

The Insurance Fund

There is hereby established the Pest Control Insurance Fund for the purpose of financing other than normal pest control operations which states may be called upon to engage in pursuant to this compact. The Insurance Fund shall contain moneys appropriated to it by the party states and any donations and grants accepted by it. All appropriations, except as conditioned by the rights and obligations of party states expressly set forth in this compact, shall be unconditional and may not be restricted by the appropriating state to use in the control of any specified pest or pests. Donations and grants may be conditional or unconditional, provided that the insurance fund shall not accept any donation or grant whose terms are inconsistent with any provision of this compact.

ARTICLE IV

The Insurance Fund, Internal Operations and Management

(a) The Insurance Fund shall be administered by a Governing Board and Executive Committee as hereinafter provided. The actions of the Governing Board and Executive Committee pursuant to this compact shall be deemed the actions of the Insurance Fund.

(b) The members of the Governing Board shall be entitled to one vote each on such Board. No action of the Governing Board shall be binding unless taken at a meeting at which a majority of the total number of votes on the Governing Board are cast in favor thereof. Action of the Governing Board shall be only at a meeting at which a majority of the members are present.

(c) The Insurance Fund shall have a seal which may be employed as an official symbol and which may be affixed to documents and otherwise used as the Governing Board may provide.

(d) The Governing Board shall elect annually, from among its members, a chairman, a vice chairman, a secretary and a treasurer. The chairman may not succeed himself. The Governing Board may appoint an executive director and fix his duties and his compensation, if any. Such executive director shall serve at the pleasure of the Governing Board. The Governing Board shall make provision for the bonding of such of the officers and employees of the Insurance Fund as may be appropriate.

(e) Irrespective of the civil service, personnel or other merit system laws of any of the party states, the executive director, or if there be no executive director, the chairman, in accordance with such procedures as the bylaws may provide, shall appoint, remove or discharge such personnel as may be necessary for the performance of the functions of the Insurance Fund and shall fix the duties and compensation of such personnel. The Governing Board in its bylaws shall provide for the personnel policies and programs of the Insurance Fund.

(f) The Insurance Fund may borrow, accept or contract for the services of personnel from any state, the United States, or any other governmental agency, or from any person, firm, association or corporation.

(g) The Insurance Fund may accept for any of its purposes and functions under this compact any and all donations, and grants of money, equipment, supplies, materials and services, conditional or otherwise, from any state, the United States, or any other governmental agency, or from any person, firm, association or corporation, and may receive, utilize and dispose of the same. Any donation, gift or grant accepted by the Governing Board pursuant to this paragraph or services borrowed pursuant to paragraph (f) of this Article shall be reported in the annual report of the Insurance Fund. Such report shall include the nature, amount and conditions, if any, of the donation, gift, grant or services borrowed and the identity of the donor or lender.

(h) The Governing Board shall adopt bylaws for the conduct of the business of the Insurance Fund and shall have the power to amend and rescind these bylaws. The Insurance Fund shall publish its bylaws in convenient form and shall file a copy thereof and a copy of any amendment thereto with the appropriate agency or officer in each of the party states.

(i) The Insurance Fund annually shall make to the Governor and legislature of each party state a report covering its activities for the preceding year. The Insurance Fund may make such additional reports as it may deem desirable.

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(j) In addition to the powers and duties specifically authorized and imposed, the Insurance Fund may do such other things as are necessary and incidental to the conduct of its affairs pursuant to this compact.

ARTICLE V

Compact and Insurance Fund Administration

(a) In each party state there shall be a compact administrator, who shall be selected and serve in such manner as the laws of his state may provide, and who shall:

1. Assist in the coordination of activities pursuant to the compact in his state; and
2. Represent his state on the Governing Board of the Insurance Fund.

(b) If the laws of the United States specifically so provide, or if administrative provision is made therefor within the federal government, the United States may be represented on the Governing Board of the Insurance Fund by not to exceed three representatives. Any such representative or representatives of the United States shall be appointed and serve in such manner as may be provided by or pursuant to federal law, but no such representative shall have a vote on the Governing Board or on the Executive Committee thereof.

