

CHAPTER 14—S.F.No. 1016

An act relating to agriculture; appropriating money for agriculture, the Board of Animal Health, and the Agricultural Utilization Research Institute; changing certain agriculture-related provisions, requirements, and programs; amending Minnesota Statutes 2010, sections 17.135; 18B.03, subdivision 1; 18C.005, by adding a subdivision; 18C.111, by adding a subdivision; 18D.201, by adding a subdivision; 18E.03, subdivision 4; 27.041, by adding a subdivision; 38.01; 373.01, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 35; repealing Minnesota Statutes 2010, section 41A.09, subdivisions 1a, 2a, 3a, 4, 10.

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

Section 1. **SUMMARY OF APPROPRIATIONS.**

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

	<u>2012</u>	<u>2013</u>	<u>Total</u>
<u>General</u>	\$ 45,406,000	\$ 31,195,000	\$ 76,601,000
<u>Agricultural</u>	\$ 800,000	\$ 800,000	\$ 1,600,000
<u>Remediation</u>	\$ 388,000	\$ 388,000	\$ 776,000
<u>Total</u>	<u>\$ 46,594,000</u>	<u>\$ 32,383,000</u>	<u>\$ 78,977,000</u>

Sec. 2. **AGRICULTURE APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this act. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2012" and "2013" used in this act mean that the appropriations listed under them are available for the fiscal year ending June 30, 2012, or June 30, 2013, respectively. "The first year" is fiscal year 2012. "The second year" is fiscal year 2013. "The biennium" is fiscal years 2012 and 2013.

APPROPRIATIONS
Available for the Year
Ending June 30
2012 **2013**

Sec. 3. **DEPARTMENT OF AGRICULTURE**

Subdivision 1. **Total Appropriation** \$ **39,110,000** \$ **24,899,000**

Appropriations by Fund

	<u>2012</u>	<u>2013</u>
<u>General</u>	<u>37,922,000</u>	<u>23,711,000</u>
<u>Remediation</u>	<u>388,000</u>	<u>388,000</u>
<u>Agricultural</u>	<u>800,000</u>	<u>800,000</u>

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Protection Services** 12,473,000 12,193,000

Appropriations by Fund

<u>General</u>	<u>12,085,000</u>	<u>11,805,000</u>
<u>Remediation</u>	<u>388,000</u>	<u>388,000</u>

\$388,000 the first year and \$388,000 the second year are from the remediation fund for administrative funding for the voluntary cleanup program.

\$75,000 the first year and \$75,000 the second year are for compensation for destroyed or crippled animals under Minnesota Statutes, section 3.737. If the amount in the first year is insufficient, the amount in the second year is available in the first year.

\$75,000 the first year and \$75,000 the second year are for compensation for crop damage under Minnesota Statutes, section 3.7371. If the amount in the first year is insufficient, the amount in the second year is available in the first year.

If the commissioner determines that claims made under Minnesota Statutes, section 3.737 or 3.7371, are unusually high, amounts appropriated for either program may be transferred to the appropriation for the other program.

\$245,000 the first year and \$245,000 the second year are for an increase in retail food handler inspections. This is a onetime appropriation. No later than February 1, 2013, the commissioner shall report to the

chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance regarding the commissioner's progress in addressing the department's shortfall of necessary inspections and recommendations for fee changes to eliminate the shortfall.

\$280,000 the first year is for an increase in anhydrous ammonia oversight. No later than February 1, 2013, the commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance regarding the commissioner's progress in addressing the department's shortfall of necessary inspections and recommendations for fee changes to eliminate the shortfall.

Subd. 3. Agricultural Marketing and Development

3,062,000

3,062,000

\$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, 2013, for Minnesota grown grants in this paragraph are available until June 30, 2015. \$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.

\$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 maintenance of the checklist template clarifying the federal, state, and local government requirements for consideration of an animal agriculture modernization or expansion project. For the training and technical assistance program, the commissioner shall continue to 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.

Up to \$100,000 each year of this appropriation may be used 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, 2013, for sustainable agriculture grants in this paragraph are available until June 30, 2015.

