

**CHAPTER 297—S.F.No. 3683**

*An act relating to the operation of state government; regulating, requiring, or changing certain provisions and programs related to agriculture; creating a livestock investment grant program; modifying pesticide and fertilizer regulation; changing certain payment provisions for certain agricultural chemical corrective action costs; changing certain food sanitary provisions; changing certain fee provisions; defining certain terms; regulating egg sales and handling; increasing the somatic cell count limit for goat milk; changing ethanol payment provisions; providing for control of bovine tuberculosis; adding a member to the NextGen Energy Board; modifying the expiration date for the NextGen Energy Board; establishing requirements for practicing animal chiropractic care; recognizing a Program for the Assessment of Veterinary Education Equivalence certification; limiting use of certain drugs; changing certain requirements; regulating prescription of veterinary drugs; changing ethanol blending provisions; modifying definition of biodiesel; increasing minimum biodiesel content; creating a tiered biodiesel content goal; requiring counties to consider natural heritage data in adopting or amending comprehensive plans; requiring local governments to consider comprehensive plans to limit development on agricultural, forest, wildlife, and open space land; establishing a task force; modifying 2007 appropriation language; creating an advisory council, a working group, and a planning group and requiring certain studies; changing certain provisions and programs related to veterans and members of the military; providing for certain medallions; transferring certain duties related to veterans homes; appropriating money; amending Minnesota Statutes 2006, sections 13.785, by adding a subdivision; 18B.065, subdivisions 2, 7; 18B.07, subdivision 2; 18D.305, subdivision 2; 18E.04, subdivision 2; 28A.03, by adding a subdivision; 28A.05; 28A.08; 28A.082, by adding a subdivision; 28A.09, subdivision 1; 29.23; 31.05; 31.171; 41A.09, subdivision 3a; 41D.01, subdivision 4; 97A.028, subdivision 3; 148.01, subdivision 1, by adding subdivisions; 156.001, by adding a subdivision; 156.02, subdivisions 1, 2; 156.04; 156.072, subdivision 2; 156.073; 156.12, subdivisions 2, 4, 6; 156.15, subdivision 2; 156.16, subdivisions 3, 10; 156.18, subdivisions 1, 2; 156.19; 168.1255, subdivisions 1, 3, by adding subdivisions; 192.20; 196.021; 196.03; 197.236; 198.32, subdivision 1; 239.051, subdivision 15; 239.77, as amended; 239.7911, subdivision 2; 296A.01, subdivision 2; 394.232, subdivision 6; 462.355, subdivision 1; 462.357, by adding subdivisions; Minnesota Statutes 2007 Supplement, sections 18B.065, subdivisions 1, 2a; 18B.26, subdivision 3; 31.175; 41A.105; 197.791, subdivisions 1, 4, 5; 239.761, subdivision 4, by adding subdivisions; 296A.01, subdivisions 8a, 25; 394.23; Laws 2007, chapter 45, article 1, section 3, subdivisions 3, 4, 5; proposing coding for new law in Minnesota Statutes, chapters 17; 32; 148; 192; 196; 197; 394; repealing Minnesota Statutes 2006, sections 190.17; 197.236, subdivisions 7, 10; 198.001, subdivisions 6, 9; 198.002, subdivisions 1, 3, 6; 198.003, subdivisions 5, 6; 198.004, subdivision 2; Minnesota Statutes 2007 Supplement,*

*sections 198.002, subdivision 2; 198.004, subdivision 1; Minnesota Rules, part 9050.0040, subpart 15.*

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

**ARTICLE 1**  
**AGRICULTURE POLICY**

Section 1. **[17.118] LIVESTOCK INVESTMENT GRANT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner may award a livestock investment grant to a person who raises livestock in this state equal to ten percent of the first \$500,000 of qualifying expenditures, provided the person makes qualifying expenditures of at least \$4,000. The commissioner may award multiple livestock investment grants to a person over the life of the program as long as the cumulative amount does not exceed \$50,000.

Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Livestock" means beef cattle, dairy cattle, swine, poultry, goats, mules, farmed cervidae, ratitae, bison, sheep, horses, and llamas.

(c) "Qualifying expenditures" means the amount spent for:

(1) the acquisition, construction, or improvement of buildings or facilities for the production of livestock or livestock products;

(2) the development of pasture for use by livestock including, but not limited to, the acquisition, development, or improvement of:

(i) lanes used by livestock that connect pastures to a central location;

(ii) watering systems for livestock on pasture including water lines and booster pumps well installations;

(iii) livestock stream crossing stabilization; and

(iv) fences; or

(3) the acquisition of equipment for livestock housing, confinement, feeding, and waste management including, but not limited to, the following:

(i) freestall barns;

(ii) watering facilities;

(iii) feed storage and handling equipment;

(iv) milking parlors;

(v) robotic equipment;

(vi) scales;

(vii) milk storage and cooling facilities;

(viii) bulk tanks;

(ix) computer hardware and software and associated equipment used to monitor the productivity and feeding of livestock;

- (x) manure pumping and storage facilities;
- (xi) swine farrowing facilities;
- (xii) swine and cattle finishing barns;
- (xiii) calving facilities;
- (xiv) digesters;
- (xv) equipment used to produce energy;
- (xvi) on-farm processing facilities equipment;
- (xvii) fences; and
- (xviii) livestock pens and corrals and sorting, restraining, and loading chutes.

Except for qualifying pasture development expenditures under clause (2), qualifying expenditures only include amounts that are allowed to be capitalized and deducted under either section 167 or 179 of the Internal Revenue Code in computing federal taxable income. Qualifying expenditures do not include an amount paid to refinance existing debt.

(d) "Qualifying period" means, for a grant awarded during a fiscal year, that full calendar year of which the first six months precede the first day of the current fiscal year. For example, an eligible person who makes qualifying expenditures during calendar year 2008 is eligible to receive a livestock investment grant between July 1, 2008, and June 30, 2009.

Subd. 3. **Eligibility.** (a) To be eligible for a livestock investment grant, a person must:

(1) be a resident of Minnesota or an entity specifically defined in section 500.24, subdivision 2, that is eligible to own farmland and operate a farm in this state under section 500.24;

(2) be the principal operator of the farm;

(3) hold a feedlot registration, if required; and

(4) apply to the commissioner on forms prescribed by the commissioner including a statement of the qualifying expenditures made during the qualifying period along with any proof or other documentation the commissioner may require.

(b) The \$50,000 maximum grant applies at the entity level for partnerships, S corporations, C corporations, trusts, and estates as well as at the individual level. In the case of married individuals, the grant is limited to \$50,000 for a married couple.

Subd. 4. **Process.** The commissioner, in consultation with the chairs and ranking minority members of the house and senate committees with jurisdiction over agriculture finance, shall develop competitive eligibility criteria and may allocate grants on a needs basis. The commissioner shall certify eligible applications up to the amount appropriated for a fiscal year. The commissioner must place any additional eligible applications on a waiting list and, notwithstanding subdivision 2, paragraph (c), give them priority during the next fiscal year. The commissioner shall notify in writing any applicant who applies for a grant and is ineligible under the provisions of this section as well as any applicant whose application is received or reviewed after the fiscal year funding limit has been reached.

Sec. 2. Minnesota Statutes 2007 Supplement, section 18B.065, subdivision 1, is amended to read:

Subdivision 1. **Collection and disposal.** The commissioner of agriculture shall establish and operate a program to collect and dispose of waste pesticides. The program must be made available to ~~agriculture~~ agricultural and residential pesticide end users whose waste generating activity occurs in this state.

**EFFECTIVE DATE.** This section is effective July 1, 2008, and applies to all cooperative agreements entered into by the commissioner of agriculture and local units of government for waste pesticide collection and disposal after that date.

Sec. 3. Minnesota Statutes 2006, section 18B.065, subdivision 2, is amended to read:

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

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

Sec. 4. Minnesota Statutes 2007 Supplement, section 18B.065, subdivision 2a, is amended to read:

Subd. 2a. **Disposal site requirement.** (a) For agricultural waste pesticides, the commissioner must designate a place in each county of the state that is available at least every ~~other~~ year for persons to dispose of unused portions of agricultural pesticides in accordance with subdivision 1. The commissioner shall consult with the person responsible for solid waste management and disposal in each county to determine an appropriate location and to advertise each collection event.

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

(c) A person who collects waste pesticide under paragraph (a) or (b) shall record information on each waste pesticide product collected including, but not limited to, the product name, active ingredient or ingredients, quantity, and the United States Environmental Protection Agency registration number, on a form provided by the commissioner. The person must submit this information to the commissioner at least annually.

**EFFECTIVE DATE.** This section is effective July 1, 2008, and applies to all cooperative agreements entered into by the commissioner of agriculture and local units of government for waste pesticide collection and disposal after that date.

Sec. 5. Minnesota Statutes 2006, section 18B.065, subdivision 7, is amended to read:

Subd. 7. **Cooperative agreements.** The commissioner may enter into cooperative agreements with state agencies and local units of government for administration of the

waste pesticide collection program. The commissioner shall ensure that the program is carried out in all counties. If the commissioner cannot contract with another party to administer the program in a county, the commissioner shall perform collections according to the provisions of this section.

Sec. 6. Minnesota Statutes 2006, section 18B.07, subdivision 2, is amended to read:

Subd. 2. **Prohibited pesticide use.** (a) A person may not use, store, handle, distribute, or dispose of a pesticide, rinsate, pesticide container, or pesticide application equipment in a manner:

(1) that is inconsistent with a label or labeling as defined by FIFRA;

(2) that endangers humans, damages agricultural products, food, livestock, fish, or wildlife; or

(3) that will cause unreasonable adverse effects on the environment.

(b) A person may not direct a pesticide onto property beyond the boundaries of the target site. A person may not apply a pesticide resulting in damage to adjacent property.

(c) A person may not directly apply a pesticide on a human by overspray or target site spray, except when:

(1) the pesticide is intended for use on a human;

(2) the pesticide application is for mosquito control operations;

(3) the pesticide application is for control of gypsy moth, forest tent caterpillar, or other pest species, as determined by the commissioner, and the pesticide used is a biological agent; or

(4) the pesticide application is for a public health risk, as determined by the commissioner of health, and the commissioner of health, in consultation with the commissioner of agriculture, determines that the application is warranted based on the commissioner's balancing of the public health risk with the risk that the pesticide application poses to the health of the general population, with special attention to the health of children.

(d) For pesticide applications under paragraph (c), clause (2), the following conditions apply:

(1) no practicable and effective alternative method of control exists;

(2) the pesticide is among the least toxic available for control of the target pest; and

(3) notification to residents in the area to be treated is provided at least 24 hours before application through direct notification, posting daily on the treating organization's Web site, if any, and by sending a broadcast e-mail to those persons who request notification of such, of those areas to be treated by adult mosquito control techniques during the next calendar day. For control operations related to human disease, notice under this paragraph may be given less than 24 hours in advance.

(e) For pesticide applications under paragraph (c), clauses (3) and (4), the following conditions apply:

(1) no practicable and effective alternative method of control exists;

(2) the pesticide is among the least toxic available for control of the target pest; and

(3) notification of residents in the area to be treated is provided by direct notification and through publication in a newspaper of general circulation within the affected area.

(f) For purposes of this subdivision, "direct notification" may include mailings, public meetings, posted placards, neighborhood newsletters, or other means of contact designed to reach as many residents as possible. Public meetings held to meet this requirement for adult mosquito control, under paragraph (d), must be held within each city or town where the pesticide treatments are to be made, at a time and location that is convenient for residents of the area where the treatments will occur.

(g) A person may not apply a pesticide in a manner so as to expose a worker in an immediately adjacent, open field.

(h) Notwithstanding that the application is done in a manner consistent with the label or labeling, it is a violation of this chapter to directly apply a pesticide to a site where an application has not been: (1) requested, ordered, contracted for, or permitted; or (2) performed pursuant to paragraph (c), clause (2), (3), or (4).

Sec. 7. Minnesota Statutes 2007 Supplement, section 18B.26, subdivision 3, is amended to read:

Subd. 3. **Application fee.** (a) A registrant shall pay an annual application fee for each pesticide to be registered, and this fee is set at 0.4 percent of annual gross sales within the state and annual gross sales of pesticides used in the state, with a minimum nonrefundable fee of \$250. The registrant shall determine when and which pesticides are sold or used in this state. The registrant shall secure sufficient sales information of pesticides distributed into this state from distributors and dealers, regardless of distributor location, to make a determination. Sales of pesticides in this state and sales of pesticides for use in this state by out-of-state distributors are not exempt and must be included in the registrant's annual report, as required under paragraph (c), and fees shall be paid by the registrant based upon those reported sales. Sales of pesticides in the state for use outside of the state are exempt from the application fee in this paragraph if the registrant properly documents the sale location and distributors. A registrant paying more than the minimum fee shall pay the balance due by March 1 based on the gross sales of the pesticide by the registrant for the preceding calendar year. The fee for disinfectants and sanitizers shall be the minimum. The minimum fee is due by December 31 preceding the year for which the application for registration is made. ~~The commissioner shall spend at least \$400,000, not including the commissioner's administrative costs, per fiscal year from the pesticide regulatory account for the purposes of the waste pesticide collection program.~~ In each fiscal year, the commissioner shall allocate from the pesticide regulatory account a sum sufficient to collect and dispose of waste pesticides under section 18B.065. However, notwithstanding section 18B.065, if the commissioner determines that the balance in the pesticide regulatory account at the end of the fiscal year will be less than \$500,000, the commissioner may suspend waste pesticide collections or provide partial payment to a person for waste pesticide collection. The commissioner must notify as soon as possible and no later than August 1 a person under contract to collect waste pesticides of an anticipated suspension or payment reduction.

(b) An additional fee of \$100 must be paid by the applicant for each pesticide to be registered if the application is a renewal application that is submitted after December 31.

(c) A registrant must annually report to the commissioner the amount and type of each registered pesticide sold, offered for sale, or otherwise distributed in the state. The

report shall be filed by March 1 for the previous year's registration. The commissioner shall specify the form of the report and require additional information deemed necessary to determine the amount and type of pesticides annually distributed in the state. The information required shall include the brand name, amount, and formulation of each pesticide sold, offered for sale, or otherwise distributed in the state, but the information collected, if made public, shall be reported in a manner which does not identify a specific brand name in the report.

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

**EFFECTIVE DATE.** This section is effective July 1, 2008, and applies to all cooperative agreements entered into by the commissioner of agriculture and local units of government for waste pesticide collection and disposal after that date.

Sec. 8. Minnesota Statutes 2006, section 18D.305, subdivision 2, is amended to read:

Subd. 2. **Revocation and suspension.** (a) The commissioner may, after written notice and hearing, revoke, suspend, or refuse to grant or renew a registration, permit, license, or certification if a person violates a provision of this chapter or has a history within the last three years of violations of this chapter.

(b) The commissioner may refuse to accept an application for a registration, permit, license, or certification, and may revoke or suspend a previously issued registration, permit, license, or certification of a person from another state if that person has:

(1) had a registration, permit, license, or certification denied, revoked, or suspended by another state for an offense reasonably related to the requirements, qualifications, or duties of a registration, permit, license, or certification issued under chapter 18B or 18C; or

(2) been convicted of a violation, had a history of violations, or been subject to a final order imposing civil penalties authorized under the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA), as amended.

Sec. 9. Minnesota Statutes 2006, section 18E.04, subdivision 2, is amended to read:

Subd. 2. **Payment of corrective action costs.** (a) On request by an eligible person, the board may pay the eligible person for the reasonable and necessary cash disbursements for corrective action costs incurred by the eligible person as provided under subdivision 4 if the board determines:

(1) the eligible person pays the first \$1,000 of the corrective action costs;

(2) the eligible person provides the board with a sworn affidavit and other convincing evidence that the eligible person is unable to pay additional corrective action costs;

(3) the eligible person continues to assume responsibility for carrying out the requirements of corrective action orders issued to the eligible person or that are in effect;

(4) the incident was reported as required in chapters 18B, 18C, and 18D; and

(5) the eligible person submits an application for payment or reimbursement to the department, along with associated invoices, within three years of (i) ~~incurring eligible corrective action costs~~ performance of the eligible work, or (ii) approval of ~~a~~ the related corrective action design or plan for that work, whichever is later.

