

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 825

(SENATE AUTHORS: WEBER)

DATE	D-PG	OFFICIAL STATUS
02/09/2017	559	Introduction and first reading
		Referred to Agriculture, Rural Development, and Housing Policy
02/22/2017	721	Comm report: To pass and re-referred to Agriculture, Rural Development, and Housing Finance

1.1 A bill for an act

1.2 relating to agriculture; modifying provisions related to the Agricultural Utilization

1.3 Research Institute; amending Minnesota Statutes 2016, section 116V.01,

1.4 subdivisions 1, 2, 3, 4, 7, 10, 11, 13, 14.

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

1.6 Section 1. Minnesota Statutes 2016, section 116V.01, subdivision 1, is amended to read:

1.7 Subdivision 1. **Establishment.** The Agricultural Utilization Research Institute is

1.8 established as a nonprofit corporation under section 501(c)(3) of the Internal Revenue Code

1.9 of 1986, as amended. The Agricultural Utilization Research Institute shall conduct onsite

1.10 and applied research, promote the establishment of new products and product uses and the

1.11 expansion of existing markets for the state's agricultural commodities and products, including

1.12 direct financial and technical assistance for Minnesota entrepreneurs. The institute must

1.13 establish or maintain facilities and work with private and public entities to leverage the

1.14 resources available to achieve maximum results for Minnesota agriculture.

1.15 Sec. 2. Minnesota Statutes 2016, section 116V.01, subdivision 2, is amended to read:

1.16 Subd. 2. **Board of directors.** The board of directors of the Agricultural Utilization

1.17 Research Institute is comprised of:

1.18 (1) the chairs of the senate and the house of representatives standing committees with

1.19 jurisdiction over agriculture finance or the chair's designee;

1.20 (2) two representatives of statewide farm organizations;

1.21 (3) two representatives of agribusiness; ~~and~~

2.1 (4) three representatives of the commodity promotion councils; and

2.2 (5) two at-large representatives.

2.3 Sec. 3. Minnesota Statutes 2016, section 116V.01, subdivision 3, is amended to read:

2.4 Subd. 3. **Duties.** (a) The Agricultural Utilization Research Institute shall:

2.5 (1) identify development opportunities for agricultural products;

2.6 (2) implement a program that identifies techniques to meet those opportunities;

2.7 (3) monitor and coordinate research among the public and private organizations and
2.8 individuals specifically addressing procedures to transfer new technology to businesses,
2.9 farmers, and individuals;

2.10 ~~(4) provide research grants to public and private educational institutions and other~~
2.11 ~~organizations that are undertaking basic and applied research to promote the development~~
2.12 ~~of emerging agricultural industries;~~

2.13 ~~(5)~~ assist organizations and individuals with market analysis and product marketing
2.14 implementations;

2.15 ~~(6)~~ (5) to the extent possible earn and receive revenue from contracts, patents, licenses,
2.16 royalties, grants, fees-for-service, and memberships;

2.17 ~~(7)~~ (6) work with the Department of Agriculture, the United States Department of
2.18 Agriculture, the Department of Employment and Economic Development, and other agencies
2.19 to maximize marketing opportunities locally, nationally, and internationally; and

2.20 ~~(8)~~ (7) leverage available funds from federal, state, and private sources to develop new
2.21 markets and value added opportunities for Minnesota agricultural products.

2.22 (b) The Agricultural Utilization Research Institute board of directors shall have the sole
2.23 approval authority for establishing agricultural utilization research priorities, requests for
2.24 proposals to meet those priorities, awarding of grants, hiring and direction of personnel,
2.25 and other expenditures of funds consistent with the adopted and approved mission and goals
2.26 of the Agricultural Utilization Research Institute. The actions and expenditures of the
2.27 Agricultural Utilization Research Institute are subject to audit. The institute shall annually
2.28 report by February 1 to the senate and house of representatives standing committees with
2.29 jurisdiction over agricultural policy and funding. The report must list projects initiated,
2.30 progress on projects, and financial information relating to expenditures, income from other
2.31 sources, and other information to allow the committees to evaluate the effectiveness of the
2.32 institute's activities.

3.1 (c) The Agricultural Utilization Research Institute shall convene a Renewable Energy
3.2 Roundtable, the purpose of which shall be to further the state's leadership on bioenergy
3.3 issues.