\$10,000 the first year and \$10,000 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. The commissioner may allocate any excess appropriation in either fiscal year for organic market and program development including 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.

\$100,000 each year is for a licensed education professional for the Agriculture in the Classroom program to develop and disseminate curriculum, provide teacher training opportunities, and work with schools to enhance agricultural literacy by incorporating agriculture into classroom curriculum.

Subd. 4. Bioenergy and Value-Added Agriculture

16,332,000

2,301,000

\$13,732,000 the first year is 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, the balance in the appropriation is available to the commissioner for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. The appropriation remains available until spent.

\$2,500,000 the first year is for bioenergy grants. The NextGen Energy Board, established in Minnesota Statutes, section 41A.105, 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. 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 provide certification on the technology and fuel source. Grantees must provide reports at the request of the commissioner. No later than February 1, 2013, the commissioner shall report on the projects funded under this appropriation to the legislative committees with jurisdiction over agriculture finance. The commissioner's costs in administering the program may be paid from the appropriation. This is a onetime appropriation and is available until June 30, 2013.

\$2,301,000 the second year is for the agricultural growth, research, and innovation program in Minnesota Statutes, section 41A.12. The commissioner may use up to 4.5 percent of this appropriation for costs incurred to administer the program. Any unencumbered balance does not cancel at the end of the first year and is available in the second year. The base budget for fiscal year 2014 and later is \$10,247,000 each year.

\$100,000 the first year is to provide a grant for a feasibility study, site identification, and site acquisition for a proposed biomass plant in Lake of the Woods County.

Subd. 5. Administration and Financial Assistance

7,243,000

7,343,000

Appropriations by Fund

<u>General</u>	<u>6,443,000</u>	<u>6,543,000</u>
<u>Agricultural</u>	<u>800,000</u>	<u>800,000</u>

\$634,000 the first year and \$634,000 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 detailed accomplishment report and a work plan detailing future plans for, and anticipated accomplishments from, expenditures under this program to the chairs and ranking minority members of the legislative committees with jurisdiction over agricultural policy and finance 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 and ranking minority members.

\$47,000 the first year and \$47,000 the second year are for the Northern Crops Institute. These appropriations may be spent to purchase equipment.

\$18,000 the first year and \$18,000 the second year are for a grant to the Minnesota Livestock Breeders Association.

\$235,000 the first year and \$235,000 the second year are for grants to the Minnesota Agricultural Education and Leadership Council for programs of the council under Minnesota Statutes, chapter 41D.

\$474,000 the first year and \$474,000 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 no later than July 15 of each year. These payments are the amount of aid from the state for an annual fair held in the previous calendar year.

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

\$108,000 the first year and \$108,000 the second year are for annual grants to the

Minnesota Turf Seed Council for basic and applied research on: (1) the improved production of forage and turf seed related to new and improved varieties; and (2) 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.

\$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.

\$94,000 the first year and \$94,000 the second year are for transfer to the Board of Trustees of the Minnesota State Colleges and Universities for statewide mental health counseling support to farm families and business operators through farm business management programs at Central Lakes College and Ridgewater College.

\$17,000 the first year and \$17,000 the second year are for grants to the Minnesota Horticultural Society.

Notwithstanding Minnesota Statutes, section 18C.131, \$800,000 the first year and \$800,000 the second year are from the fertilizer account in the agricultural fund for grants for fertilizer research as awarded by the Minnesota Agricultural Fertilizer Research and Education Council under Minnesota Statutes, section 18C.71. The amount appropriated in either fiscal year must not exceed 57 percent of the inspection fee revenue collected under Minnesota Statutes, section 18C.425, subdivision 6, during the previous fiscal year. No later than February 1, 2013, the commissioner shall report to the legislative 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 funds.

\$100,000 the second year is for a grant to the Center for Rural Policy and Development in St. Peter. This is a onetime appropriation. By January 15, 2012, the Center shall report to the chairs and ranking minority members of the senate and house of representatives committees on agricultural finance on the planned expenditures of money appropriated in this paragraph.