~~(b) The eligible person must submit an application for payment or reimbursement of eligible cost incurred prior to July 1, 2001, no later than June 1, 2004.~~

~~(c)~~ An eligible person is not eligible for payment or reimbursement and must refund amounts paid or reimbursed by the board if false statements or misrepresentations are made in the affidavit or other evidence submitted to the commissioner to show an inability to pay corrective action costs.

~~(d)~~ (c) The board may pay the eligible person and one or more designees by multiparty check.

Sec. 10. Minnesota Statutes 2006, section 28A.03, is amended by adding a subdivision to read:

Subd. 10. **Vending machine.** "Vending machine" means a self-service device that, upon insertion of a coin, paper currency, token, card, or key, dispenses unit servings of food in bulk or in packages without the necessity of replenishing the device between each vending operation.

Sec. 11. Minnesota Statutes 2006, section 28A.05, is amended to read:

#### **28A.05 CLASSIFICATION.**

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

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

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

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

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

Sec. 12. Minnesota Statutes 2006, section 28A.08, is amended to read:

#### **28A.08 LICENSE FEES; PENALTIES.**

Subdivision 1. **General.** License fees, penalties for late renewal of licenses, and penalties for not obtaining a license before conducting business in food handling that are

set in this section apply to the sections named except as provided under section 28A.09. Except as specified herein, bonds and assessments based on number of units operated or volume handled or processed which are provided for in said laws shall not be affected, nor shall any penalties for late payment of said assessments, nor shall inspection fees, be affected by this chapter. The penalties may be waived by the commissioner. Fees for all new licenses must be based on the anticipated future gross annual food sales. If a firm is found to be operating for multiple years without paying license fees, the state may collect the appropriate fees and penalties for each year of operation.

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

Type of food handler	License Fee Effective July 1, 2003	Penalties	
		Late Renewal	No License
1. Retail food handler			
(a) Having gross sales of only prepackaged nonperishable food of less than \$15,000 for the immediately previous license or fiscal year and filing a statement with the commissioner	\$ 50	\$ 17	\$ 33
(b) Having under \$15,000 gross sales <u>or service</u> including food preparation or having \$15,000 to \$50,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$ 77	\$ 25	\$ 51
(c) Having \$50,001 to \$250,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$155	\$ 51	\$102
(d) Having \$250,001 to \$1,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$276	\$ 91	\$ 182
(e) Having \$1,000,001 to \$5,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$799	\$264	\$527
(f) Having \$5,000,001 to \$10,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$1,162	\$383	\$767
(g) Having \$10,000,001 to \$15,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$1,376	\$454	\$908
(h) Having \$15,000,001 to \$20,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$1,607	\$530	\$1,061

(i) Having \$20,000,001 to \$25,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$1,847	\$610	\$1,219
(j) Having over \$25,000,001 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$2,001	\$660	\$1,321
2. Wholesale food handler			
(a) Having gross sales or service of less than \$25,000 for the immediately previous license or fiscal year	\$ 57	\$ 19	\$ 38
(b) Having \$25,001 to \$250,000 gross sales or service for the immediately previous license or fiscal year	\$284	\$ 94	\$187
(c) Having \$250,001 to \$1,000,000 gross sales or service from a mobile unit without a separate food facility for the immediately previous license or fiscal year	\$444	\$147	\$293
(d) Having \$250,001 to \$1,000,000 gross sales or service not covered under paragraph (c) for the immediately previous license or fiscal year	\$590	\$195	\$389
(e) Having \$1,000,001 to \$5,000,000 gross sales or service for the immediately previous license or fiscal year	\$769	\$254	\$508
(f) Having \$5,000,001 to \$10,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$920	\$304	\$607
(g) Having \$10,000,001 to \$15,000,000 gross sales or service for the immediately previous license or fiscal year	\$990	\$327	\$653
(h) Having \$15,000,001 to \$20,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,156	\$381	\$763
(i) Having \$20,000,001 to \$25,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,329	\$439	\$877
(j) Having over \$25,000,001 or more gross sales or service for the immediately previous license or fiscal year	\$1,502	\$496	\$991
3. Food broker	\$150	\$ 50	\$ 99
4. Wholesale food processor or manufacturer			

(a) Having gross sales <u>or service</u> of less than \$125,000 for the immediately previous license or fiscal year	\$169	\$ 56	\$112
(b) Having \$125,001 to \$250,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$392	\$129	\$259
(c) Having \$250,001 to \$1,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$590	\$195	\$389
(d) Having \$1,000,001 to \$5,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$769	\$254	\$508
(e) Having \$5,000,001 to \$10,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$920	\$304	\$607
(f) Having \$10,000,001 to \$15,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$1,377	\$454	\$909
(g) Having \$15,000,001 to \$20,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,608	\$531	\$1,061
(h) Having \$20,000,001 to \$25,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,849	\$610	\$1,220
(i) Having \$25,000,001 to \$50,000,000 gross sales or service for the immediately previous license or fiscal year	\$2,090	\$690	\$1,379
(j) Having \$50,000,001 to \$100,000,000 gross sales or service for the immediately previous license or fiscal year	\$2,330	\$769	\$1,538
(k) Having \$100,000,000 or more gross sales or service for the immediately previous license or fiscal year	\$2,571	\$848	\$1,697
5. Wholesale food processor of meat or poultry products under supervision of the U.S. Department of Agriculture			
(a) Having gross sales <u>or service</u> of less than \$125,000 for the immediately previous license or fiscal year	\$112	\$ 37	\$ 74
(b) Having \$125,001 to \$250,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$214	\$ 71	\$141

(c) Having \$250,001 to \$1,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$333	\$110	\$220
(d) Having \$1,000,001 to \$5,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$425	\$140	\$281
(e) Having \$5,000,001 to \$10,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$521	\$172	\$344
(f) Having over \$10,000,001 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$765	\$252	\$505
(g) Having \$15,000,001 to \$20,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$893	\$295	\$589
(h) Having \$20,000,001 to \$25,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$1,027	\$339	\$678
(i) Having \$25,000,001 to \$50,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$1,161	\$383	\$766
(j) Having \$50,000,001 to \$100,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$1,295	\$427	\$855
(k) Having \$100,000,001 or more gross sales <u>or service</u> for the immediately previous license or fiscal year	\$1,428	\$471	\$942
6. Wholesale food processor or manufacturer operating only at the State Fair	\$125	\$ 40	\$ 50
7. Wholesale food manufacturer having the permission of the commissioner to use the name Minnesota Farmstead cheese	\$ 30	\$ 10	\$ 15
8. Nonresident frozen dairy manufacturer	\$200	\$ 50	\$ 75
9. Wholesale food manufacturer processing less than 700,000 pounds per year of raw milk	\$ 30	\$ 10	\$ 15
10. A milk marketing organization without facilities for processing or manufacturing that purchases milk from milk producers for delivery to a licensed wholesale food processor or manufacturer	\$ 50	\$ 15	\$ 25

Sec. 13. Minnesota Statutes 2006, section 28A.082, is amended by adding a subdivision to read:

Subd. 3. Disaster areas. If the governor declares a disaster in an area of the state, the commissioner of agriculture may waive the plan review fee and direct agency personnel to expedite the plan review process.

Sec. 14. Minnesota Statutes 2006, section 28A.09, subdivision 1, is amended to read:

Subdivision 1. **Annual fee; exceptions.** Every ~~coin-operated~~ food vending machine is subject to an annual state inspection fee of \$25 for each nonexempt machine except nut vending machines which are subject to an annual state inspection fee of \$10 for each machine, provided that:

(a) Food vending machines may be inspected by either a home rule charter or statutory city, or a county, but not both, and if inspected by a home rule charter or statutory city, or a county they shall not be subject to the state inspection fee, but the home rule charter or statutory city, or the county may impose an inspection or license fee of no more than the state inspection fee. A home rule charter or statutory city or county that does not inspect food vending machines shall not impose a food vending machine inspection or license fee.

(b) Vending machines dispensing only gum balls, hard candy, unsorted candy, or ice manufactured and packaged by another ~~shall be, and water dispensing machines serviced by a cashier, are~~ exempt from the state inspection fee, but may be inspected by the state. A home rule charter or statutory city may impose by ordinance an inspection or license fee of no more than the state inspection fee for nonexempt machines on the vending machines and water dispensing machines described in this paragraph. A county may impose by ordinance an inspection or license fee of no more than the state inspection fee for nonexempt machines on the vending machines and water dispensing machines described in this paragraph which are not located in a home rule charter or statutory city.

(c) Vending machines dispensing only bottled or canned soft drinks are exempt from the state, home rule charter or statutory city, and county inspection fees, but may be inspected by the commissioner or the commissioner's designee.

Sec. 15. Minnesota Statutes 2006, section 29.23, is amended to read:

### **29.23 GRADING.**

Subdivision 1. **Grades, weight classes and standards for quality.** All eggs purchased on the basis of grade by the first licensed buyer shall be graded in accordance with grade and weight classes established by the commissioner. The commissioner shall establish, by rule, and from time to time, may amend or revise, grades, weight classes, and standards for quality. When grades, weight classes, and standards for quality have been fixed by the secretary of the Department of Agriculture of the United States, they ~~may~~ must be accepted and published by the commissioner as definitions or standards for eggs in interstate and intrastate commerce.

Subd. 2. **Equipment.** The commissioner shall also by rule provide for minimum plant and equipment requirements for candling, grading, handling and storing eggs, and shall define candling. Equipment in use by a wholesale food handler before July 1, 1991, that does not meet the design and fabrication requirements of this chapter may remain in use if it is in good repair, capable of being maintained in a sanitary condition, and capable of maintaining a temperature of 45 degrees Fahrenheit (7 degrees Celsius) or less.

Subd. 3. **Egg temperature.** Eggs must be held at a temperature not to exceed 45 degrees Fahrenheit (7 degrees Celsius) after being received by the egg handler except for cleaning, sanitizing, grading, and further processing when they must immediately be placed under refrigeration that is maintained at 45 degrees Fahrenheit (7 degrees Celsius) or below. Eggs offered for ~~retail~~ sale by a retail food handler must be held at a temperature not to exceed ~~45~~ 41 degrees Fahrenheit (7 degrees Celsius). Equipment in use prior to August 1, 1991, is not subject to this requirement. Shell eggs that have been frozen must not be offered for sale except as approved by the commissioner.

Subd. 4. **Vehicle temperature.** A vehicle used ~~for the transportation of~~ to transport shell eggs from a warehouse, retail store, candling and grading facility, or egg holding facility must have an ambient air temperature of 45 degrees Fahrenheit (7 degrees Celsius) or below.

Sec. 16. Minnesota Statutes 2006, section 31.05, is amended to read:

### **31.05 EMBARGOES AND CONDEMNATIONS.**

Subdivision 1. **Definitions.** As used in this section, "animals" means cattle; swine; sheep; goats; poultry; farmed cervidae, as defined in section 35.153, subdivision 3; llamas, as defined in section 17.455, subdivision 2; ratitae, as defined in section 17.453, subdivision 3; equines; and other large domesticated animals.

Subd. 1a. **Tag or notice.** A duly authorized agent of the commissioner who finds or has probable cause to believe that any food, animal, or consumer commodity is adulterated or so misbranded as to be dangerous or fraudulent, or is in violation of section 31.131 shall affix to such article or animal a tag or other appropriate marking giving notice that such article or animal is, or is suspected of being, adulterated or misbranded and has been detained or embargoed, and warning all persons not to remove or dispose of such article or animal by sale or otherwise until permission for removal or disposal is given by such agent or the court. It shall be unlawful for any person to remove or dispose of such detained or embargoed article or animal by sale or otherwise without such permission.

Subd. 2. **Action for condemnation.** When an article or animal detained or embargoed under subdivision 1 has been found by such agent to be adulterated, or misbranded, the agent shall petition the district court in the county in which the article or animal is detained or embargoed for an order and decree for the condemnation of such article or animal. Any such agent who has found that an article or animal so detained or embargoed is not adulterated or misbranded, shall remove the tag or other marking.

Subd. 3. **Remedies.** If the court finds that a detained or embargoed article or animal is adulterated or misbranded, such article or animal shall, after entry of the decree, be destroyed at the expense of the claimant thereof, under the supervision of such agent, and all court costs and fees, and storage and other proper expenses, shall be taxed against the claimant of such article or animal or the claimant's agent; provided, that when the adulteration or misbranding can be corrected by proper labeling or processing of the article or animal, the court, after entry of the decree and after such costs, fees, and expenses have been paid and a good and sufficient bond, conditioned that such article or animal shall be so labeled or processed, has been executed, may by order direct that such article or animal be delivered to claimant thereof for such labeling or processing under the supervision of an agent of the commissioner. The expense of such supervision shall be paid by claimant. The article or animal shall be returned to the claimant and the bond shall be discharged on

the representation to the court by the commissioner that the article or animal is no longer in violation and that the expenses of such supervision have been paid.

Subd. 4. **Duties of commissioner.** Whenever the commissioner or any of the commissioner's authorized agents shall find in any room, building, vehicle of transportation or other structure, any meat, seafood, poultry, vegetable, fruit, or other perishable articles of food which are unsound, or contain any filthy, decomposed, or putrid substance, or that may be poisonous or deleterious to health or otherwise unsafe, the same being hereby declared to be a nuisance, the commissioner, or the commissioner's authorized agent, shall forthwith condemn or destroy the same, or in any other manner render the same unsalable as human food, and no one shall have any cause of action against the commissioner or the commissioner's authorized agent on account of such action.

Subd. 5. **Emergency response.** In the event of an emergency declared by the governor's order under section 12.31, if the commissioner finds or has probable cause to believe that ~~a~~ livestock, food, or a consumer commodity within a specific area is likely to be adulterated because of the emergency or so misbranded as to be dangerous or fraudulent, or is in violation of section 31.131, subdivision 1, the commissioner may embargo a geographic area that is included in the declared emergency. The commissioner shall provide notice to the public and to those with custody of the product in as thorough a manner as is practical under the emergency circumstances.

Sec. 17. Minnesota Statutes 2006, section 31.171, is amended to read:

**31.171 EMPLOYMENT OF DISEASED PERSON.**

It shall be unlawful for any person to work in or about any place where any fruit or any food products are manufactured, packed, stored, deposited, collected, prepared, produced or sold, whose condition is such that disease may be spread to associates direct, or through the medium of milk, cream, butter, other food or food products, likely to be eaten without being cooked after handling, whether such condition be due to a contagious, or infectious, ~~or venereal~~ disease, in its active or convalescent stage, or to the presence of disease germs, whether accompanied by, or without, any symptoms of the disease itself.

It shall be the duty of the commissioner, or the commissioner's assistant, inspector, or agent, to report to the state commissioner of health for investigation, any person suspected to be dangerous to the public health, as provided for in this section, and immediately to exclude such person from such employment pending investigation and during the period of infectiousness, if such person is certified by the state commissioner of health, or an authorized agent, to be dangerous to the public health.

Sec. 18. Minnesota Statutes 2007 Supplement, section 31.175, is amended to read:

**31.175 WATER, PLUMBING, AND SEWAGE.**

A person who is required by statutes administered by the Department of Agriculture, or by rules adopted pursuant to those statutes, to provide a suitable water supply, or plumbing or sewage disposal system, ~~may~~ shall not engage in the business of manufacturing, processing, selling, handling, or storing food at wholesale or retail unless the person's water supply is satisfactory ~~under plumbing codes~~ pursuant to rules adopted by the Department of Health, the person's plumbing is satisfactory pursuant to rules adopted by the Department of Labor and Industry, and the person's sewage disposal system satisfies the rules of the Pollution Control Agency.

**Sec. 19. [32.416] SOMATIC CELL COUNT, GOAT MILK.**

Notwithstanding any federal standard incorporated by reference in this chapter, the maximum allowable somatic cell count for raw goat milk is 1,500,000 cells per milliliter.