(c) The Governing Board shall meet at least once each year for the purpose of determining policies and procedures in the administration of the Insurance Fund and, consistent with the provisions of the compact, supervising and giving direction to the expenditure of moneys from the Insurance Fund. Additional meetings of the Governing Board shall be held on call of the chairman, the Executive Committee, or a majority of the membership of the Governing Board.

(d) At such times as it may be meeting, the Governing Board shall pass upon applications for assistance from the Insurance Fund and authorize disbursements therefrom. When the Governing Board is not in session, the Executive Committee thereof shall act as agent of the Governing Board, with full authority to act for it in passing upon such applications.

(e) The Executive Committee shall be composed of the chairman of the Governing Board and four additional members of the Governing Board chosen by it so that there shall be one member representing each of four geographic groupings of party states. The Governing Board shall make such geographic groupings. If there is representation of the United States on the Governing Board, one such representative may meet with the Executive Committee. The chairman of the Governing Board shall be chairman of the Executive Committee. No action of the Executive Committee shall be binding unless taken at a meeting at which at least four members of such Committee are present and vote in favor thereof. Necessary expenses of each of the five members of the Executive Committee incurred in attending meetings of such Committee, when not held at the same time and place as a meeting of the Governing Board, shall be charges against the Insurance Fund.

ARTICLE VI

Assistance and Reimbursement

(a) Each party state pledges to each other party state that it will employ its best efforts to eradicate, or control within the strictest practicable limits, any and all pests. It is recognized that performance of this responsibility involves:

1. The maintenance of pest control and eradication activities of interstate significance by a party state at a level that would be reasonable for its own protection in the absence of this compact.
2. The meeting of emergency outbreaks or infestations of interstate significance to no less an extent than would have been done in the absence of this compact.

(b) Whenever a party state is threatened by a pest not present within its borders but present within another party state, or whenever a party state is undertaking or engaged in activities for the control or eradication of a pest or pests, and finds that such activities are or would be impracticable or substantially more difficult of success by reason of failure of another party state to cope with infestation or threatened infestation, that state may request the Governing Board to authorize expenditures from the Insurance Fund for eradication or control measures to be taken by one or more of such other party states at a level sufficient to prevent, or to reduce to the greatest practicable extent, infestation or reinfestation of the requesting state. Upon such authorization the responding state or states shall take or increase such eradication or control measures as may be warranted. A responding state shall use moneys made available from the Insurance Fund expeditiously and efficiently to assist in affording the protection requested.

(c) In order to apply for expenditures from the Insurance Fund, a requesting state shall submit the following in writing:

1. A detailed statement of the circumstances which occasion the request for the invoking of the compact.
2. Evidence that the pest on account of whose eradication or control assistance is requested constitutes a danger to an agricultural or forest crop, product, tree, shrub, grass or other plant having a substantial value to the requesting state.

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3. A statement of the extent of the present and projected program of the requesting state and its subdivisions, including full information as to the legal authority for the conduct of such program or programs and the expenditures being made or budgeted therefor, in connection with the eradication, control, or prevention of introduction of the pest concerned.

4. Proof that the expenditures being made or budgeted as detailed in item 3 do not constitute a reduction of the effort for the control or eradication of the pest concerned or, if there is a reduction, the reasons why the level of program detailed in item 3 constitutes a normal level of pest control activity.

5. A declaration as to whether, to the best of its knowledge and belief, the conditions which in its view occasion the invoking of the compact in the particular instance can be abated by a program undertaken with the aid of moneys from the Insurance Fund in one year or less, or whether the request is for an installment in a program which is likely to continue for a longer period of time.

6. Such other information as the Governing Board may require consistent with the provisions of this compact.

(d) The Governing Board or Executive Committee shall give due notice of any meeting at which an application for assistance from the Insurance Fund is to be considered. Such notice shall be given to the compact administrator of each party state and to such other officers and agencies as may be designated by the laws of the party states. The requesting state and any other party state shall be entitled to be represented and present evidence and argument at such meeting.

(e) Upon the submission as required by paragraph (c) of this Article and such other information as it may have or acquire, and upon determining that an expenditure of funds is within the purposes of this compact and justified thereby, the Governing Board or Executive Committee shall authorize support of the program. The Governing Board or the Executive Committee may meet at any time or place for the purpose of receiving and considering an application. Any and all determinations of the Governing Board or Executive Committee, with respect to an application, together with the reasons therefor shall be recorded and subscribed in such manner as to show and preserve the votes of the individual members thereof.