Sec. 4. <u>BOARD OF ANIMAL HEALTH</u>	<u>\$</u>	<u>4,841,000</u>	<u>\$</u>	<u>4,841,000</u>
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Sec. 5. <u>AGRICULTURAL UTILIZATION RESEARCH INSTITUTE</u>	<u>\$</u>	<u>2,643,000</u>	<u>\$</u>	<u>2,643,000</u>
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Sec. 6. Minnesota Statutes 2010, section 17.135, is amended to read:

17.135 FARM DISPOSAL OF SOLID WASTE.

(a) A permit is not required from a state agency, except under sections 88.16, 88.17, and 88.22 for a person who owns or operates land used for farming that buries, or burns and buries;

(1) solid waste generated from the person's household or as part of the person's farming operation if the burying is done; or

(2) concrete or reinforcing bar from a building or structure located on the land used for farming.

Items in clauses (1) and (2) must be buried in a nuisance-free, pollution-free, and aesthetic manner on the land used for farming. ~~This~~ The exception in clause (1) does not apply if regularly scheduled pickup of solid waste is reasonably available at the person's farm, as determined by resolution of the county board of the county where the person's farm is located.

(b) ~~This~~ The exemption in paragraph (a), clause (1), does not apply to burning tires or plastics, except plastic baling twine, or to burning or burial of the following materials:

- (1) household hazardous waste as defined in section 115A.96, subdivision 1;
- (2) appliances, including but not limited to, major appliances as defined in section 115A.03, subdivision 17a;
- (3) household batteries;
- (4) used motor oil; and
- (5) lead acid batteries from motor vehicles.

(c) Within 90 days after completion of the burial, an owner of land used for farming who buries material under the authority of paragraph (a), clause (2), shall record, with the county recorder or registrar of titles of the county in which the land is located, an affidavit containing a legal description of the property and a map drawn from available information showing the boundary of the property and the location of concrete or reinforcing bar buried on the property. The county recorder or registrar of titles must record an affidavit presented under this paragraph in a manner that ensures its disclosure in the ordinary course of a title search of the subject property.

Sec. 7. Minnesota Statutes 2010, section 18B.03, subdivision 1, is amended to read:

Subdivision 1. **Administration by commissioner.** The commissioner shall administer, implement, and enforce this chapter and the Department of Agriculture is the lead state agency for the regulation of pesticides. The commissioner has the sole regulatory authority over the terrestrial application of pesticides, including, but not limited to, the application of pesticides to agricultural crops, structures, and other nonaquatic environments.

Sec. 8. Minnesota Statutes 2010, section 18C.005, is amended by adding a subdivision to read:

Subd. 1b. **Ammonia and anhydrous ammonia.** "Ammonia" and "anhydrous ammonia" are used interchangeably and mean a compound formed by the chemical combinations of the elements nitrogen and hydrogen in the molar proportion of one part nitrogen to three parts hydrogen. This relationship is shown by the chemical formula, NH₃. On a weight basis, the ratio is 14 parts nitrogen to three parts hydrogen or approximately 82 percent nitrogen to 18 percent hydrogen. Ammonia may exist in either a gaseous or a liquid state. Ammonia or anhydrous ammonia does not include aqua ammonia or ammonium hydroxide, which are solutions of ammonia in water and are sometimes called ammonia.

Sec. 9. Minnesota Statutes 2010, section 18C.111, is amended by adding a subdivision to read:

Subd. 4. **Certification of regulatory compliance.** (a) The commissioner may, under rules adopted under section 18C.121, subdivision 1, certify a person to offer or perform a regulatory compliance inspection of any person or site that stores, handles, or distributes ammonia or anhydrous ammonia fertilizer.

(b) Pursuant to those rules, a person certified under paragraph (a) may issue a certification of compliance to an inspected person or site if the certified person documents in writing full compliance with the provisions of this chapter and rules adopted under this chapter.

(c) A person or site issued a certification of compliance must provide a copy of the certification to the commissioner immediately upon request or within 90 days following certification.