Sec. 20. Minnesota Statutes 2006, section 41A.09, subdivision 3a, is amended to read:

Subd. 3a. **Ethanol producer payments.** (a) The commissioner shall make cash payments to producers of ethanol located in the state that have begun production at a specific location by June 30, 2000. For the purpose of this subdivision, an entity that holds a controlling interest in more than one ethanol plant is considered a single producer. The amount of the payment for each producer's annual production, except as provided in paragraph (c), is 20 cents per gallon for each gallon of ethanol produced at a specific location on or before June 30, 2000, or ten years after the start of production, whichever is later. Annually, within 90 days of the end of its fiscal year, an ethanol producer receiving payments under this subdivision must file a disclosure statement on a form provided by the commissioner. The initial disclosure statement must include a summary description of the organization of the business structure of the claimant, a listing of the percentages of ownership by any person or other entity with an ownership interest of five percent or greater, and a copy of its annual audited financial statements, including the auditor's report and footnotes. The disclosure statement must include information demonstrating what percentage of the entity receiving payments under this section is owned by farmers or other entities eligible to farm or own agricultural land in Minnesota under the provisions of section 500.24. Subsequent annual reports must reflect noncumulative changes in ownership of ten percent or more of the entity. The report need not disclose the identity of the persons or entities eligible to farm or own agricultural land with ownership interests, individuals residing within 30 miles of the plant, or of any other entity with less than ten percent ownership interest, but the claimant must retain information within its files confirming the accuracy of the data provided. This data must be made available to the commissioner upon request. Not later than the 15th day of February in each year the commissioner shall deliver to the chairs of the standing committees of the senate and the house of representatives that deal with agricultural policy and agricultural finance issues an annual report summarizing aggregated data from plants receiving payments under this section during the preceding calendar year. Audited financial statements and notes and disclosure statements submitted to the commissioner are nonpublic data under section 13.02, subdivision 9. Notwithstanding the provisions of chapter 13 relating to nonpublic data, summaries of the submitted audited financial reports and notes and disclosure statements will be contained in the report to the committee chairs and will be public data.

(b) No payments shall be made for ethanol production that occurs after June 30, 2010. A producer of ethanol shall not transfer the producer's eligibility for payments under this section to an ethanol plant at a different location.

(c) If the level of production at an ethanol plant increases due to an increase in the production capacity of the plant, the payment under paragraph (a) applies to the additional increment of production until ten years after the increased production began. Once a plant's production capacity reaches 15,000,000 gallons per year, no additional increment will qualify for the payment.

(d) Total payments under paragraphs (a) and (c) to a producer in a fiscal year may not exceed \$3,000,000.

(e) By the last day of October, January, April, and July, each producer shall file a claim for payment for ethanol production during the preceding three calendar months. A producer that files a claim under this subdivision shall include a statement of the producer's total ethanol production in Minnesota during the quarter covered by the claim. For each claim and statement of total ethanol production filed under this subdivision, the volume of ethanol production must be examined by an independent certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants.

(f) Payments shall be made November 15, February 15, May 15, and August 15. A separate payment shall be made for each claim filed. Except as provided in paragraph (g), the total quarterly payment to a producer under this paragraph may not exceed \$750,000.

(g) Notwithstanding the quarterly payment limits of paragraph (f), the commissioner shall make an additional payment in the fourth quarter of each fiscal year to ethanol producers for the lesser of: (1) 20 cents per gallon of production in the fourth quarter of the year that is greater than 3,750,000 gallons; or (2) the total amount of payments lost during the first three quarters of the fiscal year due to plant outages, repair, or major maintenance. Total payments to an ethanol producer in a fiscal year, including any payment under this paragraph, must not exceed the total amount the producer is eligible to receive based on the producer's approved production capacity. The provisions of this paragraph apply only to production losses that occur in quarters beginning after December 31, 1999.

(h) The commissioner shall reimburse ethanol producers for any deficiency in payments during earlier quarters if the deficiency occurred because of unallotment or because appropriated money was insufficient to make timely payments in the full amount provided in paragraph (a). Notwithstanding the quarterly or annual payment limitations in this subdivision, the commissioner shall begin making payments for earlier deficiencies in each fiscal year that appropriations for ethanol payments exceed the amount required to make eligible scheduled payments. Payments for earlier deficiencies must continue until the deficiencies for each producer are paid in full, except the commissioner shall not make a deficiency payment to an entity that no longer produces ethanol on a commercial scale at the location for which the entity qualified for producer payments, or to an assignee of the entity.

(i) The commissioner may make direct payments to producers of rural economic infrastructure with any amount of the annual appropriation for ethanol producer payments and rural economic infrastructure that is in excess of the amount required to make scheduled ethanol producer payments and deficiency payments under paragraphs (a) to (h).

Sec. 21. Minnesota Statutes 2007 Supplement, section 41A.105, is amended to read:

**41A.105 NEXTGEN ENERGY.**

Subdivision 1. **Purpose.** It is the goal of the state through the Department of Agriculture to research and develop energy sources to displace fossil fuels with renewable technology.

Subd. 2. **NextGen Energy Board.** There is created a NextGen Energy Board consisting of the commissioners of agriculture, commerce, natural resources, the Pollution Control Agency, and employment and economic development; the chairs of the house and senate committees with jurisdiction over energy finance; the chairs of the house and senate committees with jurisdiction over agriculture finance; one member of the second largest

political party in the house, as appointed by the chairs of the house committees with jurisdiction over agriculture finance and energy finance; one member of the second largest political party in the senate, as appointed by the chairs of the senate committees with jurisdiction over agriculture finance and energy finance; and the executive director of the Agricultural Utilization Research Institute. In addition, the governor shall appoint ~~seven~~ eight members: two representing statewide agriculture organizations; two representing statewide environment and natural resource conservation organizations; one representing the University of Minnesota; one representing the Minnesota Institute for Sustainable Agriculture; ~~and~~ one representing the Minnesota State Colleges and Universities system; and one representing the forest products industry.

Subd. 3. **Duties.** The board shall research and report to the commissioner of agriculture and to the legislature recommendations as to how the state can invest its resources to most efficiently achieve energy independence, agricultural and natural resources sustainability, and rural economic vitality. The board shall:

(1) examine the future of fuels, such as synthetic gases, biobutanol, hydrogen, methanol, biodiesel, and ethanol within Minnesota;

(2) develop equity grant programs to assist locally owned facilities;

(3) study the proper role of the state in creating financing and investing and providing incentives;

(4) evaluate how state and federal programs, including the Farm Bill, can best work together and leverage resources;

(5) work with other entities and committees to develop a clean energy program; and

(6) report to the legislature before February 1 each year with recommendations as to appropriations and results of past actions and projects.

Subd. 4. **Commissioner's duties.** The commissioner of agriculture shall administer this section.

Subd. 5. **Expiration.** This section expires June 30, ~~2009~~ 2014.

Sec. 22. Minnesota Statutes 2006, section 41D.01, subdivision 4, is amended to read:

Subd. 4. **Expiration.** This section expires on June 30, ~~2008~~ 2013.

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

Sec. 23. Minnesota Statutes 2006, section 97A.028, subdivision 3, is amended to read:

Subd. 3. **Emergency deterrent materials assistance.** (a) For the purposes of this subdivision, "cooperative damage management agreement" means an agreement between a landowner or tenant and the commissioner that establishes a program for addressing the problem of destruction of the landowner's or tenant's specialty crops or stored forage crops by wild animals, or destruction of agricultural crops by flightless Canada geese.

(b) A landowner or tenant may apply to the commissioner for emergency deterrent materials assistance in controlling destruction of the landowner's or tenant's specialty crops or stored forage crops by wild animals, or destruction of agricultural crops by flightless Canada geese. Subject to the availability of money appropriated for this purpose,

the commissioner shall provide suitable deterrent materials when the commissioner determines that:

(1) immediate action is necessary to prevent significant damage from continuing ~~or to prevent the spread of bovine tuberculosis~~; and

(2) a cooperative damage management agreement cannot be implemented immediately.

(c) A person may receive emergency deterrent materials assistance under this subdivision more than once, but the cumulative total value of deterrent materials provided to a person, or for use on a parcel, may not exceed \$3,000 for specialty crops, ~~\$5,000 for measures to prevent the spread of bovine tuberculosis within a five-mile radius of a cattle herd that is infected with bovine tuberculosis as determined by the Board of Animal Health~~, \$750 for protecting stored forage crops, or \$500 for agricultural crops damaged by flightless Canada geese. If a person is a co-owner or cotenant with respect to the specialty crops for which the deterrent materials are provided, the deterrent materials are deemed to be "provided" to the person for the purposes of this paragraph.

(d) As a condition of receiving emergency deterrent materials assistance under this subdivision, a landowner or tenant shall enter into a cooperative damage management agreement with the commissioner. Deterrent materials provided by the commissioner may include repellents, fencing materials, or other materials recommended in the agreement to alleviate the damage problem. If requested by a landowner or tenant, any fencing materials provided must be capable of providing long-term protection of specialty crops. A landowner or tenant who receives emergency deterrent materials assistance under this subdivision shall comply with the terms of the cooperative damage management agreement.

Sec. 24. Minnesota Statutes 2006, section 148.01, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purposes of sections 148.01 to 148.10~~;~~

(1) "chiropractic" is defined as the science of adjusting any abnormal articulations of the human body, especially those of the spinal column, for the purpose of giving freedom of action to impinged nerves that may cause pain or deranged function; and

(2) "animal chiropractic diagnosis and treatment" means treatment that includes identifying and resolving vertebral subluxation complexes, spinal manipulation, and manipulation of the extremity articulations of nonhuman vertebrates. Animal chiropractic diagnosis and treatment does not include:

- (i) performing surgery;
- (ii) dispensing or administering of medications; or
- (iii) performing traditional veterinary care and diagnosis.

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

Sec. 25. Minnesota Statutes 2006, section 148.01, is amended by adding a subdivision to read:

Subd. 1a. **Animal chiropractic practice.** A licensed chiropractor may engage in the practice of animal chiropractic diagnosis and treatment if registered to do so by the board, and the animal has been referred to the chiropractor by a veterinarian.

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

Sec. 26. Minnesota Statutes 2006, section 148.01, is amended by adding a subdivision to read:

Subd. 1b. **Scope of practice; animal chiropractic.** Criteria for registration to engage in the practice of animal chiropractic diagnosis and treatment must be set by the board, and must include, but are not limited to: active chiropractic license; education and training in the field of animal chiropractic from an American Veterinary Chiropractic Association, International Veterinary Chiropractic Association, or higher institution-approved course consisting of no less than 210 hours, meeting continuing education requirements; and other conditions and rules set by the board. The board shall consult with the State Board of Veterinary Medicine in preparing proposed rules on animal chiropractic.

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

Sec. 27. Minnesota Statutes 2006, section 148.01, is amended by adding a subdivision to read:

Subd. 1c. **Titles.** Notwithstanding the limitations established in section 156.12, subdivision 4, a doctor of chiropractic properly registered to provide chiropractic care to animals in accordance with this chapter and rules of the board may use the title "animal chiropractor."

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

Sec. 28. Minnesota Statutes 2006, section 148.01, is amended by adding a subdivision to read:

Subd. 1d. **Provisional interim statute.** Upon approval by the board, a licensed chiropractor who has already taken and passed the education and training requirement set forth in subdivision 1b may engage in the practice of animal chiropractic during the time that the rules are being promulgated by the board. Enforcement actions may not be taken against persons who have completed the approved program of study by the American Veterinary Chiropractic Association or the International Veterinary Chiropractic Association until the rules have been adopted by the board.

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

Sec. 29. **[148.032] EDUCATIONAL CRITERIA FOR LICENSURE IN ANIMAL CHIROPRACTIC DIAGNOSIS AND TREATMENT; RECORDS; TREATMENT NOTES.**

(a) The following educational criteria must be applied to any licensed chiropractor who requests registration in animal chiropractic diagnosis and treatment. The criteria must include education and training in the following subjects:

(1) anatomy;

(2) anatomy laboratory;

(3) biomechanics and gait;

- (4) chiropractic educational basics;
- (5) animal chiropractic diversified adjusting technique, including:
  - (i) lecture cervical;
  - (ii) thoracic;
  - (iii) lumbosacral;
  - (iv) pelvic; and
  - (v) extremity;
- (6) animal chiropractic diversified adjusting technique, including:
  - (i) laboratory cervical;
  - (ii) thoracic;
  - (iii) lumbosacral;
  - (iv) pelvic; and
  - (v) extremity;
- (7) case management and case studies;
- (8) chiropractic philosophy;
- (9) ethics and legalities;
- (10) neurology, neuroanatomy, and neurological conditions;
- (11) pathology;
- (12) radiology;
- (13) research in current chiropractic and veterinary topics;
- (14) rehabilitation, current topics, evaluation, and assessment;
- (15) normal foot anatomy and normal foot care;
- (16) saddle fit and evaluation, lecture, and laboratory;
- (17) veterinary educational basics;
- (18) vertebral subluxation complex; and
- (19) zoonotic diseases.

(b) A licensed chiropractor requesting registration in animal chiropractic diagnosis and treatment must have completed and passed a course of study from an American Veterinary Chiropractic Association, International Veterinary Chiropractic Association, or higher institution-approved program, consisting of no less than 210 hours of education and training as set forth in paragraph (a).

(c) A licensed chiropractor engaged in the practice of animal chiropractic diagnosis and treatment must maintain complete and accurate records and patient files in the chiropractor's office for at least three years.

(d) A licensed chiropractor engaged in the practice of animal chiropractic diagnosis and treatment must make treatment notes and records available to the patient's owner

upon request and must communicate their findings and treatment plan with the referring veterinarian if requested by the patient's owner.

(e) A licensed chiropractor who treats both animal and human patients in the same facility must post a conspicuous sign in the reception area of that facility informing customers that nonhuman patients are treated on the premises.

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

Sec. 30. **[148.033] ANIMAL CHIROPRACTIC CONTINUING EDUCATION HOURS.**

Any chiropractor engaged in the practice of animal chiropractic diagnosis and treatment applying for renewal of a registration related to animal chiropractic diagnosis and treatment must have completed a minimum of six hours annually of continuing education in animal chiropractic diagnosis and treatment, in addition to the required 20 hours annually of continuing education in human chiropractic under this chapter. The continuing education course attended for purposes of complying with this section must be approved by the board prior to attendance by the chiropractor.

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

Sec. 31. **[148.035] SEPARATE TREATMENT ROOM REQUIRED.**

A licensed chiropractor who provides animal chiropractic treatment in the same facility where human patients are treated, shall maintain a separate noncarpeted room for the purpose of adjusting animals. The table and equipment used for animals shall not be used for human patients.

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

Sec. 32. Minnesota Statutes 2006, section 156.001, is amended by adding a subdivision to read:

Subd. 10a. **Program for the Assessment of Veterinary Education Equivalence; PAVE certificate.** A "Program for the Assessment of Veterinary Education Equivalence" or "PAVE" certificate is issued by the American Association of Veterinary State Boards, indicating that the holder has demonstrated knowledge and skill equivalent to that possessed by a graduate of an accredited or approved college of veterinary medicine.

Sec. 33. Minnesota Statutes 2006, section 156.02, subdivision 1, is amended to read:

Subdivision 1. **License application.** Application for a license to practice veterinary medicine in this state shall be made in writing to the Board of Veterinary Medicine upon a form furnished by the board, accompanied by satisfactory evidence that the applicant is at least 18 years of age, is of good moral character, and has one of the following:

(1) a diploma conferring the degree of doctor of veterinary medicine, or an equivalent degree, from an accredited or approved college of veterinary medicine;

(2) an ECFVG or PAVE certificate; or

(3) a certificate from the dean of an accredited or approved college of veterinary medicine stating that the applicant is a student in good standing expecting to be graduated

at the completion of the current academic year of the college in which the applicant is enrolled.

The application shall contain the information and material required by subdivision 2 and any other information that the board may, in its sound judgment, require. The application shall be filed with the board at least 60 days before the date of the examination. If the board deems it advisable, it may require that such application be verified by the oath of the applicant.

