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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. 2398

02/20/2012 Authored by Anderson, P., Eken, Schomacker, Swedzinski, Hamilton and others

The bill was read for the first time and referred to the Committee on Agriculture and Rural Development Policy and Finance

1.1 A bill for an act  
1.2 relating to agriculture; modifying provisions related to pesticides, plants,  
1.3 nursery law, inspections, enforcements, food, animals, grain, and weights and  
1.4 measures; establishing Dairy Research, Teaching, and Consumer Education  
1.5 Authority; requiring reports; amending Minnesota Statutes 2010, sections  
1.6 17.114, subdivisions 3, 4; 18B.065, subdivision 2a, by adding a subdivision;  
1.7 18B.316, subdivision 6; 18G.02, subdivision 14; 18G.07, subdivision 1; 18G.10,  
1.8 subdivision 7, by adding a subdivision; 18H.02, subdivision 14, by adding a  
1.9 subdivision; 18H.10; 18H.14; 18J.01; 18J.02; 18J.03; 18J.04, subdivisions 1, 2,  
1.10 3, 4; 18J.05, subdivisions 1, 2, 6; 18J.06; 18J.07, subdivisions 3, 4, 5; 21.82,  
1.11 subdivisions 7, 8; 31.13; 31.94; 35.0661, subdivisions 2, 3; 40A.17; 41A.12,  
1.12 subdivisions 2, 4; 223.16, subdivision 12; 223.17, subdivisions 1, 4, 6, 9; 232.21,  
1.13 subdivisions 2, 6, 12; 232.22, subdivisions 3, 4, 5, 7; 232.23, subdivisions 2, 5,  
1.14 10; 232.24, subdivisions 1, 2; 239.092; 239.093; Laws 2011, chapter 14, section  
1.15 6; proposing coding for new law as Minnesota Statutes, chapter 32C; repealing  
1.16 Minnesota Statutes 2010, sections 17B.01; 17B.02; 17B.03; 17B.04; 17B.041;  
1.17 17B.0451; 17B.048; 17B.05; 17B.06; 17B.07; 17B.10; 17B.11; 17B.12; 17B.13;  
1.18 17B.14; 17B.15, subdivisions 1, 3; 17B.16; 17B.17; 17B.18; 17B.20; 17B.22,  
1.19 subdivisions 1, 2; 17B.28; 17B.29; 27.19, subdivisions 2, 3; 27.20; 223.16,  
1.20 subdivision 7; 223.18; 232.21, subdivision 4; 232.24, subdivision 3; 232.25;  
1.21 233.01; 233.015; 233.017; 233.02; 233.03; 233.04; 233.05; 233.06; 233.07;  
1.22 233.08; 233.09; 233.10; 233.11; 233.12; 233.22; 233.23; 233.24; 233.33; 234.01;  
1.23 234.03; 234.04; 234.05; 234.06; 234.08; 234.09; 234.10; 234.11; 234.12; 234.13;  
1.24 234.14; 234.15; 234.16; 234.17; 234.18; 234.19; 234.20; 234.21; 234.22; 234.23;  
1.25 234.24; 234.25; 234.27; 235.01; 235.02; 235.04; 235.05; 235.06; 235.07;  
1.26 235.08; 235.09; 235.10; 235.13; 235.18; 236.01; 236.02; 236.03; 236.04;  
1.27 236.05; 236.06; 236.07; 236.08; 236.09; 395.14; 395.15; 395.16; 395.17;  
1.28 395.18; 395.19; 395.20; 395.21; 395.22; 395.23; 395.24; Minnesota Rules,  
1.29 parts 1505.0780; 1505.0810; 1511.0100; 1511.0110; 1511.0120; 1511.0130;  
1.30 1511.0140; 1511.0150; 1511.0160; 1511.0170; 1562.0100, subparts 3, 4, 5, 6,  
1.31 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25; 1562.0200;  
1.32 1562.0400; 1562.0700; 1562.0900; 1562.1300; 1562.1800.