(d) Certifications of compliance are valid for a period of three years. The commissioner may determine a different time period in the interest of public safety or for other reasonable cause.

Sec. 10. Minnesota Statutes 2010, section 18D.201, is amended by adding a subdivision to read:

Subd. 7. **Compliance and inspection frequency.** (a) The commissioner may implement policies and procedures that provide for a decrease in the frequency of regulatory inspection for a person or site issued a certification of compliance pursuant to section 18C.111, subdivision 4.

(b) The commissioner must consider the compliance history, enforcement record, and other public safety or environmental risk factors in determining the eligibility of a person or site for the reduced frequency of inspection described in paragraph (a). If the commissioner determines that a person or site is ineligible, the commissioner must notify the person or site of that ineligibility and the reasons for that determination.

(c) The compliance findings of the commissioner's inspection of a person or site that stores, handles, or distributes ammonia and anhydrous ammonia fertilizer may be used as a basis for decreased frequency of regulatory inspection, as described in paragraphs (a) and (b).

Sec. 11. Minnesota Statutes 2010, section 18E.03, subdivision 4, is amended to read:

Subd. 4. **Fee.** (a) The response and reimbursement fee consists of the surcharges and any adjustments made by the commissioner in this subdivision and shall be collected by the commissioner. The amount of the response and reimbursement fee shall be determined and imposed annually by the commissioner as required to satisfy the requirements in subdivision 3. The commissioner shall adjust the amount of the surcharges imposed in proportion to the amount of the surcharges listed in this subdivision. License application categories under paragraph (d) must be charged in proportion to the amount of surcharges imposed up to a maximum of 50 percent of the license fees set under chapters 18B and 18C.

(b) The commissioner shall impose a surcharge on pesticides registered under chapter 18B to be collected as a surcharge on the gross sales under section 18B.26, subdivision 3, that is equal to 0.1 percent of sales of the pesticide in the state and sales

of pesticides for use in the state during the previous calendar year, except the surcharge may not be imposed on pesticides that are sanitizers or disinfectants as determined by the commissioner. No surcharge is required if the surcharge amount based on percent of annual gross sales of a nonagricultural pesticide is less than \$10. Sales of pesticides in the state for use outside of the state are exempt from the surcharge in this paragraph if the registrant, agricultural pesticide dealer, or pesticide dealer properly documents the sale location and the distributors.

(c) The commissioner shall impose a ten cents per ton surcharge on the inspection fee under section 18C.425, subdivision 6, for fertilizers, soil amendments, and plant amendments.

(d) The commissioner shall impose a surcharge on the license application of persons licensed under chapters 18B and 18C consisting of:

(1) a \$75 surcharge for each site where pesticides are stored or distributed, to be imposed as a surcharge on pesticide dealer application fees under section 18B.31, subdivision 5, and the agricultural pesticide dealer application fee under section 18B.316, subdivision 10;

(2) a \$75 surcharge for each site where a fertilizer, plant amendment, or soil amendment is distributed, to be imposed on persons licensed under sections 18C.415 and 18C.425;

(3) a \$50 surcharge to be imposed on a structural pest control applicator license application under section 18B.32, subdivision 6, for business license applications only;

(4) a \$20 surcharge to be imposed on commercial applicator license application fees under section 18B.33, subdivision 7; and

(5) a \$20 surcharge to be imposed on noncommercial applicator license application fees under section 18B.34, subdivision 5, except a surcharge may not be imposed on a noncommercial applicator that is a state agency, political subdivision of the state, the federal government, or an agency of the federal government.

(e) A \$1,000 fee shall be imposed on each site where pesticides are stored and sold for use outside of the state unless:

(1) the distributor properly documents that it has less than \$2,000,000 per year in wholesale value of pesticides stored and transferred through the site; or

(2) the registrant pays the surcharge under paragraph (b) and the registration fee under section 18B.26, subdivision 3, for all of the pesticides stored at the site and sold for use outside of the state.

(f) Paragraphs (c) to (e) apply to sales, licenses issued, applications received for licenses, and inspection fees imposed on or after July 1, 1990.