Sec. 34. Minnesota Statutes 2006, section 156.02, subdivision 2, is amended to read:

Subd. 2. **Required with application.** Every application shall contain the following information and material:

(1) the application fee set by the board in the form of a check or money order payable to the board, which fee is not returnable in the event permission to take the examination is denied for good cause;

(2) a copy of a diploma from an accredited or approved college of veterinary medicine or a certificate from the dean or secretary of an accredited or approved college of veterinary medicine showing the time spent in the school and the date when the applicant was duly and regularly graduated or will duly and regularly graduate or verification of ECFVG or PAVE certification;

(3) affidavits of at least two veterinarians and three adults who are not related to the applicant setting forth how long a time, when, and under what circumstances they have known the applicant, and any other facts as may be proper to enable the board to determine the qualifications of the applicant; and

(4) if the applicant has served in the armed forces, a copy of discharge papers.

Sec. 35. Minnesota Statutes 2006, section 156.04, is amended to read:

#### **156.04 BOARD TO ISSUE LICENSE.**

The Board of Veterinary Medicine shall issue to every applicant who has successfully passed the required examination, who has received a diploma conferring the degree of doctor of veterinary medicine or an equivalent degree from an accredited or approved college of veterinary medicine or an ECFVG or PAVE certificate, and who shall have been adjudged to be duly qualified to practice veterinary medicine, a license to practice.

Sec. 36. Minnesota Statutes 2006, section 156.072, subdivision 2, is amended to read:

Subd. 2. **Required with application.** Such doctor of veterinary medicine shall accompany the application by the following:

(1) a copy of a diploma from an accredited or approved college of veterinary medicine or certification from the dean, registrar, or secretary of an accredited or approved college of veterinary medicine attesting to the applicant's graduation from an accredited or approved college of veterinary medicine, or a certificate of satisfactory completion of the ECFVG or PAVE program.

(2) affidavits of two licensed practicing doctors of veterinary medicine residing in the United States or Canadian licensing jurisdiction in which the applicant is currently practicing, attesting that they are well acquainted with the applicant, that the applicant is a

person of good moral character, and has been actively engaged in practicing or teaching in such jurisdiction for the period above prescribed;

(3) a certificate from the regulatory agency having jurisdiction over the conduct of practice of veterinary medicine that such applicant is in good standing and is not the subject of disciplinary action or pending disciplinary action;

(4) a certificate from all other jurisdictions in which the applicant holds a currently active license or held a license within the past ten years, stating that the applicant is and was in good standing and has not been subject to disciplinary action;

(5) in lieu of clauses (3) and (4), certification from the Veterinary Information Verification Agency that the applicant's licensure is in good standing;

(6) a fee as set by the board in form of check or money order payable to the board, no part of which shall be refunded should the application be denied;

(7) score reports on previously taken national examinations in veterinary medicine, certified by the Veterinary Information Verification Agency; and

(8) if requesting waiver of examination, provide evidence of meeting licensure requirements in the state of the applicant's original licensure that were substantially equal to the requirements for licensure in Minnesota in existence at that time.

Sec. 37. Minnesota Statutes 2006, section 156.073, is amended to read:

**156.073 TEMPORARY PERMIT.**

The board may issue without examination a temporary permit to practice veterinary medicine in this state to a person who has submitted an application approved by the board for license pending examination, and holds a doctor of veterinary medicine degree or an equivalent degree from an approved or accredited college of veterinary medicine or an ECFVG or PAVE certification. The temporary permit shall expire the day after publication of the notice of results of the first examination given after the permit is issued. No temporary permit may be issued to any applicant who has previously failed the national examination and is currently not licensed in any licensing jurisdiction of the United States or Canada or to any person whose license has been revoked or suspended or who is currently subject to a disciplinary order in any licensing jurisdiction of the United States or Canada.

Sec. 38. Minnesota Statutes 2006, section 156.12, subdivision 2, is amended to read:

Subd. 2. **Authorized activities.** No provision of this chapter shall be construed to prohibit:

(a) a person from rendering necessary gratuitous assistance in the treatment of any animal when the assistance does not amount to prescribing, testing for, or diagnosing, operating, or vaccinating and when the attendance of a licensed veterinarian cannot be procured;

(b) a person who is a regular student in an accredited or approved college of veterinary medicine from performing duties or actions assigned by instructors or preceptors or working under the direct supervision of a licensed veterinarian;

(c) a veterinarian regularly licensed in another jurisdiction from consulting with a licensed veterinarian in this state;

(d) the owner of an animal and the owner's regular employee from caring for and administering to the animal belonging to the owner, except where the ownership of the animal was transferred for purposes of circumventing this chapter;

(e) veterinarians who are in compliance with subdivision 6 and who are employed by the University of Minnesota from performing their duties with the College of Veterinary Medicine, College of Agriculture, Agricultural Experiment Station, Agricultural Extension Service, Medical School, School of Public Health, or other unit within the university; or a person from lecturing or giving instructions or demonstrations at the university or in connection with a continuing education course or seminar to veterinarians or pathologists at the University of Minnesota Veterinary Diagnostic Laboratory;

(f) any person from selling or applying any pesticide, insecticide or herbicide;

(g) any person from engaging in bona fide scientific research or investigations which reasonably requires experimentation involving animals;

(h) any employee of a licensed veterinarian from performing duties other than diagnosis, prescription or surgical correction under the direction and supervision of the veterinarian, who shall be responsible for the performance of the employee;

(i) a graduate of a foreign college of veterinary medicine from working under the direct personal instruction, control, or supervision of a veterinarian faculty member of the College of Veterinary Medicine, University of Minnesota in order to complete the requirements necessary to obtain an ECFVG or PAVE certificate;

(j) a licensed chiropractor registered under section 148.01, subdivision 1a, from practicing animal chiropractic.

Sec. 39. Minnesota Statutes 2006, section 156.12, subdivision 4, is amended to read:

Subd. 4. **Titles.** It is unlawful for a person who has not received a professional degree from an accredited or approved college of veterinary medicine, or ECFVG or PAVE certification, to use any of the following titles or designations: Veterinary, veterinarian, animal doctor, animal surgeon, animal dentist, animal chiropractor, animal acupuncturist, or any other title, designation, word, letter, abbreviation, sign, card, or device tending to indicate that the person is qualified to practice veterinary medicine.

Sec. 40. Minnesota Statutes 2006, section 156.12, subdivision 6, is amended to read:

Subd. 6. **Faculty licensure.** (a) Veterinary Medical Center clinicians at the College of Veterinary Medicine, University of Minnesota, who are engaged in the practice of veterinary medicine as defined in subdivision 1 and who treat animals owned by clients of the Veterinary Medical Center must possess the same license required by other veterinary practitioners in the state of Minnesota except for persons covered by paragraphs (b) and (c).

(b) A specialty practitioner in a hard-to-fill faculty position who has been employed at the College of Veterinary Medicine, University of Minnesota, for five years or more prior to 2003 or is specialty board certified by the American Veterinary Medical Association or the European Board of Veterinary Specialization may be granted a specialty faculty Veterinary Medical Center clinician license which will allow the licensee to practice veterinary medicine in the state of Minnesota in the specialty area of the licensee's training and only within the scope of employment at the Veterinary Medical Center.

(c) A specialty practitioner in a hard-to-fill faculty position at the College of Veterinary Medicine, University of Minnesota, who has graduated from a board-approved foreign veterinary school may be granted a temporary faculty Veterinary Medical Center clinician license. The temporary faculty Veterinary Medical Center clinician license expires in two years and allows the licensee to practice veterinary medicine as defined in subdivision 1 and treat animals owned by clients of the Veterinary Medical Center. The temporary faculty Veterinary Medical Center clinician license allows the licensee to practice veterinary medicine in the state of Minnesota in the specialty area of the licensee's training and only within the scope of employment at the Veterinary Medical Center while under the direct supervision of a veterinarian currently licensed and actively practicing veterinary medicine in Minnesota, as defined in section 156.04. The direct supervising veterinarian must not have any current or past conditions, restrictions, or probationary status imposed on the veterinarian's license by the board within the past five years. The holder of a temporary faculty Veterinary Medical Center clinician license who is enrolled in a PhD program may apply for up to two additional consecutive two-year extensions of an expiring temporary faculty Veterinary Medical Center clinician license. Any other holder of a temporary faculty Veterinary Medical Center clinician license may apply for one two-year extension of the expiring temporary faculty Veterinary Medical Center clinician license. Temporary faculty Veterinary Medical Center clinician licenses that are allowed to expire may not be renewed. The board shall grant an extension to a licensee who demonstrates suitable progress toward completing the requirements of their academic program, specialty board certification, or full licensure in Minnesota by a graduate of a foreign veterinary college.

(d) Temporary and specialty faculty Veterinary Medical Center clinician licensees must abide by all the laws governing the practice of veterinary medicine in the state of Minnesota and are subject to the same disciplinary action as any other veterinarian licensed in the state of Minnesota.

(e) The fee for a license issued under this subdivision is the same as for a regular license to practice veterinary medicine in Minnesota. License payment deadlines, late payment fees, and other license requirements are also the same as for regular licenses.

Sec. 41. Minnesota Statutes 2006, section 156.15, subdivision 2, is amended to read:

Subd. 2. **Service.** Service of an order under this section is effective if the order is served on the person or counsel of record personally or by ~~certified~~ United States mail to the most recent address provided to the board for the person or counsel of record.

Sec. 42. Minnesota Statutes 2006, section 156.16, subdivision 3, is amended to read:

Subd. 3. **Dispensing.** "Dispensing" means distribution of veterinary prescription drugs or over-the-counter drugs, human drugs for extra-label use, for extra-label use by a person licensed as a pharmacist by the Board of Pharmacy or a person licensed by the Board of Veterinary Medicine.

Sec. 43. Minnesota Statutes 2006, section 156.16, subdivision 10, is amended to read:

Subd. 10. **Prescription.** "Prescription" means an order from a veterinarian to a pharmacist or another veterinarian authorizing the dispensing of ~~a~~ veterinary prescription drug ~~drugs,~~ human drugs for extra-label use, or over-the-counter drugs for extra-label use to a client for use on or in a patient.

Sec. 44. Minnesota Statutes 2006, section 156.18, subdivision 1, is amended to read:

Subdivision 1. **Prescription.** (a) A person may not dispense a veterinary prescription drug to a client without a prescription or other veterinary authorization. A person may not make extra-label use of an animal or human drug for an animal without a prescription from a veterinarian. A veterinarian or the veterinarian's authorized employee may dispense ~~a veterinary prescription drug to~~ drugs, human drugs for extra-label use, or an over-the-counter drug for extra-label use by a client ~~or oversee the extra-label use of a veterinary drug directly by a client~~ without a separate written prescription, providing there is documentation of the prescription in the medical record and there is an existing veterinarian-client-patient relationship. The prescribing veterinarian must monitor the use of veterinary prescription drugs, human drugs for extra-label use, or over-the-counter drugs for extra-label use by a client.

(b) A veterinarian may dispense prescription veterinary drugs and prescribe and dispense extra-label use drugs to a client without personally examining the animal if a bona fide veterinarian-client-patient relationship exists and in the judgment of the veterinarian the client has sufficient knowledge to use the drugs properly.

(c) A veterinarian may issue a prescription or other veterinary authorization by oral or written communication to the dispenser, or by computer connection. If the communication is oral, the veterinarian must enter it into the patient's record. The dispenser must record the veterinarian's prescription or other veterinary authorization within 72 hours.

(d) A prescription or other veterinary authorization must include:

- (1) the name, address, and, if written, the signature of the prescriber;
- (2) the name and address of the client;
- (3) identification of the species for which the drug is prescribed or ordered;
- (4) the name, strength, and quantity of the drug;
- (5) the date of issue;
- (6) directions for use; ~~and~~
- (7) withdrawal time; ~~and~~
- (8) expiration date of prescription; and
- (9) number of authorized refills.

(e) A veterinarian may, in the course of professional practice and an existing veterinarian-client-patient relationship, prepare medicaments that combine drugs approved by the United States Food and Drug Administration and other legally obtained ingredients with appropriate vehicles.

(f) A veterinarian or a bona fide employee of a veterinarian may dispense veterinary prescription drugs to a person on the basis of a prescription issued by a licensed veterinarian. The provisions of paragraphs (c) and (d) apply.

(g) This section does not limit the authority of the Minnesota Racing Commission to regulate veterinarians providing services at a licensed racetrack.

Sec. 45. Minnesota Statutes 2006, section 156.18, subdivision 2, is amended to read:

Subd. 2. **Label of dispensed veterinary drugs.** (a) A veterinarian or the veterinarian's authorized agent or employee dispensing a veterinary prescription drug ~~or prescribing the extra-label use of an over-the-counter drug, an over-the-counter drug for extra-label use, or a human drug for extra-label use~~ must provide written information which includes the name and address of the veterinarian, date of filling, species of patient, name or names of drug, strength of drug or drugs, directions for use, withdrawal time, and cautionary statements, if any, appropriate for the drug.

(b) If the veterinary drug has been prepared, mixed, formulated, or packaged by the dispenser, all of the information required in paragraph (a) must be provided on a label affixed to the container.

(c) If the veterinary drug is in the manufacturer's original package, the information required in paragraph (a) must be supplied in writing but need not be affixed to the container. Information required in paragraph (a) that is provided by the manufacturer on the original package does not need to be repeated in the separate written information. Written information required by this paragraph may be written on the sales invoice.

Sec. 46. Minnesota Statutes 2006, section 156.19, is amended to read:

**156.19 EXTRA-LABEL USE.**

A person, other than a veterinarian or ~~a person working under the control~~ an employee of a veterinarian, must not make extra-label use of a veterinary drug in or on a food-producing animal, unless permitted by the prescription of a veterinarian. A veterinarian may prescribe the extra-label use of a ~~veterinary~~ drug if:

(1) the veterinarian makes a careful medical diagnosis within the context of a valid veterinarian-client-patient relationship;

(2) the veterinarian determines that there is no marketed drug specifically labeled to treat the condition diagnosed, or that drug therapy as recommended by the labeling has, in the judgment of the attending veterinarian, been found to be clinically ineffective;

(3) the veterinarian recommends procedures to ensure that the identity of the treated animal will be carefully maintained; ~~and~~

(4) the veterinarian prescribes a significantly extended time period for drug withdrawal before marketing meat, milk, or eggs; and

(5) the veterinarian has met the criteria established in Code of Federal Regulations, title 21, part 530, which define the extra-label use of medication in or on animals.

Sec. 47. Minnesota Statutes 2006, section 239.051, subdivision 15, is amended to read:

Subd. 15. **Ethanol blender.** "Ethanol blender" means a person who blends and distributes, transports, sells, or offers to sell gasoline containing ~~ten percent~~ ethanol ~~by volume~~.

Sec. 48. Minnesota Statutes 2007 Supplement, section 239.761, subdivision 4, is amended to read:

Subd. 4. **Gasoline blended with ethanol; general.** (a) Gasoline may be blended with ~~up to ten percent, by volume,~~ agriculturally derived, denatured ethanol that complies with the requirements of subdivision 5.

(b) A gasoline-ethanol blend must:

(1) comply with the volatility requirements in Code of Federal Regulations, title 40, part 80;

(2) comply with ASTM specification D4814-06, or the gasoline base stock from which a gasoline-ethanol blend was produced must comply with ASTM specification D4814-06; and

(3) not be blended with casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline after the gasoline-ethanol blend has been sold, transferred, or otherwise removed from a refinery or terminal.

Sec. 49. Minnesota Statutes 2007 Supplement, section 239.761, is amended by adding a subdivision to read:

Subd. 4a. **Gasoline blended with ethanol; standard combustion engines.** Gasoline combined with ethanol for use in standard combustion engines may be blended with up to ten percent agriculturally derived, denatured ethanol, by volume, or any percentage specifically authorized in a waiver granted by the United States Environmental Protection Agency under section 211(f)(4) of the Clean Air Act, United States Code, title 42, section 7545, subsection (f), paragraph (4). The gasoline-ethanol blend must comply with the general provisions in subdivision 4.