(f) A requesting state which is dissatisfied with a determination of the Executive Committee shall upon notice in writing given within twenty days of the determination with which it is dissatisfied, be entitled to receive a review thereof at the next meeting of the Governing Board. Determinations of the Executive Committee shall be reviewable only by the Governing Board at one of its regular meetings, or at a special meeting held in such manner as the Governing Board may authorize.

(g) Responding states required to undertake or increase measures pursuant to this compact may receive moneys from the Insurance Fund, either at the time or times when such state incurs expenditures on account of such measures, or as reimbursement for expenses incurred and chargeable to the Insurance Fund. The Governing Board shall adopt and, from time to time, may amend or revise procedures for submission of claims upon it and for payment thereof.

(h) Before authorizing the expenditure of moneys from the Insurance Fund pursuant to an application of a requesting state, the Insurance Fund shall ascertain the extent and nature of any timely assistance or participation which may be available from the federal government and shall request the appropriate agency or agencies of the federal government for such assistance and participation.

(i) The Insurance Fund may negotiate and execute a memorandum of understanding or other appropriate instrument defining the extent and degree of assistance or participation between and among the Insurance Fund, cooperating federal agencies, states and any other entities concerned.

ARTICLE VII

Advisory and Technical Committees

The Governing Board may establish advisory and technical committees composed of state, local, and federal officials, and private persons to advise it with respect to any one or more of its functions. Any such advisory or technical committee, or any member or members thereof may meet with and participate in its deliberations. Upon request of the Governing Board or Executive Committee an advisory or technical committee may furnish information and recommendations with respect to any application for assistance from the Insurance Fund being considered by such Board or Committee and the Board or Committee may receive and consider the same: Provided that any participant in a meeting of the Governing Board or Executive Committee held pursuant to Article VI (d) of the compact shall be entitled to know the substance of any such information and recommendations, at the time of the meeting if made prior thereto or as a part thereof or, if made thereafter, no later than the time at which the Governing Board or Executive Committee makes its disposition of the application.

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ARTICLE VIII

Relations with Nonparty Jurisdictions

(a) A party state may make application for assistance from the Insurance Fund in respect of a pest in a nonparty state. Such application shall be considered and disposed of by the Governing Board or Executive Committee in the same manner as an application with respect to a pest within a party state, except as provided in this Article.

(b) At or in connection with any meeting of the Governing Board or Executive Committee held pursuant to Article VI (d) of this compact a nonparty state shall be entitled to appear, participate, and receive information only to such extent as the Governing Board or Executive Committee may provide. A nonparty state shall not be entitled to review of any determination made by the Executive Committee.

(c) The Governing Board or Executive Committee shall authorize expenditures from the Insurance Fund to be made in a nonparty state only after determining that the conditions in such state and the value of such expenditures to the party states as a whole justify them. The Governing Board or Executive Committee may set any conditions which it deems appropriate with respect to the expenditure of moneys from the Insurance Fund in a nonparty state and may enter into such agreement or agreements with nonparty states and other jurisdictions or entities as it may deem necessary or appropriate to protect the interests of the Insurance Fund with respect to expenditures and activities outside of party states.

ARTICLE IX

Finance

(a) The Insurance Fund shall submit to the executive head or designated officer or officers of each party state a budget for the Insurance Fund for such period as may be required by the laws of that party state for presentation to the legislature thereof.

(b) Each of the budgets shall contain specific recommendations of the amount or amounts to be appropriated by each of the party states. The requests for appropriations shall be apportioned among the party states as follows: One-tenth of the total budget in equal shares and the remainder in proportion to the value of agricultural and forest crops and products, excluding animals and animal products, produced in each party state. In determining the value of such crops and products the Insurance Fund may employ such source or sources of information as in its judgment present the most equitable and accurate comparisons among the party states. Each of the budgets and requests for appropriations shall indicate the source or sources used in obtaining information concerning value of products.