3.4 (i) The Renewable Energy Roundtable shall consist of one representative appointed by
3.5 the commissioner of the Minnesota Department of Agriculture, one appointed by the
3.6 commissioner of the Minnesota Department of Commerce, one appointed by the chancellor
3.7 of the Minnesota State Colleges and Universities, and one appointed by the president of the
3.8 University of Minnesota. The appointees must have expertise relevant to bioenergy.

3.9 (ii) The board shall oversee the activities and shall provide staff to assist the Renewable
3.10 Energy Roundtable.

3.11 (iii) The Renewable Energy Roundtable will engage professionals and experts from
3.12 private, government, academic, and nonprofit entities across the state to identify bioenergy
3.13 opportunities and collaborate with a broad group of interested parties to identify future
3.14 alternative courses of action the state can take to sustain a long-term competitive position
3.15 in renewable energy through the year 2025. The Renewable Energy Roundtable will consult,
3.16 advise, and review projects and initiatives funded by the state as directed by the
3.17 administration and the legislature.

3.18 Sec. 4. Minnesota Statutes 2016, section 116V.01, subdivision 4, is amended to read:

3.19 Subd. 4. **Staff.** The board of directors shall hire ~~staff~~ an executive director for the
3.20 Agricultural Utilization Research Institute. Persons employed by the Agricultural Utilization
3.21 Research Institute are not state employees and may participate in state retirement, deferred
3.22 compensation, insurance, or other plans that apply to state employees generally and are
3.23 subject to regulation by the state Campaign Finance and Public Disclosure Board.

3.24 Sec. 5. Minnesota Statutes 2016, section 116V.01, subdivision 7, is amended to read:

3.25 Subd. 7. **Bylaws.** The board of directors shall adopt bylaws necessary for the conduct
3.26 of the business of the institute consistent with this section. The corporation must publish
3.27 bylaws and amendments to the bylaws ~~in the State Register~~ on the board's Web site.

3.28 Sec. 6. Minnesota Statutes 2016, section 116V.01, subdivision 10, is amended to read:

3.29 Subd. 10. **Meetings.** The board of directors shall meet at least twice each year and may
3.30 hold additional meetings upon giving notice in accordance with the bylaws of the institute.
3.31 Board meetings are subject to chapter 13D, except section 13D.01, subdivision 6, as it
3.32 pertains to financial information, business plans, income and expense projections, customer

4.1 lists, market and feasibility studies, and trade secret information as defined by section 13.37,
 4.2 subdivision 1, paragraph (b). For the purposes of section 13D.015, the board of directors is
 4.3 a state board.

4.4 Sec. 7. Minnesota Statutes 2016, section 116V.01, subdivision 11, is amended to read:

4.5 Subd. 11. **Conflict of interest.** A director, employee, or officer of the institute may not
 4.6 ~~participate in~~ advocate for or vote on a decision of the board relating to an organization in
 4.7 which the director, employee, or officer has either a direct or indirect financial interest.

4.8 Sec. 8. Minnesota Statutes 2016, section 116V.01, subdivision 13, is amended to read:

4.9 Subd. 13. **Funds.** The institute may accept and use gifts, grants, or contributions from
 4.10 any source. Unless otherwise restricted by the terms of a gift or bequest, the board may sell,
 4.11 exchange, or otherwise dispose of and invest or reinvest the money, securities, or other
 4.12 property given or bequested to it. The principal of these funds, the income from them, and
 4.13 all other revenues received by it from any nonstate source ~~must be placed in the depositories~~
 4.14 ~~the board determines and is~~ are subject to expenditure for the board's purposes. Receipts
 4.15 and expenditures of more than ~~\$25,000~~ \$50,000 must be approved by the ~~full~~ board.

4.16 Sec. 9. Minnesota Statutes 2016, section 116V.01, subdivision 14, is amended to read:

4.17 Subd. 14. **Accounts; audits.** The institute may establish funds and accounts that it finds
 4.18 convenient. The board shall provide for and pay the cost of an ~~independent annual~~ audit of
 4.19 its official books and records by the legislative auditor subject to sections 3.971 and 3.972.
 4.20 In addition, the board shall provide and pay for the cost of an annual financial audit of its
 4.21 official books and records by an independent audit firm. A copy of this the annual financial
 4.22 audit shall be filed with the secretary of state Office of the Attorney General, Charities
 4.23 Division.

4.24 For purposes of this section, "institute" means the Agricultural Utilization Research
 4.25 Institute established under this section and "board of directors" means the board of directors
 4.26 of the Agricultural Utilization Research Institute.