Sec. 12. Minnesota Statutes 2010, section 27.041, is amended by adding a subdivision to read:

Subd. 3. **Account; appropriation.** A wholesale produce dealers account is created in the agricultural fund. All fees, charges, and penalties collected under sections 27.01 to 27.069 and 27.11 to 27.19, including interest attributable to that money, must be deposited in the wholesale produce dealers account. Money in the account is appropriated to the commissioner for the purposes of sections 27.01 to 27.069 and 27.11 to 27.19.

Sec. 13. **[35.815] LIVESTOCK MORTALITIES.**

(a) Notwithstanding any other law, the executive director of the Board of Animal Health is responsible for the regulation and oversight of the disposal of livestock mortalities due to animal disease.

(b) Notwithstanding any other law, the executive director of the Board of Animal Health is responsible for the regulation and oversight of livestock mortality disposal due to nondisease causes to protect animal health and the environment. The board shall, in cases where the disposal may adversely affect ground or surface water, seek the input of the Pollution Control Agency.

Sec. 14. Minnesota Statutes 2010, section 38.01, is amended to read:

38.01 COUNTY AGRICULTURAL SOCIETIES; FORMATION, POWERS.

(a) An agricultural society or association may be incorporated by citizens of any county, or two or more counties jointly, but only one agricultural society shall be organized in any county. An agricultural society may sue and be sued in its corporate name; may adopt bylaws, rules, and regulations, alter and amend the same; may purchase and hold, lease and control any real or personal property deemed to promote the objects of the society, and may rent, lease, sell, exchange, and convey the same. Any income from the rental or lease of the property may be used for any or all of the following purposes: (1) Acquisition of additional real property; (2) Construction of additional buildings; or (3) Maintenance and care of the society's property. This section shall not be construed to preclude the continuance of any agricultural society now existing or the granting of aid to the society.

(b) An agricultural society shall have jurisdiction and control of the grounds upon which its fairs are held and of the streets and adjacent grounds during the fair, so far as may be necessary for fair purposes, and are exempt from local zoning ordinances throughout the year as provided in section 38.16.

(c) The society may contract with the sheriff, local municipality, or security guard as defined in section 626.88 to provide the society with police service. A person providing police service pursuant to a contract is not, by reason of the contract, classified as an employee of the agricultural society for any purpose other than the discharge of powers and duties under the contract.

(d) Any person who shall willfully violate any rule or regulation made by agricultural societies during the days of a fair shall be guilty of a misdemeanor.

The provisions of this section supersede all special laws on the same subject.

Sec. 15. Minnesota Statutes 2010, section 373.01, subdivision 1, is amended to read:

Subdivision 1. **Public corporation; listed powers.** (a) Each county is a body politic and corporate and may:

(1) Sue and be sued.

(2) Acquire and hold real and personal property for the use of the county, and lands sold for taxes as provided by law.

(3) Purchase and hold for the benefit of the county real estate sold by virtue of judicial proceedings, to which the county is a party.

(4) Sell, lease, and convey real or personal estate owned by the county, and give contracts or options to sell, lease, or convey it, and make orders respecting it as deemed conducive to the interests of the county's inhabitants.

(5) Make all contracts and do all other acts in relation to the property and concerns of the county necessary to the exercise of its corporate powers.

(b) No sale, lease, or conveyance of real estate owned by the county, except the lease of a residence acquired for the furtherance of an approved capital improvement project, nor any contract or option for it, shall be valid, without first advertising for bids or proposals in the official newspaper of the county for three consecutive weeks and once in a newspaper of general circulation in the area where the property is located. The notice shall state the time and place of considering the proposals, contain a legal description of any real estate, and a brief description of any personal property. Leases that do not exceed \$15,000 for any one year may be negotiated and are not subject to the competitive bid procedures of this section. All proposals estimated to exceed \$15,000 in any one year shall be considered at the time set for the bid opening, and the one most favorable to the county accepted, but the county board may, in the interest of the county, reject any or all proposals.