(c) The financial assets of the Insurance Fund shall be maintained in two accounts to be designated respectively as the "Operating Account" and the "Claims Account." The Operating Account shall consist only of those assets necessary for the administration of the Insurance Fund during the next ensuing two-year period. The Claims Account shall contain all moneys not included in the Operating Account and shall not exceed the amount reasonably estimated to be sufficient to pay all legitimate claims on the Insurance Fund for a period of three years. At any time when the Claims Account has reached its maximum limit or would reach its maximum limit by the addition of moneys requested for appropriation by the party states, the Governing Board shall reduce its budget requests on a pro rata basis in such manner as to keep the Claims Account within such maximum limit. Any moneys in the Claims Account by virtue of conditional donations, grants or gifts shall be included in calculations made pursuant to this paragraph only to the extent that such moneys are available to meet demands arising out of claims.

(d) The Insurance Fund shall not pledge the credit of any party state. The Insurance Fund may meet any of its obligations in whole or in part with moneys available to it under Article IV (g) of this compact, provided that the Governing Board takes specific action setting aside such moneys prior to incurring any obligation to be met in whole or in part in such manner. Except where the Insurance Fund makes use of moneys available to it under Article IV (g) hereof, the Insurance Fund shall not incur any obligation prior to the allotment of moneys by the party states adequate to meet the same.

(e) The Insurance Fund shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Insurance Fund shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the Insurance Fund shall be audited yearly by a certified or licensed public accountant and a report of the audit shall be included in and become part of the annual report of the Insurance Fund.

(f) The accounts of the Insurance Fund shall be open at any reasonable time for inspection by duly authorized officers of the party states and by any persons authorized by the Insurance Fund.

ARTICLE X

Entry Into Force and Withdrawal

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(a) This compact shall enter into force when enacted into law by any five or more states. Thereafter, this compact shall become effective as to any other state upon its enactment thereof.

(b) Any party state may withdraw from this compact by enacting a statute repealing the same, but no such withdrawal shall take effect until two years after the executive head of the withdrawing state has given notice in writing of the withdrawal to the executive heads of all other party states. No withdrawal shall affect any liability already incurred by or chargeable to a party state prior to the time of such withdrawal.

ARTICLE XI

Construction and Severability

This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence or provision of this compact is declared to be contrary to the constitution of any state or of the United States or the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any state participating herein, the compact shall remain in full force and effect as to the remaining party states and in full force and effect as to the state affected as to all severable matters.

18.63 STATE COOPERATION.

Consistent with law and within available appropriations, the departments, agencies and officers of this state may cooperate with the insurance fund established by the Pest Control Compact.

18.64 BYLAWS AND AMENDMENTS; FILING.

Pursuant to article IV (h) of the compact, copies of bylaws and amendments thereto shall be filed in the office of the Department of Agriculture of the state of Minnesota.

18.65 ADMINISTRATOR; COMMISSIONER OF AGRICULTURE.

The compact administrator for this state shall be the commissioner of agriculture appointed by the governor. The duties of the compact administrator shall be deemed a regular part of the duties of the commissioner's office.

18.66 REQUEST FOR ASSISTANCE.

Within the meaning of article VI (b) or VIII (a), a request or application for assistance from the Insurance Fund may be made by the governor or the commissioner of agriculture whenever in the official's judgment the conditions qualifying this state for such assistance exist and it would be in the best interest of this state to make such request.

18.67 APPROPRIATION; ACCEPTANCE OF FUNDS.

There is hereby appropriated out of the general fund in the state treasury to the Department of Agriculture for the purposes of sections 18.62 to 18.71 during the biennium beginning on July 1, 1969, the sum of \$29,000. The Department of Agriculture shall have credited to its account in the state treasury the amount or amounts of any payments made to this state to defray the cost of such program, or any part thereof, or as reimbursement thereof, and moneys so credited are appropriated to the Department of Agriculture for the purposes of sections 18.62 to 18.71.

18.68 FILING OF DOCUMENTS; NOTICES.

Filing of documents as required by the compact set forth in sections 18.62 to 18.71 shall be with the Department of Agriculture. Any and all notices required by commission bylaws to be given pursuant to article VI, clause (d) of the compact shall be given to the commissioner of agriculture of this state or the commissioner's alternate, if any.