Sec. 50. Minnesota Statutes 2007 Supplement, section 239.761, is amended by adding a subdivision to read:

Subd. 4b. **Gasoline blended with ethanol; alternative fuel vehicles.** (a) Gasoline blended for use in an alternative fuel vehicle, as defined in section 296A.01, subdivision 5, may contain any percentage of agriculturally derived, denatured ethanol, by volume, not to exceed 85 percent. The gasoline-ethanol blend must comply with the general provisions in subdivision 4. The gasoline and ethanol may be blended by an ethanol blender or at the point of retail sale in an ethanol-blending fuel dispenser clearly labeled "FLEX-FUEL VEHICLES ONLY." If blended by an ethanol blender, the percentage of ethanol in the resulting gasoline-ethanol blend must be clearly identified.

(b) If a person responsible for the product utilizes an ethanol-blending fuel dispenser to dispense both gasoline blended with ethanol for use in alternative fuel vehicles and gasoline blended with ethanol for use in standard combustion engines, the person must ensure that the gasoline blended with ethanol for use in standard combustion engines is dispensed from a fuel-dispensing hose and nozzle or other conveyance dedicated solely to gasoline blended with ethanol for use in standard combustion engines and clearly labeled as such.

(c) A person responsible for the product who complies with the provisions in paragraph (b) is not responsible for a self-service fueling action taken by that person's retail fuel customer.

Sec. 51. Minnesota Statutes 2006, section 239.77, as amended by Laws 2007, chapter 62, sections 3 and 4, is amended to read:

**239.77 BIODIESEL CONTENT MANDATE.**

Subdivision 1. **Biodiesel fuel.** "Biodiesel fuel" means a renewable, biodegradable, mono alkyl ester combustible liquid fuel that is derived from agricultural and other plant

oils or animal fats and that meets American Society For Testing and Materials specification D6751-07 for Biodiesel Fuel (B100) Blend Stock for Distillate Fuels.

Biodiesel produced from palm oil is not biodiesel fuel for the purposes of this section, unless the palm oil is contained within waste oil and grease collected within the United States or Canada.

Subd. 2. **Minimum content.** (a) Except as otherwise provided in this section, all diesel fuel sold or offered for sale in Minnesota for use in internal combustion engines must contain at least ~~2.0 percent~~ the stated percentage of biodiesel fuel oil by volume on and after the following dates:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) railroad locomotives; ~~and~~

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

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

(5) until May 1, 2010, vehicles and equipment used exclusively on an aircraft landing field.

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

(c) This subdivision expires on May 1, 2012.

Subd. 4. **Disclosure.** A refinery or terminal shall provide, at the time diesel fuel is sold or transferred from the refinery or terminal, a bill of lading or shipping manifest to the person who receives the fuel. For biodiesel-blended products, the bill of lading or shipping manifest must disclose biodiesel content, stating volume percentage, gallons of biodiesel per gallons of petroleum diesel base-stock, or an ASTM "Bxx" designation where "xx" denotes the volume percent biodiesel included in the blended product. This

subdivision does not apply to sales or transfers of biodiesel blend stock between refineries, between terminals, or between a refinery and a terminal.

Subd. 5. **Annual report.** Beginning in 2009, the commissioner of agriculture must report by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance regarding the implementation of the minimum content requirements in subdivision 2, including information about the price and supply of biodiesel fuel. The report shall include information about the impacts of the biodiesel mandate on the development of biodiesel production capacity in the state, and on the use of feedstock grown or raised in the state for biodiesel production. The report must include any written comments received from members of the biodiesel fuel task force by January 1 of that year designated by them for inclusion in the report.

Sec. 52. Minnesota Statutes 2006, section 239.7911, subdivision 2, is amended to read:

Subd. 2. **Promotion of renewable liquid fuels.** (a) The commissioner of agriculture, in consultation with the commissioners of commerce and the Pollution Control Agency, shall identify and implement activities necessary for the widespread use of renewable liquid fuels in the state. Beginning November 1, 2005, and continuing through 2015, the commissioners, or their designees, shall work with representatives from the renewable fuels industry, petroleum retailers, refiners, automakers, small engine manufacturers, and other interested groups, to develop annual recommendations for administrative and legislative action.

(b) The activities of the commissioners under this subdivision shall include, but not be limited to:

(1) developing recommendations for incentives for retailers to install equipment necessary for dispensing renewable liquid fuels to the public;

(2) expanding the renewable-fuel options available to Minnesota consumers by obtaining federal approval for the use of E20 and additional blends that contain a greater percentage of ethanol, including but not limited to E30 and E50, as gasoline;

(3) developing recommendations for ensuring that motor vehicles and small engine equipment have access to an adequate supply of fuel;

(4) working with the owners and operators of large corporate automotive fleets in the state to increase their use of renewable fuels; and

(5) working to maintain an affordable retail price for liquid fuels.

Sec. 53. Minnesota Statutes 2006, section 296A.01, subdivision 2, is amended to read:

Subd. 2. **Agricultural alcohol gasoline.** "Agricultural alcohol gasoline" means a gasoline-ethanol blend ~~of up to ten percent agriculturally derived fermentation satisfying the provisions of section 239.761, subdivision 4a or 4b, with~~ ethanol derived from agricultural products, such as potatoes, cereal, grains, cheese whey, sugar beets, forest products, or other renewable resources, ~~that:~~

~~(1) meets the specifications in ASTM specification D4806-04a, and~~

~~(2) is denatured as specified in Code of Federal Regulations, title 27, parts 20 and 21.~~

Sec. 54. Minnesota Statutes 2007 Supplement, section 296A.01, subdivision 8a, is amended to read:

Subd. 8a. **Biodiesel fuel.** "~~Biodiesel fuel" means a renewable, biodegradable, mono alkyl ester combustible liquid fuel derived from agricultural plant oils or animal fats and that meets American Society for Testing and Materials specification D6751-07 for Biodiesel Fuel (B100) Blend Stock for Distillate Fuels~~ has the meaning given in section 239.77, subdivision 1.

Sec. 55. Minnesota Statutes 2007 Supplement, section 296A.01, subdivision 25, is amended to read:

Subd. 25. **Gasoline blended with ethanol.** "~~Gasoline blended with ethanol" means gasoline blended with up to 20 percent, by volume, agriculturally derived, denatured ethanol. The blend must comply with the volatility requirements in Code of Federal Regulations, title 40, part 80. The blend must also comply with ASTM specification D4814-06, or the gasoline base stock from which a gasoline-ethanol blend was produced must comply with ASTM specification D4814-06, and the gasoline-ethanol blend must not be blended with casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline after the gasoline-ethanol blend has been sold, transferred, or otherwise removed from a refinery or terminal. The blend need not comply with ASTM specification D4814-06 if it is subjected to a standard distillation test. For a distillation test, a gasoline-ethanol blend is not required to comply with the temperature specification at the 50 percent liquid recovery point, if the gasoline from which the gasoline-ethanol blend was produced complies with all of the distillation specifications~~ a gasoline-ethanol blend satisfying the provisions of section 239.761, subdivision 4a or 4b.

Sec. 56. Minnesota Statutes 2007 Supplement, section 394.23, is amended to read:

### **394.23 COMPREHENSIVE PLAN.**

The board has the power and authority to prepare and adopt by ordinance, a comprehensive plan. A comprehensive plan or plans when adopted by ordinance must be the basis for official controls adopted under the provisions of sections 394.21 to 394.37. The commissioner of natural resources must provide the natural heritage data from the county biological survey, if available, to each county for use in the comprehensive plan. When adopting or updating the comprehensive plan, the board must, if the data is available to the county, consider natural heritage data resulting from the county biological survey. In a county that is not a greater than 80 percent area, as defined in section 103G.005, subdivision 10b, the board must consider adopting goals and objectives that will protect open space and the environment.

Sec. 57. **[394.231] COMPREHENSIVE PLANS IN GREATER MINNESOTA; OPEN SPACE.**

A county adopting or updating a comprehensive plan in a county outside the metropolitan area as defined by section 473.121, subdivision 2, and that is not a greater than 80 percent area, as defined in section 103G.005, subdivision 10b, shall consider adopting goals and objectives for the preservation of agricultural, forest, wildlife, and open space land, and minimizing development in sensitive shoreland areas. Within three years of updating the comprehensive plan, the county shall consider adopting ordinances

as part of the county's official controls that encourage the implementation of the goals and objectives. The county shall consider the following goals and objectives:

(1) minimizing the fragmentation and development of agricultural, forest, wildlife, and open space lands, including consideration of appropriate minimum lot sizes;

(2) minimizing further development in sensitive shoreland areas;

(3) minimizing development near wildlife management areas, scientific and natural areas, and nature centers;

(4) identification of areas of preference for higher density, including consideration of existing and necessary water and wastewater services, infrastructure, other services, and to the extent feasible, encouraging full development of areas previously zoned for nonagricultural uses;

(5) encouraging development close to places of employment, shopping centers, schools, mass transit, and other public and private service centers;

(6) identification of areas where other developments are appropriate; and

(7) other goals and objectives a county may identify.

Sec. 58. Minnesota Statutes 2006, section 394.232, subdivision 6, is amended to read:

Subd. 6. **Plan update.** The county board, or the board of the joint planning district, shall review and update the community-based comprehensive plan periodically, but at least every ten years, and submit the updated plan to the office of strategic and long-range planning for review and comment. When updating the plan, the county board or the board of the joint planning district must consider natural heritage data resulting from the county biological survey. In a county that is not a greater than 80 percent area, as defined in section 103G.005, subdivision 10b, the board must consider adopting goals and objectives that will protect open space and the environment.

Sec. 59. Minnesota Statutes 2006, section 462.355, subdivision 1, is amended to read:

Subdivision 1. **Preparation and review.** The planning agency shall prepare the comprehensive municipal plan. In discharging this duty the planning agency shall consult with and coordinate the planning activities of other departments and agencies of the municipality to insure conformity with and to assist in the development of the comprehensive municipal plan. In its planning activities the planning agency shall take due cognizance of the planning activities of adjacent units of government and other affected public agencies. The planning agency shall periodically review the plan and recommend amendments whenever necessary. When preparing or recommending amendments to the comprehensive plan, the planning agency of a municipality located within a county that is not a greater than 80 percent area, as defined in section 103G.005, subdivision 10b, must consider adopting goals and objectives that will protect open space and the environment.

Sec. 60. Minnesota Statutes 2006, section 462.357, is amended by adding a subdivision to read:

Subd. 1h. **Comprehensive plans in greater Minnesota; open spaces.** When adopting or updating a comprehensive plan in a municipality located within a county that is not a greater than 80 percent area, as defined in section 103G.005, subdivision 10b, and that is located outside the metropolitan area, as defined by section 473.121, subdivision

2, the municipality shall consider adopting goals and objectives for the preservation of agricultural, forest, wildlife, and open space land and the minimization of development in sensitive shoreland areas. Within three years of updating the comprehensive plan, the municipality shall consider adopting ordinances as part of the municipality's official controls that encourage the implementation of the goals and objectives.

Sec. 61. Minnesota Statutes 2006, section 462.357, is amended by adding a subdivision to read:

Subd. 9. **Development goals and objectives.** In adopting official controls after July 1, 2008, in a municipality outside the metropolitan area, as defined by section 473.121, subdivision 2, the municipality shall consider restricting new residential, commercial, and industrial development so that the new development takes place in areas subject to the following goals and objectives:

(1) minimizing the fragmentation and development of agricultural, forest, wildlife, and open space lands, including consideration of appropriate minimum lot sizes;

(2) minimizing further development in sensitive shoreland areas;

(3) minimizing development near wildlife management areas, scientific and natural areas, and nature centers;

(4) identification of areas of preference for higher density, including consideration of existing and necessary water and wastewater services, infrastructure, other services, and to the extent feasible, encouraging full development of areas previously zoned for nonagricultural uses;

(5) encouraging development close to places of employment, shopping centers, schools, mass transit, and other public and private service centers;

(6) identification of areas where other developments are appropriate; and

(7) other goals and objectives a municipality may identify.

Sec. 62. **TITLE.**

Sections 56 to 61 shall be known as the President Theodore Roosevelt Memorial Bill to Preserve Agricultural, Forest, Wildlife, and Open Space Land.

Sec. 63. Laws 2007, chapter 45, article 1, section 3, subdivision 3, is amended to read:

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

8,547,000

5,157,000

\$186,000 the first year and \$186,000 the second year are for transfer to the Minnesota grown account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.102. Grants may be made for one year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2009, for Minnesota grown grants in this paragraph are available until

June 30, 2011. \$50,000 of the appropriation in each year is for efforts that identify and promote Minnesota grown products in retail food establishments including but not limited to restaurants, grocery stores, and convenience stores. The balance in the Minnesota grown matching account in the agricultural fund is canceled to the Minnesota grown account in the agricultural fund and the Minnesota grown matching account is abolished.

\$160,000 the first year and \$160,000 the second year are for grants to farmers for demonstration projects involving sustainable agriculture as authorized in Minnesota Statutes, section 17.116. Of the amount for grants, up to \$20,000 may be used for dissemination of information about the demonstration projects. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2009, for sustainable agriculture grants in this paragraph are available until June 30, 2011.

\$100,000 the first year and \$100,000 the second year are to provide training and technical assistance to county and town officials relating to livestock siting issues and local zoning and land use planning, including a checklist template that would clarify the federal, state, and local government requirements for consideration of an animal agriculture modernization or expansion project. In developing the training and technical assistance program, the commissioner shall seek guidance, advice, and support of livestock producer organizations, general agricultural organizations, local government associations, academic institutions, other government agencies, and others with expertise in land use and agriculture.

\$103,000 the first year and \$106,000 the second year are for additional integrated pest management activities.

\$2,500,000 the first year is for the agricultural best management practices loan program. At least \$2,000,000 is available for pass-through

to local governments and lenders for low-interest loans and is available until spent. Any unencumbered balance that is not used for pass-through to local governments does not cancel at the end of the first year and is available for the second year.

\$1,000,000 the first year is for the agricultural best management practices loan program for capital equipment loans for persons using native, perennial cropping systems for energy or seed production. This appropriation is available until spent. \* **(The preceding text beginning "\$1,000,000 the first year" was indicated as vetoed by the governor.)**

\$100,000 the first year and \$100,000 the second year are for annual cost-share payments to resident farmers or persons who sell, process, or package agricultural products in this state for the costs of organic certification. Annual cost-share payments per farmer must be two-thirds of the cost of the certification or \$350, whichever is less. In any year that a resident farmer or person who sells, processes, or packages agricultural products in this state receives a federal organic certification cost-share payment, that resident farmer or person is not eligible for state cost-share payments. A certified farmer is eligible to receive annual certification cost-share payments for up to five years. \$15,000 each year is for organic market and program development. The commissioner may allocate any excess appropriation in either fiscal year for organic producer education efforts, assistance for persons transitioning from conventional to organic agriculture, or sustainable agriculture demonstration grants authorized under Minnesota Statutes, section 17.116, and pertaining to organic research or demonstration. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

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

Sec. 64. Laws 2007, chapter 45, article 1, section 3, subdivision 4, is amended to read:

**Subd. 4. Bioenergy and Value-Added  
Agricultural Products**

19,918,000

15,168,000

\$15,168,000 the first year and \$15,168,000 the second year are for ethanol producer payments under Minnesota Statutes, section 41A.09. If the total amount for which all producers are eligible in a quarter exceeds the amount available for payments, the commissioner shall make payments on a pro rata basis. If the appropriation exceeds the total amount for which all producers are eligible in a fiscal year for scheduled payments and for deficiencies in payments during previous fiscal years, the balance in the appropriation is available to the commissioner for value-added agricultural programs including the value-added agricultural product processing and marketing grant program under Minnesota Statutes, section 17.101, subdivision 5. The appropriation remains available until spent.