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

1.34 Section 1. Minnesota Statutes 2010, section 17.114, subdivision 3, is amended to read:

1.35 Subd. 3. **Duties.** ~~(a)~~ The commissioner shall:

2.1 (1) establish a clearinghouse and provide information, appropriate educational  
2.2 opportunities and other assistance to individuals, producers, and groups about sustainable  
2.3 agricultural techniques, practices, and opportunities;

2.4 (2) survey producers and support services and organizations to determine  
2.5 information and research needs in the area of sustainable agricultural practices;

2.6 (3) demonstrate the on-farm applicability of sustainable agriculture practices to  
2.7 conditions in this state;

2.8 (4) coordinate the efforts of state agencies regarding activities relating to sustainable  
2.9 agriculture;

2.10 (5) direct the programs of the department so as to work toward the sustainability of  
2.11 agriculture in this state;

2.12 (6) inform agencies of how state or federal programs could utilize and support  
2.13 sustainable agriculture practices;

2.14 (7) work closely with farmers, the University of Minnesota, and other appropriate  
2.15 organizations to identify opportunities and needs as well as assure coordination and  
2.16 avoid duplication of state agency efforts regarding research, teaching, and extension  
2.17 work relating to sustainable agriculture; and

2.18 (8) work cooperatively with local governments and others to strengthen the  
2.19 connection between farmers who practice sustainable farming methods and urban, rural,  
2.20 and suburban consumers, including, but not limited to, promoting local farmers' markets  
2.21 and community-supported agriculture; and

2.22 ~~(9) report to the Environmental Quality Board for review and then to the house of~~  
2.23 ~~representatives and senate committees with jurisdiction over the environment, natural~~  
2.24 ~~resources, and agriculture every even-numbered year.~~

2.25 ~~(b) The report under paragraph (a), clause (9), must include:~~

2.26 ~~(1) the presentation and analysis of findings regarding the current status and trends~~  
2.27 ~~regarding the economic condition of producers; the status of soil and water resources~~  
2.28 ~~utilized by production agriculture; the magnitude of off-farm inputs used; and the amount~~  
2.29 ~~of nonrenewable resources used by Minnesota farmers;~~

2.30 ~~(2) a description of current state or federal programs directed toward sustainable~~  
2.31 ~~agriculture including significant results and experiences of those programs;~~

2.32 ~~(3) a description of specific actions the Department of Agriculture is taking in the~~  
2.33 ~~area of sustainable agriculture, including, but not limited to, specific actions to strengthen~~  
2.34 ~~the connection between sustainable farmers and consumers under paragraph (a), clause (8);~~

2.35 ~~(4) a description of current and future research needs at all levels in the area of~~  
2.36 ~~sustainable agriculture; and~~

3.1 ~~(5) suggestions for changes in existing programs or policies or enactment of new~~  
3.2 ~~programs or policies that will affect farm profitability, maintain soil and water quality,~~  
3.3 ~~reduce input costs, or lessen dependence upon nonrenewable resources.~~

3.4 Sec. 2. Minnesota Statutes 2010, section 17.114, subdivision 4, is amended to read:

3.5 Subd. 4. **Integrated pest management.** (a) The state shall promote and facilitate  
3.6 the use of integrated pest management through education, technical or financial assistance,  
3.7 information and research.

3.8 (b) The commissioner shall coordinate the development of a state approach to the  
3.9 promotion and use of integrated pest management, which shall include delineation of  
3.10 the responsibilities of the state, public postsecondary institutions, Minnesota Extension  
3.11 Service, local units of government, and the private sector; establishment of information  
3.12 exchange and integration; procedures for identifying research needs and reviewing and  
3.13 preparing informational materials; procedures for factoring integrated pest management  
3.14 into state laws, rules, and uses of pesticides; and identification of barriers to adoption.

3.15 ~~(c) The commissioner shall report to the Environmental Quality Board for review~~  
3.16 ~~and then to the house of representatives and senate committees with jurisdiction over the~~  
3.17 ~~environment, natural resources, and agriculture every even-numbered year. The report~~  
3.18 ~~shall be combined with the report required in subdivision 3.~~

3.19 Sec. 3. Minnesota Statutes 2010, section 18B.065, subdivision 2a, is amended to read:

3.20 Subd. 2a. **Disposal site requirement.** (a) For agricultural waste pesticides, the  
3.21 commissioner must designate a place in each county of the state that is available at least  
3.22 every other year for persons to dispose of unused portions of agricultural pesticides. The  
3.23 commissioner shall consult with the person responsible for solid waste management  
3.24 and disposal in each county to determine an appropriate location and to advertise each  
3.25 collection event. The commissioner may provide a collection opportunity in a county  
3.26 more frequently if the commissioner determines that a collection is warranted.

3.27 (b) For nonagricultural waste pesticides, the commissioner must provide a disposal  
3.28 opportunity each year in each county or for a group of counties under a joint powers  
3.29 agreement or contract for household hazardous waste disposal.