18.69 BUDGET; LIMITATIONS.

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Pursuant to article IX, clause (a) of the compact, the governing board shall submit its budget to the commissioner of agriculture. Such budget and the state's share thereof shall be subject to the provisions of chapter 16A, and any act amendatory thereof.

18.70 LEGISLATIVE AUDITOR.

Pursuant to article IX, clause (f) of the compact, the legislative auditor is hereby empowered and authorized to inspect the accounts of the insurance fund as a part of the auditor's audit of the Department of Agriculture.

18.71 GOVERNOR AS EXECUTIVE HEAD.

As used in the compact, with reference to this state, the term "executive head" shall mean the governor.

30.003 DECLARATION OF POLICY.

The intent and purpose of this section and sections 30.01 to 30.201 is to regulate the grade and to improve the quality of potatoes offered for sale in Minnesota.

30.01 DEFINITIONS.

Subdivision 1. **Terms.** Unless the language or context clearly indicates that a different meaning is intended, the terms defined in subdivisions 2 and 6 shall, for the purposes of sections 30.099 to 30.201, have the meanings given to them.

Subd. 6. **Container or package.** "Container" or "package" means cloth, burlap, or fiber sacks, barrels, boxes, crates, cartons, hampers, or baskets, or any container which is either sewed, tied, nailed, or otherwise secured.

30.099 DEFINITION OF POTATOES.

For the purposes of this chapter, "potatoes" means all varieties of the tuber (*solanum tuberosum* L.) commonly known as Irish potatoes offered for sale within the state of Minnesota.

30.10 POTATO GRADES.

All potatoes sold or offered for sale at retail in a closed container must be graded and clearly labeled according to grades as established by section 30.102. This shall not apply to potatoes grown by a producer and sold by the producer directly to the consumer.

30.102 STANDARD GRADES.

The commissioner shall establish by rule standard grades for potatoes offered for sale in Minnesota. The standard grades shall conform insofar as practical to the latest generally accepted grades in use throughout the United States, except that additional consumer grades may be established if deemed necessary.

30.103 SEED POTATOES EXEMPT.

Seed potatoes inspected and certified under authority of the commissioner are not affected by the provisions of sections 27.07 and 30.01 to 30.201, but shall be inspected, certified and tagged as required under sections 21.111 to 21.122.

30.104 SALE OF ARTIFICIALLY COLORED POTATOES PROHIBITED.

No person, firm, corporation or officer, employee or agent thereof shall sell at retail to a consumer any potato which is artificially colored. The commissioner shall by rule prescribe the meaning of "artificially colored."

30.15 ACCESS FOR INSPECTION.

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The commissioner shall at all times have access to all buildings, yards, warehouses, storage and transportation facilities in which potatoes are kept, stored, handled, or transported, to inspect the same as to grade, quality, condition, and packs, tagging, branding, and labeling.

30.151 FREEDOM OF CONTRACT NOT IMPAIRED.

Nothing in sections 30.10 to 30.15 shall be construed in any manner to impair the freedom of contract between individuals relative to the sale and disposal of potatoes between the owners thereof and the persons purchasing the same. When any seller or buyer of potatoes shall, by a contract in writing, agree to sell and dispose of to any person potatoes in any lots or quantities of the grades and varieties specified herein, or of any other grade and variety or quality concerning which the persons desire to contract, the seller or buyer shall have the legal right to do so and shall be bound by the terms of such contract so entered into, and in case any seller attempts to tender in fulfillment of any such contract potatoes of a lower standard or quality than those specified in such a contract the purchaser of the same shall have the legal right to either reject or accept them upon a tolerance basis commensurate in value between the market price of the grade and quality contracted for and the grade and quality of the potatoes tendered in delivery thereon.

30.152 NOT TO PAY INSPECTORS.

No person shall, directly or indirectly, hire or pay the compensation of any state inspector to determine the grade or quality of potatoes offered or exposed for sale in the state, other than the state of Minnesota, whose duly constituted officers shall, in due form and in accordance with law, issue commissions to inspectors duly authorizing and empowering them to act as such.

Nothing herein shall prevent any person paying the proper inspection fees, duly established, to the proper persons duly authorized to receive the same, but the payment or allowance of any gratuity, commission, or allowance in addition thereto shall constitute the crime of bribery and shall be punished by law as such.