\$3,000,000 the first year is for grants to bioenergy projects. The NextGen Energy Board shall make recommendations to the commissioner on grants for owners of Minnesota facilities producing bioenergy, organizations that provide for on-station, on-farm field scale research and outreach to develop and test the agronomic and economic requirements of diverse stands of prairie plants and other perennials for bioenergy systems, or certain nongovernmental entities. For the purposes of this paragraph, "bioenergy" includes transportation fuels derived from cellulosic material as well as the generation of energy for commercial heat, industrial process heat, or electrical power from cellulosic material via gasification or other processes. The board must give priority to a bioenergy facility that is at least 60 percent owned and controlled by farmers, as defined in Minnesota Statutes, section 500.24, subdivision 2, paragraph (n), or natural persons residing in the county or counties contiguous to where the facility is located. Grants are limited to 50 percent of the cost of research, technical assistance, or equipment related to bioenergy

production or \$500,000, whichever is less. Grants to nongovernmental entities for the development of business plans and structures related to community ownership of eligible bioenergy facilities together may not exceed \$150,000. The board shall make a good faith effort to select projects that have merit and when taken together represent a variety of bioenergy technologies, biomass feedstocks, and geographic regions of the state. Projects must have a qualified engineer certification on the technology and fuel source. Grantees shall provide reports at the request of the commissioner and must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable. No later than February 1, 2009, the commissioner shall report on the projects funded under this appropriation to the house and senate committees with jurisdiction over agriculture finance. The commissioner's costs in administering the program may be paid from the appropriation. Any unencumbered balance does not cancel at the end of the first year and is available in the second year.

\$350,000 the first year is for grants to the Minnesota Institute for Sustainable Agriculture at the University of Minnesota to provide funds for on-station and on-farm field scale research and outreach to develop and test the agronomic and economic requirements of diverse stands of prairie plants and other perennials for bioenergy systems including, but not limited to, multiple species selection and establishment, ecological management between planting and harvest, harvest technologies, financial and agronomic risk management, farmer goal setting and adoption of technologies, integration of wildlife habitat into management approaches, evaluation of carbon and other benefits, and robust policies needed to induce farmer conversion on marginal lands. \* **(The preceding text beginning "\$350,000 the first year" was indicated as vetoed by the governor.)**

\$200,000 the first year is for a grant to the Minnesota Turf Seed Council for basic

and applied agronomic research on native plants, including plant breeding, nutrient management, pest management, disease management, yield, and viability. The grant recipient may subcontract with a qualified third party for some or all of the basic or applied research. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

\$200,000 the first year is for a grant to a joint venture combined heat and power energy facility located in Scott or LeSueur County for the creation of a centrally located biomass fuel supply depot with the capability of unloading, processing, testing, scaling, and storing renewable biomass fuels. The grant must be matched by at least \$3 of nonstate funds for every \$1 of state funds. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

\$300,000 the first year is for a grant to the Bois Forte Band of Chippewa for a feasibility study of a renewable energy biofuels demonstration facility on the Bois Forte Reservation in St. Louis and Koochiching Counties. The grant shall be used by the Bois Forte Band to conduct a detailed feasibility study of the economic and technical viability of developing a multistream renewable energy biofuels demonstration facility on Bois Forte Reservation land to utilize existing forest resources, woody biomass, and cellulosic material to produce biofuels or bioenergy. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate

committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

\$300,000 the first year is for a grant to the White Earth Band of Chippewa for a feasibility study of a renewable energy biofuels production, research, and production facility on the White Earth Reservation in Mahnomen County. The grant must be used by the White Earth Band and the University of Minnesota to conduct a detailed feasibility study of the economic and technical viability of (1) developing a multistream renewable energy biofuels demonstration facility on White Earth Reservation land to utilize existing forest resources, woody biomass, and cellulosic material to produce biofuels or bioenergy, and (2) developing, harvesting, and marketing native prairie plants and seeds for bioenergy production. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

\$200,000 the first year is for a grant to the Elk River Economic Development Authority for upfront engineering and a feasibility study of the Elk River renewable fuels facility. The facility must use a plasma gasification process to convert primarily cellulosic material, but may also use plastics and other components from municipal solid waste, as feedstock for the production of methanol for use in biodiesel production facilities. Any unencumbered balance in fiscal year 2008 does not cancel but is available for fiscal year 2009. Notwithstanding Minnesota Statutes, section 16A.285, the agency must not transfer this appropriation. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is

a onetime appropriation and is available until spent.

\$200,000 the first year is for a grant to Chisago County to conduct a detailed feasibility study of the economic and technical viability of developing a multistream renewable energy biofuels demonstration facility in Chisago, Isanti, or Pine County to utilize existing forest resources, woody biomass, and cellulosic material to produce biofuels or bioenergy. Chisago County may expend funds to Isanti and Pine Counties and the University of Minnesota for any costs incurred as part of the study. The feasibility study must consider the capacity of: (1) the seed bank at Wild River State Park to expand the existing prairie grass, woody biomass, and cellulosic material resources in Chisago, Isanti, and Pine Counties; (2) willing and interested landowners in Chisago, Isanti, and Pine Counties to grow cellulosic materials; and (3) the Minnesota Conservation Corps, the sentence to serve program, and other existing workforce programs in east central Minnesota to contribute labor to these efforts. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

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

Sec. 65. Laws 2007, chapter 45, article 1, section 3, subdivision 5, is amended to read:

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

7,338,000

6,751,000

\$1,005,000 the first year and \$1,005,000 the second year are for continuation of the dairy development and profitability enhancement and dairy business planning grant programs established under Laws 1997, chapter 216, section 7, subdivision 2, and Laws 2001, First Special Session chapter 2, section 9, subdivision 2 . The commissioner

may allocate the available sums among permissible activities, including efforts to improve the quality of milk produced in the state in the proportions that the commissioner deems most beneficial to Minnesota's dairy farmers. The commissioner must submit a work plan detailing plans for expenditures under this program to the chairs of the house and senate committees dealing with agricultural policy and budget on or before the start of each fiscal year. If significant changes are made to the plans in the course of the year, the commissioner must notify the chairs.

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

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

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

\$600,000 the first year is for grants for fertilizer research as awarded by the Minnesota Agricultural Fertilizer Research and Education Council under Minnesota Statutes, section 18C.71. ~~No later than February 1, 2009,~~ The amount available to the commissioner pursuant to Minnesota Statutes, section 18C.70, subdivision 2, for administration of this activity is available until February 1, 2009, by which time the commissioner shall report to the house and senate committees with jurisdiction over agriculture finance. The report must include the progress and outcome of funded projects as well as the sentiment of the council concerning the need for additional research funded through an industry checkoff fee.

\$465,000 the first year and \$465,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02,

subdivision 1. Aid payments to county and district agricultural societies and associations shall be disbursed not later than July 15 of each year. These payments are the amount of aid owed by the state for an annual fair held in the previous calendar year.

\$65,000 the first year and \$65,000 the second year are for annual grants to the Minnesota Turf Seed Council for basic and applied research on the improved production of forage and turf seed related to new and improved varieties. The grant recipient may subcontract with a qualified third party for some or all of the basic and applied research.

\$500,000 the first year and \$500,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Second Harvest food banks for the purchase of milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Second Harvest food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program (TEFAP). Second Harvest Heartland must submit quarterly reports to the commissioner on forms prescribed by the commissioner. The reports must include, but are not limited to, information on the expenditure of funds, the amount of milk purchased, and the organizations to which the milk was distributed. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank receiving money from this appropriation may use up to two percent of the grant for administrative expenses.

\$100,000 the first year and \$100,000 the second year are for transfer to the Board of Trustees of the Minnesota State Colleges and Universities for mental health counseling

support to farm families and business operators through farm business management programs at Central Lakes College and Ridgewater College.

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

\$50,000 is for a grant to the University of Minnesota, Department of Horticultural Science, Enology Laboratory, to upgrade and purchase instrumentation to allow rapid and accurate measurement of enology components. This is a onetime appropriation and is available until expended.

Sec. 66. **AGRICULTURAL AND OPEN SPACE PRESERVATION TASK FORCE.**

An agricultural and open space preservation task force is created to study state and local policies and incentives related to encouraging farms, privately owned forest lands, and other privately owned open spaces to be preserved. The task force shall consist of two members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration, including one member of the minority; one member of the majority party in the house of representatives, appointed by the speaker of the house of representatives, and one member of the minority party in the house of representatives appointed by the minority leader; and one representative each from the Association of Minnesota Counties, the League of Minnesota Cities, and the Minnesota Association of Townships. The task force shall consult with representatives of agricultural groups such as Farm Bureau and Farmer's Union, the commissioners of agriculture and natural resources, the executive director of the Board of Soil and Water Resources, and other state agencies as needed and may consult with other interested parties. No public member of the task force shall be entitled to compensation or reimbursements for expenses. Appointments shall be made by July 1, 2008, and the first meeting shall be convened by agreement of the senate members no later than August 1, 2008. The task force shall elect a chair from among its members at the first meeting. The task force must report its findings with recommendations for proposed legislation to the chair and ranking minority member of the committees in the house of representatives and senate with jurisdiction over land use planning no later than January 30, 2009. The task force shall expire on June 30, 2009.

Sec. 67. **PROPOSAL; PETROLEUM INSPECTION FEE REVENUE.**

The commissioners of finance, commerce, and pollution control must develop and submit to the legislature as part of their next biennial budget request a proposal for eliminating, to the extent feasible, redundant fuel inspections and dedicating, to the extent feasible, all revenue from the petroleum inspection fee levied on petroleum products under Minnesota Statutes, section 239.101, subdivision 3, to the Weights and Measures Division of the Department of Commerce. All additional funding appropriated to the Weights and Measures Division under this proposal must be used for increased and enhanced fuel quality assurance enforcement activities and equipment and for educational activities focused on the handling, distribution, and use of biodiesel fuel.

**Sec. 68. TECHNICAL COLD WEATHER ISSUES.**

The commissioners of agriculture and commerce shall consult with stakeholders who are technical experts in cold weather biodiesel and petroleum diesel issues to consider and make recommendations regarding improvements in the production, blending, handling, and distribution of biodiesel blends to further ensure the performance of these fuels in cold weather. The commissioners shall issue a report on these issues by February 15, 2009, to the chairs and ranking minority members of the legislature with jurisdiction over agriculture and commerce policy and finance.

**Sec. 69. BIOBASED DIESEL ALTERNATIVES.**

By January 15, 2011, the commissioners of agriculture, commerce, and pollution control shall consult with a broad range of stakeholders with technical expertise to develop and present recommendations to the NextGen Energy Board and to the chairs and ranking minority members of the Environment, Agriculture, Transportation, and Energy Policy and Finance Committees for the use of biobased diesel alternatives in the state, after reviewing the technology, economics, and operational characteristics associated with their use. For the purposes of this section, "biobased diesel alternatives" means alternatives to petroleum diesel fuel that are warranted for use in a standard diesel engine without modification and derived from a biological resource. The commissioners may not recommend the use of a biobased diesel alternative for which an ASTM specification has not been developed, and which does not provide at least the equivalent environmental emissions benefits and local economic development potential as biodiesel produced using feedstocks grown or raised in the United States and Canada.

**Sec. 70. 2008 FAMILY MOTOR COACH ASSOCIATION EVENT.**

For the 2008 Family Motor Coach Association event held on the State Fair grounds, the fee the State Agricultural Society must obtain for expansion of the recreational camping area license, as required in Minnesota Statutes, section 327.15, shall be 50 percent of the primary license fee prescribed in Minnesota Rules, part 4630.2000.

**Sec. 71. VIRAL HEMORRHAGIC SEPTICEMIA TESTING.**

The commissioner of natural resources shall form a work group with the commissioners of agriculture and health and develop a plan for detecting and responding to the presence of the fish virus Viral Hemorrhagic Septicemia (VHS) in Minnesota. The plan must cover how the joint laboratory facility at the Departments of Agriculture and Health may be used to provide testing needed to diagnose and respond to VHS. No later than January 5, 2009, the commissioner of natural resources shall present the plan to the chairs of the house and senate committees with jurisdiction over agriculture, health, and natural resources policy and finance.

**Sec. 72. NEXTGEN 2007 APPROPRIATION MODIFICATION.**

Up to \$300,000 of the amount appropriated to the commissioner of agriculture for bioenergy grants under Laws 2007, chapter 45, article 1, section 3, subdivision 4, is for cold weather biodiesel blending infrastructure grants to facilities that serve Minnesota.

**Sec. 73. 2007 APPROPRIATION MODIFICATION.**

The commissioner may use up to \$100,000 of the amount appropriated for dairy development and profitability enhancement and dairy business planning grants in fiscal year 2009 under Laws 2007, chapter 45, article 1, section 3, subdivision 5, for activities related to marketing, business planning, and educational efforts to assist all livestock operations located within a bovine tuberculosis modified accredited zone, as designated by the United States Department of Agriculture.

## ARTICLE 2 VETERANS POLICY

Section 1. Minnesota Statutes 2006, section 13.785, is amended by adding a subdivision to read:

Subd. 4. **Deceased veterans data.** Data relating to veterans deceased as a result of service-connected causes are classified under section 197.225.

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

Sec. 2. Minnesota Statutes 2006, section 168.1255, subdivision 1, is amended to read:

Subdivision 1. **General requirements and procedures.** The commissioner shall issue special veteran contribution plates or a single motorcycle plate to an applicant who:

- (1) is a veteran, as defined in section 197.447;
- (2) is a registered owner of a passenger automobile or motorcycle;
- (3) pays a fee of \$10 to cover the costs of handling and manufacturing the plates;
- (4) pays the registration tax required under section 168.013;
- (5) pays the fees required under this chapter;
- (6) pays an additional onetime World War II memorial contribution of \$30, which the department shall retain until all start-up costs associated with the development and issuing of the plates have been recovered, after which the commissioner shall deposit contributions in the World War II donation match account; and
- (7) complies with this chapter and rules governing the registration of motor vehicles and licensing of drivers.

Sec. 3. Minnesota Statutes 2006, section 168.1255, is amended by adding a subdivision to read:

Subd. 1a. **Motorcycle plate.** A motorcycle plate issued under this section must be the same size as a regular motorcycle plate.

Sec. 4. Minnesota Statutes 2006, section 168.1255, subdivision 3, is amended to read:

Subd. 3. **Plate transfers.** Despite section 168.12, subdivision 1, on payment of a transfer fee of \$5, plates issued under this section may be transferred to another passenger automobile registered to the individual to whom the veteran contribution plates were issued, or a single motorcycle plate may be transferred to another motorcycle registered to the individual to whom the plate was issued.

Sec. 5. Minnesota Statutes 2006, section 168.1255, is amended by adding a subdivision to read:

Subd. 6. **World War II memorial donation match account.** Money remaining in the World War II memorial donation match account after the state share of the construction costs of the World War II memorial has been paid in full is appropriated to the commissioner of veterans affairs for services and programs for veterans and their families.

Sec. 6. **[192.056] PROTECTION OF RESERVIST-OWNED BUSINESS DURING ACTIVE SERVICE.**

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

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

(c) "Business" means a business wholly owned by a qualified service member, or jointly by the member and the member's spouse, irrespective of whether the business is a sole proprietorship, corporation, limited liability company, partnership, limited partnership, or other type of business entity.

(d) "Qualified service member" means a Minnesota resident who is serving honorably as a member of the Minnesota National Guard or any other military reserve unit of the United States armed forces who has been ordered into active service for a period of 60 days or longer.

Subd. 2. **Protection provided.** (a) Notwithstanding any other law or rule to the contrary, the business of a qualified service member may be exempted from civil court proceedings for part or all of the period of the member's active military service and for up to 60 days thereafter, as provided in this section.

(b) If the business of a qualified service member is a defendant in a civil action, the court may, on its own motion, grant a stay in the proceedings for a minimum of 60 days. The court, on its own motion, may renew the stay as the court considers appropriate. If the qualified service member petitions the court in any manner for a stay, the court must grant a stay for a minimum of 60 days, provided that:

(1) the service member submits to the court a letter or other communication setting forth facts stating the manner in which current military duty requirements materially affect the service member's ability to appear or otherwise participate in the proceedings, and stating a date when the service member will be available to appear or otherwise participate in the proceedings; and

(2) the service member submits a letter or other communication from the service member's commanding officer stating that the service member's current military duty prevents appearance and that military leave is not authorized for the service member at the time of the letter.