3.30 (c) As provided under subdivision 7, the commissioner may enter into cooperative  
3.31 agreements with local units of government to provide the collections required under  
3.32 paragraph (a) or (b) and shall provide a local unit of government, as part of the cooperative  
3.33 agreement, with funding for reasonable costs incurred including, but not limited to, related

4.1 supplies, transportation, advertising, and disposal costs as well as reasonable overhead  
4.2 costs.

4.3 (d) A person who collects waste pesticide under this section shall, on a form  
4.4 provided or in a method approved by the commissioner, record information on each  
4.5 waste pesticide product collected including, but not limited to, the quantity collected  
4.6 and either the product name and its active ingredient or ingredients or the United States  
4.7 Environmental Protection Agency registration number. The person must submit this  
4.8 information to the commissioner at least annually by January 30.

4.9 Sec. 4. Minnesota Statutes 2010, section 18B.065, is amended by adding a subdivision  
4.10 to read:

4.11 Subd. 10. **Indemnification.** (a) A local unit of government, when operating or  
4.12 participating in a waste pesticide collection program pursuant to a cooperative agreement  
4.13 with the commissioner under this section, is an employee of the state, certified to be  
4.14 acting within the scope of employment, for purposes of the indemnification provisions of  
4.15 section 3.736, subdivision 9, for claims that arise out of the transportation, management,  
4.16 or disposal of any waste pesticide covered by the agreement:

4.17 (1) from and after the time the waste permanently leaves the local unit of  
4.18 government's possession and comes into the possession of the state's authorized  
4.19 transporter; and

4.20 (2) during the time the waste is transported between the local unit of government  
4.21 facilities by the state's authorized transporter.

4.22 (b) The state is not obligated to defend or indemnify a local unit of government under  
4.23 this subdivision to the extent of the local unit of government's liability insurance. The  
4.24 local unit of government's right to indemnify is not a waiver of the limitation, defenses,  
4.25 and immunities available to either the local unit of government or the state by law.

4.26 Sec. 5. Minnesota Statutes 2010, section 18B.316, subdivision 6, is amended to read:

4.27 Subd. 6. **Agricultural pesticide sales invoices.** (a) Sales invoices for agricultural  
4.28 pesticides sold in or into this state by a licensed agricultural pesticide dealer or a pesticide  
4.29 dealer under this section must show the percent of gross sales fee rate assessed and the  
4.30 gross sales fee paid under section 18B.26, subdivision 3, paragraph (c).

4.31 (b) A licensed agricultural pesticide dealer or a pesticide dealer may request an  
4.32 exemption from paragraph (a). The request for exemption must be in writing to the  
4.33 commissioner and must include verifiable information to justify that compliance with  
4.34 paragraph (a) is an extreme business hardship for the licensed agricultural pesticide dealer

5.1 or pesticide dealer. The commissioner may approve or reject a request for exemption  
 5.2 based upon review of the submitted information. An approved exemption under this  
 5.3 paragraph is valid for one calendar year. The commissioner must maintain a list of those  
 5.4 licensed agricultural pesticide dealers or pesticide dealers that have been granted an  
 5.5 exemption on the department's Web site.

5.6 (c) A licensed agricultural pesticide dealer or a pesticide dealer issued an exemption  
 5.7 under paragraph (b) must include the following statement on each sales invoice for any  
 5.8 sale of an agricultural pesticide: "Minnesota Department of Agriculture Annual Gross  
 5.9 Sales Fees of 0.55% have been Assessed and Paid on the Sale of an Agricultural Pesticide."

5.10 (d) Only the person who actually will pay the gross sales fee may show the rate or  
 5.11 the amount of the fee as a line item on the sales invoice.

5.12 Sec. 6. Minnesota Statutes 2010, section 18G.02, subdivision 14, is amended to read:

5.13 Subd. 14. **Infested.** "Infested" means a plant has been overrun by plant pests,  
 5.14 including weeds, or contains or harbors plant pests in a quantity that may threaten other  
 5.15 plants.

5.16 Sec. 7. Minnesota Statutes 2010, section 18G.07, subdivision 1, is amended to read:

5.17 Subdivision 1. **Creation of registry.** (a) The commissioner shall maintain a list of  
 5.18 all persons, businesses, and companies that employ persons who provide tree care or tree  
 5.19 trimming services in Minnesota. All commercial tree care providers, tree trimmers, and  
 5.20 ~~persons who~~ employers that direct employees to remove trees, limbs, branches, brush, or  
 5.21 shrubs for hire must be registered ~~by~~ with the commissioner.