30.16 POTATOES MAY BE INSPECTED.

All potatoes shipped by any person may be inspected by an authorized federal-state inspector to determine the grade, quality, and condition of such shipment. All fees shall be assessed against the inspection certificate applicant and shall be collected by the commissioner from the firm or individual against whom the fee is assessed. An application for inspection service shall be denied if the applicant has not paid all fees for prior inspection service assessed against the applicant, the initial billings for which were deposited in the mail addressed to the applicant more than 30 days before the application in question.

30.161 CERTIFICATE OF INSPECTOR.

In determining controversies and standards between the parties, including but not limited to growers, as to the quality and condition of potatoes offered for sale or tendered in performance of contracts for sale in this state, the certificates of a fully authorized and commissioned inspector of the commissioner shall be prima facie evidence both of the grade and quality of the potatoes offered for sale or tendered in performance of any such contract.

30.17 PLACE OF INSPECTION.

The commissioner shall designate points at which lots of potatoes may be inspected. If inspection service is requested at other points, mileage costs at the regular rates paid by the state for private car driving may be charged and added to the inspection fee.

30.19 RULES.

The commissioner shall promulgate in the manner provided by law and rules establishing Minnesota consumer grades for potatoes, appropriate labeling therefor, and such other rules as may be necessary for the enforcement of this chapter.

30.20 FEES.

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Fees for inspection shall be determined by the commissioner as provided in section 27.07.

30.201 PENALTIES.

Any person violating any of the provisions of this chapter, or any rules made thereunder, shall be guilty of a misdemeanor.

30.55 APPLES, STANDARD GRADES.

The commissioner shall by rule establish official standards for grading and classifying all apples offered for sale in Minnesota.

30.56 APPLES, PACKAGES PLAINLY MARKED.

All apples offered for retail sale and each closed package of apples offered or exposed or packed for retail sale shall be conspicuously marked with a label bearing the name and address of the grower or packer, the name of the variety, the minimum size and the grade, except that when apples are sold at retail from open bins, open containers, or in bags, each bin or display of such containers or bags shall be marked with a label bearing the name of the variety and the grade. All apples which fail to meet the requirements of any of the established Minnesota grades shall be plainly and conspicuously marked with a label bearing the word "utility" in letters of a size and form to be prescribed by the commissioner.

30.57 ENFORCEMENT.

The commissioner shall be charged with the enforcement of the provisions of sections 30.55 to 30.57 and for that purpose has the power:

- (1) To enter and inspect personally, or through any authorized representative, any place within the state where apples are sold, offered or exposed or packed for sale, and to inspect such places and all apples and apple containers found in any such place.
- (2) To make, publish, and enforce such uniform rules as are necessary for carrying out the provisions of sections 30.55 to 30.57.

30.58 APPLICATION.

Sections 30.55 to 30.57 shall not apply to any grower or producer selling less than 25 bushels of apples in any year.

30.59 PENALTY.

Any person violating any of the provisions of sections 30.55 to 30.58 shall be guilty of a misdemeanor. In addition, any apples found to be offered or exposed or packed for sale in violation of these sections may be ordered temporarily withdrawn from sale by the commissioner pending either (1) informal adjustment according to law between the commissioner, or the commissioner's duly authorized representative, and the person in charge of the apples in question, or (2) by the filing of a formal complaint, without undue delay, with the attorney general or prosecuting attorney.

32.104 LOCAL INSPECTION.

Notwithstanding any law to the contrary, the governing authority of any municipal corporation or other subdivision of state government may, by ordinance, provide for the inspection of milk, cream, butter, or other dairy products sold within its limits, and of dairy plants, dairy farms and dairy herds kept for the production of such milk, cream, butter, or other dairy products and may prescribe the terms upon which such sales may be made and fix penalties for violation thereof, but no such ordinance shall conflict with any law of this state, or with any rule of the commissioner for the inspection of dairy herds or dairy plants or dairy farms or impose any additional requirement for the sale of milk, cream, butter or other dairy products processed outside the corporate limits of the municipality than is imposed by law or by the rules of the commissioner, or require a duplication of inspection of dairy plants, dairy farms, or dairy herds producing milk, cream, butter or other dairy products sold within its corporate limits, or otherwise interfere with any power or duty of the commissioner or the commissioner's official subordinates.