(c) A service member's communication with the court requesting a stay does not constitute an appearance for jurisdictional purposes and does not constitute a waiver of any substantive or procedural defense, including a defense relating to lack of personal jurisdiction.

(d) A qualified service member who is granted a stay in the action or proceedings against the member's business may in any manner request from the court an additional stay, which the court may grant if the service member can show to the satisfaction of

the court that the member's military requirements affect the member's ability to appear. However, the court is not obligated to grant the additional stay. If the court refuses to grant an additional stay, the court must provide the service member with information enabling the service member to acquire qualified legal counsel, at the service member's discretion, for defending the action.

(e) If a default judgment is entered in a civil action against the business of a qualified service member during the service member's period of active military service, or within 60 days following termination of or release from the active military service, the court entering the judgment must, upon application by or on behalf of the service member, reopen the judgment for the purpose of allowing the member to defend the action if it appears that:

(1) the service member was materially affected by reason of that military service in making a defense to the action; and

(2) the service member has a meritorious or legal defense to the action or some part of it.

**EFFECTIVE DATE.** This section is effective July 1, 2008, and applies to civil court actions pending or initiated on or after that date.

Sec. 7. Minnesota Statutes 2006, section 192.20, is amended to read:

**192.20 BREVET RANK.**

Subdivision 1. **Personnel eligible for brevet promotion.** (a) Officers, warrant officers, and enlisted persons of the National Guard who have, after ten years active service, resigned or retired for physical disability or otherwise, may in the discretion of the commander-in-chief, on the recommendation of the adjutant general, be commissioned by brevet, in the next higher grade than that held by them at the time of their resignation or retirement.

(b) Officers, warrant officers, or enlisted persons of the National Guard who die while in state or federal active service, as defined in section 190.05, or former officers, warrant officers, or enlisted persons of the National Guard who die as a result of injuries or other conditions incurred or aggravated while in such service may, in the discretion of the commander-in-chief, on the recommendation of the adjutant general, be commissioned by brevet, in the next higher grade than that held by them at the time of their death.

(c) If a service member is wounded or killed after a battlefield commission has been approved and was pending, or if a service member was enrolled in an officer commissioning program at the time of injury or death, the person may be breveted at the rank of second lieutenant or ensign, as appropriate, following separation or discharge from military service.

Subd. 2. **Effect of brevet rank.** Brevet rank shall be considered strictly honorary and shall confer no privilege of precedence or command, nor pay any emoluments. Brevet officers, warrant officers, and enlisted persons may wear the uniform of their brevet grade on occasions of ceremony.

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

Sec. 8. **[192.325] DISCRIMINATION AGAINST FAMILY OF SERVICE MEMBER; UNPAID LEAVE REQUIRED.**

An employer may not:

(1) discharge from employment or take adverse employment action against any employee because of the membership of that employee's spouse, parent, or child in the military forces of the United States, of this state, or any other state; or

(2) discharge from employment, take adverse employment action against, or otherwise hinder an employee from attending the following kinds of events relating to the military service of the employee's spouse, parent, or child and to which the employee is invited or otherwise called upon to attend by proper military authorities:

(i) departure or return ceremonies for deploying or returning military personnel or units;

(ii) family training or readiness events sponsored or conducted by the military; and

(iii) events held as part of official military reintegration programs.

The employee must provide reasonable notice to the employer when requesting time off, and the employer must provide a reasonable amount of nonpaid time off for the employee, for the purposes enumerated in items (i) to (iii), not to exceed two consecutive days or six days in a calendar year. The employer must not compel the employee to use accumulated but unused vacation for these events.

Section 645.241 does not apply to this section.

**EFFECTIVE DATE.** This section is effective August 1, 2008, and applies to employment action occurring on or after that date.

Sec. 9. Minnesota Statutes 2006, section 196.021, is amended to read:

**196.021 DEPUTY COMMISSIONERS; DUTIES.**

Subdivision 1. **Appointment.** The commissioner shall appoint a deputy commissioner for veteran services ~~as provided in subdivision 2, and the board of directors of the Minnesota Veterans Homes may appoint a deputy commissioner for veteran health care as provided in section 198.004.~~ Both deputy commissioners serve in the unclassified service; ~~the deputy for veteran services at the pleasure of the commissioner and the deputy for veteran health care at the pleasure of the board.~~ Both deputies ~~shall~~ must be residents of Minnesota, citizens of the United States, and veterans as defined in section 197.447.

Subd. 2. ~~**Deputy for veteran services; Powers and duties.**~~ The deputy commissioner for veteran services ~~has~~ and the deputy commissioner for veteran health care ~~have~~ those powers delegated by the commissioner ~~that have not otherwise been delegated to the deputy commissioner for veteran health care by the commissioner or assigned to that deputy commissioner by law.~~ A delegation must be in writing, signed by the commissioner, and filed with the secretary of state.

Sec. 10. Minnesota Statutes 2006, section 196.03, is amended to read:

**196.03 OFFICERS AND EMPLOYEES.**

~~Except as provided in chapter 198,~~ All officers and employees of the department shall be appointed by the commissioner and they shall perform such duties as may be assigned to them by the commissioner.

Sec. 11. **[196.30] VETERANS HEALTH CARE ADVISORY COUNCIL.**

**Subdivision 1. Creation.** The Veterans Health Care Advisory Council is established to provide the Department of Veterans Affairs with advice and recommendations on providing veterans with quality long-term care and the anticipated future needs of Minnesota veterans.

**Subd. 2. Membership.** (a) The council consists of nine public members appointed by the governor. The council members are:

(1) seven members with extensive expertise in health care delivery, long-term care, and veterans services;

(2) one licensed clinician who may be either a physician, physician's assistant, or a nurse practitioner; and

(3) one additional member.

(b) The governor shall designate a member to serve as the chair.

(c) The commissioner of veterans affairs, or the commissioner's designee, is an ex officio, nonvoting member of the council and shall provide necessary and appropriate administrative and technical support to the council.

(d) Membership terms, removal of members, and the filling of vacancies are as provided in section 15.059, subdivisions 2 and 4. Members shall not receive compensation or per diem payments, but may receive reimbursement for expenses pursuant to section 15.059, subdivision 3.

**Subd. 3. Duties.** The council is an advisory group with the responsibility of providing the commissioner of veterans affairs with information and professional expertise on the delivery of quality long-term care to veterans. The council's duties include:

(1) developing a new vision and strategic plan for the veterans homes that complements the Department of Veterans Affairs overall veterans service programs;

(2) providing recommendations and advice on matters including clinical performance, systemwide quality improvement efforts, culture and working environment of the veterans homes, and other operational and organizational functions of the veterans homes;

(3) studying and reviewing current issues and trends in the long-term care industry and the veterans community;

(4) providing recommendations to the commissioner on alternative options for the delivery of long-term care to veterans so that veterans and their families can determine appropriate services under models similar to those available in the community;

(5) establishing, as appropriate, subcommittees or ad hoc task forces of council members, stakeholders, and other individuals with expertise or experience to address specific issues; and

(6) reviewing and providing advice on any other matter at the request of the commissioner.

**Subd. 4. Expiration.** Notwithstanding section 15.059, subdivision 4, the council expires June 30, 2013.

Sec. 12. [197.225] LIST OF DECEASED MILITARY PERSONNEL.

(a) The commissioner of veterans affairs shall collect and maintain data about Minnesota residents who have died of service-connected causes while serving in the United States armed forces. The data may include deceased service members who are the immediate family members of Minnesota residents, but who themselves were not Minnesota residents at the time of death. The commissioner shall collect the following data: the individual's full name, military rank, branch of service, age at the time of death, and Minnesota hometown or if not a Minnesota resident at the time of death, the service member's home state.

(b) Data collected pursuant to this section are nonpublic data, but may be disseminated to the individual's next of kin, and for ceremonial or honorary purposes to veterans' organizations, civic organizations, the news media, and researchers. No other use or dissemination of the data is permitted.

(c) The next of kin of a veteran whose data is collected may request that the data not be disseminated for any purpose. Upon receiving such a request, the Department of Veterans Affairs must exclude the deceased veteran's data from any data disseminated for ceremonial or honorary purposes as permitted by paragraph (b).

(d) Data collected pursuant to this section shall not be indicative of any person's status with regard to qualification for veterans benefits or other benefits.

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

Sec. 13. Minnesota Statutes 2006, section 197.236, is amended to read:

**197.236 VETERANS CEMETERY STATE VETERANS CEMETERIES.**

Subd. 3. **Operation and maintenance.** The commissioner of veterans affairs shall supervise and control the veterans ~~cemetary~~ cemeteries established under this section. The cemeteries are to be maintained and operated in accordance with the operational standards and measures of the National Cemetery Administration. The commissioner may contract for the maintenance ~~and operation~~ of the ~~cemetary~~ cemeteries. All personnel, equipment, and support necessary for maintenance and operation of the ~~cemetary~~ cemeteries must be included in the department's budget.

Subd. 5. **Rules.** The commissioner of veterans affairs may adopt rules regarding the operation of the ~~cemetary~~ cemeteries. ~~If practicable,~~ The commissioner shall require that upright granite markers supplied by the United States Department of Veterans Affairs be used to mark all gravesites.

Subd. 6. **Permanent development and maintenance account.** A veterans cemetery development and maintenance account is established in the special revenue fund of the state treasury. Receipts for burial fees, ~~earnings from the veterans cemetery trust account~~ plot or interment allowance claims, designated appropriations, and any other cemetery receipts must be deposited into this account. The money in the account, including interest earned, is appropriated to the commissioner to be used for the development, operation, maintenance, and improvement of the ~~cemetary~~ cemeteries. To the extent practicable, the commissioner of veterans affairs must apply for available federal grants ~~for the development and operation of the cemetery~~ to establish, expand, or improve the cemeteries.

~~Subd. 7. **Permanent trust account.** A veterans cemetery trust account is established in the special revenue fund of the state treasury. All designated appropriations and monetary donations to the cemetery must be placed in this account. The principal of this account must be invested by the State Board of Investment and may not be spent. The income from this account must be transferred as directed by the account manager to the veterans cemetery development and maintenance account.~~

Subd. 8. **Eligibility.** Any person who is eligible for burial in a national veterans cemetery is eligible for burial in the State Veterans Cemetery. Cemeteries must be operated solely for the burial of service members who die on active duty, eligible veterans, and their spouses and dependent children, as defined in United States Code, title 38, section 101, paragraph (2).

Subd. 9. **Burial fees.** The commissioner of veterans affairs shall establish a fee schedule, which may be adjusted from time to time, for the interment of eligible ~~family members~~ spouses and dependent children. The fees shall cover as nearly as practicable the actual costs of interment, excluding the value of the plot. ~~The department may accept the Social Security burial allowance, if any, of the eligible family members in an amount not to exceed the actual cost of the interment.~~ The commissioner may waive the fee in the case of an indigent eligible person.

~~No plot or interment fees may be charged for the burial of eligible veterans, members of the National Guard, or military reservists, except that funds available from the Social Security or veterans burial allowances, if any, must be paid to the commissioner in an amount not to exceed the actual cost of the interment, excluding the value of the plot service members who die on active duty or eligible veterans, as defined in United States Code, title 38, section 101, paragraph (2).~~

~~Prior to the interment of an eligible person, the commissioner shall request the cooperation of the eligible person's next of kin in applying to the appropriate federal agencies for payment to the cemetery of any allowable interment allowance.~~

~~Subd. 10. **Allocation of plots.** A person, or survivor of a person, eligible for interment in the State Veterans Cemetery may apply for a burial plot for the eligible person by submitting a request to the commissioner of veterans affairs on a form supplied by the department. The department shall allot plots on a first-come, first-served basis. To the extent that it is practical, plots must be allocated in a manner permitting the burial of eligible family members above, below, or adjacent to the eligible veteran, member of the National Guard, or military reservist.~~

Subd. 11. **Plot allowance claims.** The commissioner of veterans affairs must apply to the Veterans Benefits Administration for a plot or interment allowance payable to the state for expenses incurred by the state in the burial of eligible veterans in cemeteries owned and operated by the state if the burial is performed at no cost to the veteran's next of kin.

Subd. 12. **No staff.** No staff may be hired for any new veterans cemetery without explicit legislative approval.

Sec. 14. Minnesota Statutes 2007 Supplement, section 197.791, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Commissioner" means the commissioner of veterans affairs, unless otherwise specified.

(c) "Cost of attendance" for ~~both graduate and~~ undergraduate students has the meaning given in section 136A.121, subdivision 6, multiplied by a factor of ~~1.1~~ 1.2. ~~The Cost of attendance for graduate students has the meaning given in section 136A.121, subdivision 6, multiplied by a factor of 1.2, using the tuition and fee maximum established by law for four-year programs shall be used to calculate the tuition and fee maximum under section 136A.121, subdivision 6, for a graduate student. For purposes of calculating the cost of attendance for graduate students, full time is eight credits or more per term or the equivalent.~~

(d) "Child" means a natural or adopted child of a person described in subdivision 4, paragraph (a), clause (1), item (i) or (ii).

(e) "Eligible institution" means a postsecondary institution under section 136A.101, subdivision 4, or a graduate school licensed or registered with the state of Minnesota serving only graduate students.

(f) "Program" means the Minnesota GI Bill program established in this section, unless otherwise specified.

(g) "Time of hostilities" means any action by the armed forces of the United States that is recognized by the issuance of a presidential proclamation or a presidential executive order in which the armed forces expeditionary medal or other campaign service medals are awarded according to presidential executive order, and any additional period or place that the commissioner determines and designates, after consultation with the United States Department of Defense, to be a period or place where the United States is in a conflict that places persons at such a risk that service in a foreign country during that period or in that place should be considered to be included.

(h) "Veteran" has the meaning given in section 197.447. Veteran also includes a service member who has received an honorable discharge after leaving each period of federal active duty service and has:

(1) served 90 days or more of federal active duty in a foreign country during a time of hostilities in that country; or

(2) been awarded any of the following medals:

(i) Armed Forces Expeditionary Medal;

(ii) Kosovo Campaign Medal;

(iii) Afghanistan Campaign Medal;

(iv) Iraq Campaign Medal;

(v) Global War on Terrorism Expeditionary Medal; or

(vi) any other campaign medal authorized for service after September 11, 2001; or

~~(2)~~ (3) received a service-related medical discharge from any period of service in a foreign country during a time of hostilities in that country.

A service member who has fulfilled the requirements for being a veteran under this paragraph but is still serving actively in the United States armed forces is also a veteran for the purposes of this section.

Sec. 15. Minnesota Statutes 2007 Supplement, section 197.791, subdivision 4, is amended to read:

Subd. 4. **Eligibility.** (a) A person is eligible for educational assistance under this section if:

(1) the person is:

(i) a veteran who is serving or has served honorably in any branch or unit of the United States armed forces at any time on or after September 11, 2001;

(ii) a nonveteran who has served honorably for a total of five years or more cumulatively as a member of the Minnesota National Guard or any other active or reserve component of the United States armed forces, and any part of that service occurred on or after September 11, 2001;

(iii) the surviving spouse or child of a person who has served in the military at any time on or after September 11, 2001, and who has died as a direct result of that military service; or

(iv) the spouse or child of a person who has served in the military at any time on or after September 11, 2001, and who has a total and permanent service-connected disability as rated by the United States Veterans Administration;

~~(2) the person providing the military service described in clause (1), items (i) to (iv), was a Minnesota resident within six months of the time of the person's initial enlistment or any reenlistment in the United States armed forces;~~

~~(2)~~ (2) the person receiving the educational assistance is a Minnesota resident, as defined in section 136A.101, subdivision 8; and

~~(3)~~ (3) the person receiving the educational assistance:

(i) is an undergraduate or graduate student at an eligible institution;

(ii) is maintaining satisfactory academic progress as defined by the institution for students participating in federal Title IV programs;

(iii) is enrolled in an education program leading to a certificate, diploma, or degree at an eligible institution;

(iv) has applied for educational assistance under this section prior to the end of the academic term for which the assistance is being requested;

(v) is in compliance with child support payment requirements under section 136A.121, subdivision 2, clause (5); and

~~(vi) if an undergraduate student, has applied for the federal Pell Grant and the Minnesota State Grant has completed the Free Application for Federal Student Aid (FAFSA).~~

(b) A person's eligibility terminates when the person becomes eligible for benefits under section 135A.52.