5.22 (b) Persons or companies who are required to be registered under paragraph (a) must  
 5.23 register annually by providing the following to the commissioner:

- 5.24 (1) accurate and up-to-date business name, address, and telephone number;  
 5.25 (2) a complete list of all Minnesota counties in which they work; and  
 5.26 (3) a nonrefundable fee of \$25 for initial application or renewing the registration.

5.27 (c) All persons and companies required to be registered under paragraph (a) must  
 5.28 register before conducting the activities specified in paragraph (a). Annual registration  
 5.29 expires December 31, must be renewed annually, and the renewal fee remitted by January  
 5.30 ~~7~~ 1 of the year for which it is issued. In addition, a penalty of ten percent of the renewal fee  
 5.31 due must be charged for each month, or portion of a month, that the fee is delinquent up to  
 5.32 a maximum of 30 percent for any application for renewal postmarked after December 31.

5.33 Sec. 8. Minnesota Statutes 2010, section 18G.10, subdivision 7, is amended to read:

6.1 Subd. 7. **Supplemental, additional, or other certificates and permits.** (a) The  
 6.2 commissioner may provide inspection, sampling, or certification services to ensure  
 6.3 that Minnesota plant treatment processes, plant products, or commodities meet import  
 6.4 requirements of other states or countries.

6.5 (b) The state plant regulatory official may issue permits and certificates verifying that  
 6.6 various Minnesota agricultural plant treatment processes, products, or commodities meet  
 6.7 specified plant health requirements, treatment requirements, or pest absence assurances  
 6.8 based on determinations by the commissioner.

6.9 Sec. 9. Minnesota Statutes 2010, section 18G.10, is amended by adding a subdivision  
 6.10 to read:

6.11 Subd. 8. **Misuse of a certificate or permit.** (a) Certificates and permits may not be  
 6.12 altered, counterfeited, obtained, or used improperly, for any plant product.

6.13 (b) Certificates and permits are not transferable to another location or another person.

6.14 Sec. 10. Minnesota Statutes 2010, section 18H.02, subdivision 14, is amended to read:

6.15 Subd. 14. **Infested.** "Infested" means a plant has been overrun by plant pests,  
 6.16 including weeds, or contains or harbors plant pests in a quantity that may threaten other  
 6.17 plants.

6.18 Sec. 11. Minnesota Statutes 2010, section 18H.02, is amended by adding a subdivision  
 6.19 to read:

6.20 Subd. 16a. **Nonhardy.** "Nonhardy" means a plant that cannot be expected to  
 6.21 survive or reliably produce flowers and fruit in average minimum winter temperatures  
 6.22 at the growing site as determined by the commissioner based upon independent field  
 6.23 trials and industry input represented by the United States Department of Agriculture  
 6.24 Plant Hardiness Zone designations.

6.25 Sec. 12. Minnesota Statutes 2010, section 18H.10, is amended to read:

6.26 **18H.10 STORAGE OF NURSERY STOCK.**

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

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

6.31 (c) Balled and burlapped nursery stock being held for sale to the public must be kept  
 6.32 in a moisture-holding material approved by the commissioner and not toxic to plants.

7.1 The moisture-holding material must adequately cover and protect the ball of earth and  
 7.2 must be kept moist at all times.

7.3 Sec. 13. Minnesota Statutes 2010, section 18H.14, is amended to read:

7.4 **18H.14 LABELING AND ADVERTISING OF NURSERY STOCK.**

7.5 (a) Plants, plant materials, or nursery stock must not be labeled or advertised with  
 7.6 false or misleading information including, but not limited to, scientific name, variety,  
 7.7 place of origin, hardiness zone as defined by the United States Department of Agriculture,  
 7.8 and growth habit.

7.9 (b) All nonhardy nursery stock as designated by the commissioner must be labeled  
 7.10 "nonhardy" in Minnesota.

7.11 ~~(b)~~ (c) A person may not offer for distribution plants, plant materials, or nursery  
 7.12 stock, represented by some specific or special form of notation, including, but not limited  
 7.13 to, "free from" or "grown free of," unless the plants are produced under a specific program  
 7.14 approved by the commissioner to address the specific plant properties addressed in the  
 7.15 special notation claim.