(c) Sales of personal property the value of which is estimated to be \$15,000 or more shall be made only after advertising for bids or proposals in the county's official newspaper, on the county's Web site, or in a recognized industry trade journal. At the same time it posts on its Web site or publishes in a trade journal, the county must publish in the official newspaper, either as part of the minutes of a regular meeting of the county board or in a separate notice, a summary of all requests for bids or proposals that the county advertises on its Web site or in a trade journal. After publication in the official newspaper, on the Web site, or in a trade journal, bids or proposals may be solicited and accepted by the electronic selling process authorized in section 471.345, subdivision 17. Sales of personal property the value of which is estimated to be less than \$15,000 may be made either on competitive bids or in the open market, in the discretion of the county board. "Web site" means a specific, addressable location provided on a server connected to the Internet and hosting World Wide Web pages and other files that are generally accessible on the Internet all or most of a day.

(d) Notwithstanding anything to the contrary herein, the county may, when acquiring real property for county highway right-of-way, exchange parcels of real property of substantially similar or equal value without advertising for bids. The estimated values for these parcels shall be determined by the county assessor.

(e) Notwithstanding anything in this section to the contrary, the county may, when acquiring real property for purposes other than county highway right-of-way, exchange parcels of real property of substantially similar or equal value without advertising for bids. The estimated values for these parcels must be determined by the county assessor or a private appraisal performed by a licensed Minnesota real estate appraiser. Before giving final approval to any exchange of land, the county board shall hold a public hearing on the exchange. At least two weeks before the hearing, the county auditor shall post a notice in the auditor's office and the official newspaper of the county of the hearing that contains a description of the lands affected.

~~(e)~~ (f) If real estate or personal property remains unsold after advertising for and consideration of bids or proposals the county may employ a broker to sell the property. The broker may sell the property for not less than 90 percent of its appraised market value

as determined by the county. The broker's fee shall be set by agreement with the county but may not exceed ten percent of the sale price and must be paid from the proceeds of the sale.

~~(f)~~ (g) A county or its agent may rent a county-owned residence acquired for the furtherance of an approved capital improvement project subject to the conditions set by the county board and not subject to the conditions for lease otherwise provided by paragraph (a), clause (4), and paragraphs (b), (c), (d), ~~(e)~~, and ~~(g)~~ (f), and (h).

~~(g)~~ (h) In no case shall lands be disposed of without there being reserved to the county all iron ore and other valuable minerals in and upon the lands, with right to explore for, mine and remove the iron ore and other valuable minerals, nor shall the minerals and mineral rights be disposed of, either before or after disposition of the surface rights, otherwise than by mining lease, in similar general form to that provided by section 93.20 for mining leases affecting state lands. The lease shall be for a term not exceeding 50 years, and be issued on a royalty basis, the royalty to be not less than 25 cents per ton of 2,240 pounds, and fix a minimum amount of royalty payable during each year, whether mineral is removed or not. Prospecting options for mining leases may be granted for periods not exceeding one year. The options shall require, among other things, periodical showings to the county board of the results of exploration work done.

~~(h)~~ (i) Notwithstanding anything in this subdivision to the contrary, the county may, when selling real property owned in fee simple that cannot be improved because of noncompliance with local ordinances regarding minimum area, shape, frontage, or access, proceed to sell the nonconforming parcel without advertising for bid. At the county's discretion, the real property may be restricted to sale to adjoining landowners or may be sold to any other interested party. The property shall be sold to the highest bidder, but in no case shall the property be sold for less than 90 percent of its fair market value as determined by the county assessor. All owners of land adjoining the land to be sold shall be given a written notice at least 30 days before the sale. This paragraph shall be liberally construed to encourage the sale of nonconforming real property and promote its return to the tax roles.

Sec. 16. **REPEALER.**

Minnesota Statutes 2010, section 41A.09, subdivisions 1a, 2a, 3a, 4, and 10, are repealed.

EFFECTIVE DATE. This section is effective June 30, 2013.

Presented to the governor April 14, 2011

Signed by the governor April 15, 2011, 11:02 a.m.