(c) To determine eligibility, the commissioner may require official documentation, including the person's federal form DD-214 or other official military discharge papers; correspondence from the United States Veterans Administration; birth certificate; marriage certificate; proof of enrollment at an eligible institution; signed affidavits; proof of

residency; proof of identity; or any other official documentation the commissioner considers necessary to determine eligibility.

(d) The commissioner may deny eligibility or terminate benefits under this section to any person who has not provided sufficient documentation to determine eligibility for the program. An applicant may appeal the commissioner's eligibility determination or termination of benefits in writing to the commissioner at any time. The commissioner must rule on any application or appeal within 30 days of receipt of all documentation that the commissioner requires. The decision of the commissioner regarding an appeal is final. However, an applicant whose appeal of an eligibility determination has been rejected by the commissioner may submit an additional appeal of that determination in writing to the commissioner at any time that the applicant is able to provide substantively significant additional information regarding the applicant's eligibility for the program. An approval of an applicant's eligibility by the commissioner following an appeal by the applicant is not retroactively effective for more than one year or the semester of the person's original application, whichever is later.

(e) Upon receiving an application with insufficient documentation to determine eligibility, the commissioner must notify the applicant within 30 days of receipt of the application that the application is being suspended pending receipt by the commissioner of sufficient documentation from the applicant to determine eligibility.

Sec. 16. Minnesota Statutes 2007 Supplement, section 197.791, subdivision 5, is amended to read:

Subd. 5. **Benefit amount.** (a) On approval by the commissioner of eligibility for the program, the applicant shall be awarded, on a funds-available basis, the educational assistance under the program for use at any time according to program rules at any eligible institution.

(b) The amount of educational assistance in any semester or term for an eligible person must be determined by subtracting from the eligible person's cost of attendance the amount the person received or was eligible to receive in that semester or term from:

(1) the federal Pell Grant;

(2) the state grant program under section 136A.121; and

(3) any federal military or veterans educational benefits including but not limited to the Montgomery GI Bill, GI Bill Kicker, the federal tuition assistance program, vocational rehabilitation benefits, and any other federal benefits associated with the person's status as a veteran, except veterans disability payments from the United States Veterans Administration.

(c) The amount of educational assistance for any eligible person who is a full-time student must not exceed the following:

(1) \$1,000 per semester or term of enrollment;

(2) ~~\$2,000~~ \$3,000 per state fiscal year; and

(3) \$10,000 in a lifetime.

For a part-time student, the amount of educational assistance must not exceed \$500 per semester or term of enrollment. For the purpose of this paragraph, a part-time undergraduate student is a student taking fewer than 12 credits or the equivalent for a

semester or term of enrollment and a part-time graduate student is a student considered part time by the eligible institution the graduate student is attending. The minimum award for undergraduate and graduate students is \$50 per term.

Sec. 17. Minnesota Statutes 2006, section 198.32, subdivision 1, is amended to read:

Subdivision 1. **Resident's rights.** A resident of a Minnesota veterans home has the right to complain and otherwise exercise freedom of expression and assembly which is guaranteed by amendment I of the United States Constitution. The administrator of the home shall inform each resident in writing at the time of admission of the right to complain to the administrator about home accommodations and services. A notice of the right to complain shall be posted in the home. The administrator shall also inform each resident of the right to complain to the ~~board or to the~~ commissioner of veterans affairs. Each resident of a home shall be encouraged and assisted, throughout the period of stay in the home, to understand and exercise the rights of freedom of expression and assembly as a resident and as a citizen, and, to this end, the resident may voice grievances and recommend changes in policies and services to home staff, other residents, and outside representatives of the resident's choice, free from restraint, interference, coercion, discrimination, or reprisal, including retaliatory eviction.

Sec. 18. **RULES TRANSFER.**

Minnesota Rules, chapter 9050, is transferred from the Veterans Homes Board of Directors to the commissioner of veterans affairs. The commissioner shall administer and enforce those rules and may amend or repeal them.

Sec. 19. **APPOINTMENTS.**

Notwithstanding Minnesota Statutes, section 196.30, subdivision 2, paragraph (d), the governor may make the initial appointments to the Veterans Health Care Advisory Council under Executive Order 07-20 without complying with the appointment process in Minnesota Statutes, section 15.0597.

Sec. 20. **OMBUDSMAN FOR VETERANS HOME RESIDENTS.**

The ombudsman required under Laws 2007, chapter 45, article 2, section 1, paragraph (j), must attend all meetings of the Veterans Health Care Advisory Council established in new Minnesota Statutes, section 196.30.

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

Sec. 21. **TRANSFER OF FUNDS IN VETERANS CEMETERY TRUST ACCOUNT.**

Notwithstanding Minnesota Statutes, section 16A.62, on June 30, 2008, all money in the veterans cemetery trust account in the special revenue fund established in Minnesota Statutes, section 197.236, subdivision 7, must be transferred to the permanent development and maintenance account in the special revenue fund under Minnesota Statutes, section 197.236, subdivision 6.

Sec. 22. **STATE VETERANS CEMETERY STUDY.**

The commissioner of veterans affairs shall evaluate the status of and need for additional veterans cemeteries in the state, including consideration of a new veterans cemetery in southern Minnesota. By January 15, 2009, the commissioner shall report the findings of the study to the chairs and ranking minority members of the legislative committees with jurisdiction over veterans policy and finance.

**Sec. 23. PARTNERING IN DELIVERY OF VETERANS SERVICES.**

The commissioner of veterans affairs must seek input from a broad range of experienced nongovernmental social service and health care providers, including both secular and faith-based service organizations, from throughout the state regarding the feasibility of public-private collaboration in providing services to Minnesota Veterans. The services may include home health care, psychological counseling, life-skills rehabilitation counseling, home hospice care, respite care, and other types of home-based health care as judged necessary by the commissioner to enable veterans to recover from service-connected injuries, illnesses, and disabilities. The commissioner must report to the legislature by January 15, 2009, with findings and recommendations for establishing the service-delivery partnerships.

**Sec. 24. VETERANS AFFAIRS STRATEGIC PLANNING GROUP.**

(a) By January 15, 2009, the Department of Veterans Affairs Strategic Planning Group shall report to the chairs and ranking minority members of the house and the senate committees with jurisdiction over veterans affairs policy and finance the group's recommendations for the Minnesota Veterans Home at Minneapolis, based on specific additional analysis of the projected capital, maintenance, and operating costs of that home, including an assessment of the feasibility of alternative operational models at that home or at alternative or additional state veterans home locations within the seven-county metropolitan area. The group must include the likelihood and projected amount of any cost-savings that could result from the demolition or remodeling and conversion of some of the infrastructure of the current campus for alternative uses and other pertinent items, such as:

(1) construction of rental housing for veterans and family members of veterans receiving medical care at the nearby US/VA Medical Center or other nearby medical institutions;

(2) conducting a land use study including a highest and best use analysis for the existing site and all improvements;

(3) investigating opportunities for public/private partnerships in strategic land use; and

(4) any other purpose judged feasible by the strategic planning group.

(b) When formulating the recommendations on the matters in paragraph (a), the Department of Veterans Affairs Strategic Planning Group must consult with the following individuals or their designees:

(1) the chairs and ranking minority members of the house and senate committees with jurisdiction over veterans affairs policy and finance;

(2) the president and legislative chairperson of the Minnesota Association of County Veterans Service Officers;

(3) the chair of the Commanders Task Force of Minnesota's congressionally chartered veterans service organizations;

(4) two members each from the Minnesota departments of the American Legion, the Veterans of Foreign Wars, and the Disabled American Veterans with at least one member from each organization coming from a rural area;

(5) the United Veterans Legislative Council;

(6) the Adjutant General of the Minnesota National Guard;

(7) the director of the Veterans Health Care Advisory Council;

(8) a representative from the United States Department of Veterans Affairs;

(9) representative residents of the Minnesota Veterans Homes and their families;

(10) representatives of the Minneapolis delegation in the Minnesota house and senate;

(11) representative residents of the Minnesota Veterans Home at Minneapolis and their families;

(12) the mayor of Minneapolis;

(13) the Minneapolis city planner;

(14) the chair of the Metropolitan Council;

(15) the director of the Minnesota Inter-County Association; and

(16) the director of the Association of Minnesota Counties.

#### Sec. 25. **CONSTRUCTION PROJECT PRIORITY LISTING STATUS.**

In accordance with completed predesign documents, veterans population surveys, and the 2008 department construction project priority listing, the commissioner of veterans affairs shall continue to plan, develop, and pursue federal funding and other resources for the construction of projects on the listing. In consultation with the Veterans Affairs Strategic Planning Group and the Veterans Health Care Advisory Council, the commissioner must consider possible options for treatment, including, but not limited to, traumatic brain injury, posttraumatic stress disorder, and psycho-geriatric care. By January 15, 2009, the commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over veterans homes policy and finance regarding the status of the department construction project priority listing and the activities required under this section.

#### Sec. 26. **COUNTY VETERANS SERVICES WORKING GROUP.**

Subdivision 1. **Creation.** The County Veterans Services Working Group shall consist of the following 13 members:

(1) two senators, including one member from the majority party and one member from the minority party, appointed by the Subcommittee on Committees of the Committee on Rules and Administration of the senate;

(2) two members of the house of representatives, one member from the majority party and one member from the minority party, appointed by the speaker of the house;

(3) the commissioner and two deputy commissioners of the Minnesota Department of Veterans Affairs (MDVA), or the commissioner's designees;

(4) the president, vice president, and legislative chair person of the Minnesota Association of County Veterans Service Officers (CVSOs);

(5) the chair of the Commanders Task Force of Minnesota's congressionally-chartered veterans service organizations, or the chair's designee;

(6) one person from the Minnesota Inter-County Association (MICA), as designated by the association board; and

(7) one person from the Association of Minnesota Counties (AMC), as designated by the association board.

Subd. 2. **Duties.** The working group must meet periodically to review the findings and recommendations of the 2008 report of the Office of the Legislative Auditor (OLA) on Minnesota's county veterans service offices, and make written recommendations to the legislature regarding whether and how each of that report's recommendations should be implemented. The working group may also provide additional recommendations on how to enhance the current services provided by the county veteran service offices.

The working group may suggest draft legislation for legislative consideration. By January 15, 2009, the working group must report its proposed recommendations to the chairs of the senate and house committees with jurisdiction over veterans affairs, state governmental operations, and local government affairs.

Subd. 3. **Administrative provisions.** (a) The commissioner of veterans affairs, or the commissioner's designee, must convene the initial meeting of the working group. Upon request of the working group, the commissioner must provide meeting space and administrative services for the group. The members of the working group must elect a chair or co-chairs from the legislative members of the working group at the initial meeting. Each subsequent meeting is at the call of the chair or co-chairs.

(b) Public members of the working group serve without special compensation or special payment of expenses from the working group.

(c) The working group expires on June 30, 2009, unless an extension is authorized by law by that date.

Subd. 4. **Deadline for appointments and designations.** The appointments and designations authorized by this section must be completed by August 1, 2008. The working group must convene its initial meeting no later than September 1, 2008.

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

## **Sec. 27. STUDY OF VETERANS EMPLOYMENT IN STATE GOVERNMENT.**

(a) By October 1, 2008, each appointing authority in the executive branch of state government, including the Minnesota State Colleges and Universities, must report to the commissioner of finance on the incidence of employment, recruitment, retention, and retirement of veterans in their nonelected workforce for fiscal year 2008. The report must be made in a manner approved by the commissioner, and for each separate hiring unit must include tabulation by age category and length of state employment in the executive branch, including the state college and university system. Each executive branch appointing authority must also report specific veteran employment data requested by the

commissioner as of June 30, 2008, June 30, 2001, and an earlier date if judged feasible by the commissioner. By January 15, 2009, the commissioner must submit a report on the employment of veterans in the executive branch to the chairs of the house and senate policy and finance committees having jurisdiction over veterans affairs. The report must present and analyze the data obtained in this paragraph.

(b) By October 1, 2008, the judicial branch of state government must report to the chairs of the house and senate policy and finance committees having jurisdiction over veterans affairs the number of veterans employed in the judicial branch nonelective workforce on June 30, 2008, based on self-reporting of veteran status. For each separate hiring unit, the data must include tabulation by age category and length of state employment in the judicial branch.

(c) By October 1, 2008, the house of representatives, the senate, and the Legislative Coordinating Commission on behalf of joint legislative offices and commissions, must report to the chairs of the house and senate policy and finance committees having jurisdiction over veterans affairs the number of veterans employed in their nonelective workforce on June 30, 2008, based on self-reporting of veteran status. For each separate hiring unit, the data must include tabulation by age category and length of state employment in the legislative branch.

(d) For purposes of this section, "veteran" has the meaning given in Minnesota Statutes, section 197.447.

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

#### **Sec. 28. WORLD WAR II SERVICE MEDALLIONS; APPROPRIATION.**

Subdivision 1. **Medallions.** By July 1, 2008, the commissioner of veterans affairs must notify veterans organizations that include veterans of World War II in their membership of the opportunity under this section for surviving individual veterans of World War II to obtain commemorative medallions recognizing their service in the United States armed forces during World War II. The commissioner shall establish the service criteria necessary to obtain a medallion and the cost of each medallion. Veterans organizations may collect and contribute money on behalf of their surviving individual members who meet the service criteria. No later than September 1, 2008, the organizations may submit the names of qualifying individuals and provide money to pay for the cost of the medallions to the commissioner. By October 15, 2008, the commissioner shall distribute the medallions to organizations for distribution to the qualifying individuals.

Subd. 2. **Appropriation.** Money received by the commissioner under this section is appropriated to the commissioner for the purposes of this section.

#### **Sec. 29. REVISOR'S INSTRUCTION.**

(a) The revisor shall change "board," "board of directors," or "Veterans Homes Board of Directors" to "commissioner" wherever it is used in Minnesota Statutes, sections 198.003; 198.005; 198.006; 198.007; 198.022; 198.03; 198.05; 198.065; 198.066; 198.16; 198.23; 198.261; 198.265; 198.266; 198.31; 198.33; 198.34; 198.35; 198.36; and 198.37; and shall change "board rules" to "rules adopted under this chapter" wherever it appears in Minnesota Statutes, sections 198.007 and 198.022.

(b) In Minnesota Rules, chapter 9050, the revisor shall:

(1) change the terms "executive director," "executive director of the board," "executive director of the Veterans Homes Board," "Minnesota Veterans Homes Board," and "board" to "commissioner of veterans affairs" except where the term "board" is used with a different meaning in Minnesota Rules, part 9050.0040, subpart 16;

(2) change the term "board-operated facility" to "facility operated by the commissioner of veterans affairs" and change the term "non-board-operated facility" to "facility not operated by the commissioner of veterans affairs";

(3) change the term "board-approved" to "approved by the commissioner of veterans affairs"; and

(4) eliminate the term "board" where it is used in the third paragraph of Minnesota Rules, part 9050.1070, subpart 9.

(c) The revisor shall change any of the terms in paragraph (a) or (b) to "commissioner of veterans affairs" if they are used to refer to the Veterans Homes Board of Directors or its executive director anywhere else in Minnesota Statutes or Minnesota Rules.

Sec. 30. **REPEALER.**

(a) Minnesota Statutes 2006, sections 190.17; 197.236, subdivisions 7 and 10; 198.001, subdivisions 6 and 9; 198.002, subdivisions 1, 3, and 6; 198.003, subdivisions 5 and 6; and 198.004, subdivision 2, and Minnesota Statutes 2007 Supplement, sections 198.002, subdivision 2; and 198.004, subdivision 1, are repealed.

(b) Minnesota Rules, part 9050.0040, subpart 15, is repealed.

Presented to the governor May 8, 2008

Signed by the governor May 12, 2008, 11:50 a.m.