When a dairy plant is licensed by the commissioner of agriculture, the plant, including all distribution facilities and vehicles, is exempt from the licensing requirements of any subdivision

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of state government except for licensing requirements which the city in which the plant is located may impose.

32.411 UNIFORM QUALITY STANDARDS FOR MILK, CREAM, FLUID MILK PRODUCTS.

Subdivision 1. **Requirements.** For the purpose of maintaining uniform quality standards in the purchase of milk, cream, and fluid milk products for manufacturing purposes or for resale to another for manufacturing purposes, the requirements set forth in subdivisions 2 to 4 shall be complied with.

Subd. 2. **Record of quality tests.** Every licensed purchaser of milk, cream and fluid milk products for manufacturing purposes or for resale to another for manufacturing purposes, herein called licensed purchaser, shall demand and receive with the first milk or cream delivery received from a producer a copy of the record of quality tests of the producer's milk or cream made by a former licensed purchaser during the three months immediately preceding such delivery, unless the producer has not delivered such products to any other purchaser during that period. If the previous purchaser, after receiving a written request for such record from the producer or from the new purchaser, refuses or is unable to comply with such request, the new purchaser shall immediately report such failure or refusal to the commissioner.

Subd. 3. **Establishment of new quality records.** If a milk or cream producer fails to deliver the quality records or quality tests, the licensed purchaser shall establish a new producer's quality record in lieu thereof, by taking the first four consecutive deliveries from such producer and making on such products all tests required by law and by rules thereunder relating to milk, cream, and fluid milk products for manufacturing purposes administered by the commissioner of agriculture. The establishment of such records shall be immediately reported to the commissioner by the new purchaser.

Subd. 4. **Change of purchasing plants.** The changing of purchasing plants for manufacturing purposes to which a producer of milk, cream, and fluid milk products makes delivery, shall not alter the status of such producer's previous quality record for purposes of section 32.401, and rules thereunder administered by the commissioner.

Subd. 5. **Penalty.** Any licensed purchaser of milk, cream, or fluid milk products who neglects to furnish to any milk or cream producer upon written request a copy of a record of quality tests and farm inspections, or any licensed purchaser or producer who fails to comply with this section, is guilty of a misdemeanor.

32.417 INVESTMENT REIMBURSEMENTS TO MANUFACTURED MILK PRODUCERS.

An operator of a dairy farm that produces milk for sale in cans may apply for a reimbursement in the amount of \$100 for the first \$500 or fraction thereof, and ten percent of the next \$2,000, of the net expenditures by the operator for any capital improvements or equipment installed primarily for the purpose of conforming to the standards adopted in section 32.415. No reimbursement may be made to an applicant unless:

- (a) the applicant provides receipts for the expenditures;
- (b) a dairy inspector authorized by the commissioner certifies that the applicant's dairy operation complies with the standards adopted in section 32.415 as a result of the installation of the improvements or equipment; and
- (c) the expenditures for the improvements and equipment were made on or after June 2, 1983, but before July 1, 1985.

The commissioner shall provide an application form for the reimbursement program. No reimbursement application may be approved after June 30, 1985.

32.57 INSPECTION OF FROZEN FOODS.

No frozen foods not manufactured in this state shall be sold, offered, exposed, exchanged, or held in possession with intent to sell within this state, unless the same are first inspected and registered with the Department of Agriculture, as provided in section 32.59.

32.59 NONRESIDENT MANUFACTURER LICENSE.

Any person who manufactures frozen foods, mix, ice cream mix, mix base, or ice cream mix base outside of the state, for sale within the state, shall apply for registration with the Department of Agriculture in the form and with the information the commissioner requires.

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Samples of all frozen foods, mix, ice cream mix, mix base, or ice cream mix base, so manufactured for sale and sold within this state, must be submitted to the department. Each application for registration must be accompanied by a fee of \$200, which is the registration fee if a certificate of registration is granted. If the Department of Agriculture finds that the samples submitted are up to the accepted standards and otherwise comply with the laws of this state, it shall issue to the applicant a certificate of registration. The penalty for a late registration application is \$50 if the registration is not renewed by January 1 of any year.