7.16 (d) Nursery stock collected from the wild state must be inspected and certified  
 7.17 prior to sale and at the time of sale must be labeled "Collected from the Wild." The label  
 7.18 must remain on each plant or clump of plants while it is offered for sale and during the  
 7.19 distribution process. The collected stock may be grown in nursery rows at least two years,  
 7.20 after which the plants may be sold without the labeling required by this paragraph.

7.21 Sec. 14. Minnesota Statutes 2010, section 18J.01, is amended to read:

7.22 **18J.01 DEFINITIONS.**

7.23 (a) The definitions in sections 18G.02 ~~and~~ 18H.02, 27.01, 223.16, 231.01, and  
 7.24 232.21 apply to this chapter.

7.25 (b) For purposes of this chapter, "associated rules" means rules adopted under this  
 7.26 chapter, chapter 18G ~~or~~ 18H, 27, 223, 231, or 232, or sections 21.80 to 21.92.

7.27 Sec. 15. Minnesota Statutes 2010, section 18J.02, is amended to read:

7.28 **18J.02 DUTIES OF COMMISSIONER.**

7.29 The commissioner shall administer and enforce this chapter, chapters 18G ~~and~~ 18H,  
 7.30 27, 223, 231, and 232; sections 21.80 to 21.92; and associated rules.

8.1 Sec. 16. Minnesota Statutes 2010, section 18J.03, is amended to read:

8.2 **18J.03 CIVIL LIABILITY.**

8.3 A person regulated by this chapter, chapter 18G ~~or~~, 18H, 27, 223, 231, or 232,  
8.4 or sections 21.80 to 21.92, is civilly liable for any violation of one of those statutes or  
8.5 associated rules by the person's employee or agent.

8.6 Sec. 17. Minnesota Statutes 2010, section 18J.04, subdivision 1, is amended to read:

8.7 Subdivision 1. **Access and entry.** The commissioner, upon presentation of official  
8.8 department credentials, must be granted immediate access at reasonable times to sites  
8.9 where a person manufactures, distributes, uses, handles, disposes of, stores, or transports  
8.10 seeds, plants, grain, household goods, general merchandise, produce, or other living or  
8.11 nonliving products or other objects regulated under chapter 18G ~~or~~, 18H, 27, 223, 231, or  
8.12 232; sections 21.80 to 21.92~~;~~ or associated rules.

8.13 Sec. 18. Minnesota Statutes 2010, section 18J.04, subdivision 2, is amended to read:

8.14 Subd. 2. **Purpose of entry.** (a) The commissioner may enter sites for:

8.15 (1) inspection of inventory and equipment for the manufacture, storage, handling,  
8.16 distribution, disposal, or any other process regulated under chapter 18G ~~or~~, 18H, 27, 223,  
8.17 231, or 232; sections 21.80 to 21.92~~;~~ or associated rules;

8.18 (2) sampling of sites, seeds, plants, products, grain, household goods, general  
8.19 merchandise, produce, or other living or nonliving objects that are manufactured, stored,  
8.20 distributed, handled, or disposed of at those sites and regulated under chapter 18G ~~or~~  
8.21 18H, 27, 223, 231, or 232; sections 21.80 to 21.92~~;~~ or associated rules;

8.22 (3) inspection of records related to the manufacture, distribution, storage, handling,  
8.23 or disposal of seeds, plants, products, grain, household goods, general merchandise,  
8.24 produce, or other living or nonliving objects regulated under chapter 18G ~~or~~, 18H, 27,  
8.25 223, 231, or 232; sections 21.80 to 21.92~~;~~ or associated rules;

8.26 (4) investigating compliance with chapter 18G ~~or~~, 18H, 27, 223, 231, or 232;  
8.27 sections 21.80 to 21.92~~;~~ or associated rules; or

8.28 (5) other purposes necessary to implement chapter 18G ~~or~~, 18H, 27, 223, 231, or  
8.29 232; sections 21.80 to 21.92~~;~~ or associated rules.

8.30 (b) The commissioner may enter any public or private premises during or after  
8.31 regular business hours without notice of inspection when a suspected violation of chapter  
8.32 18G ~~or~~, 18H, 27, 223, 231, or 232; sections 21.80 to 21.92~~;~~ or associated rules may  
8.33 threaten public health or the environment.

9.1 Sec. 19. Minnesota Statutes 2010, section 18J.04, subdivision 3, is amended to read:

9.2 Subd. 3. **Notice of inspection samples and analyses.** (a) The commissioner shall  
 9.3 provide the owner, operator, or agent in charge with a receipt describing any samples  
 9.4 obtained. If requested, the commissioner shall split any samples obtained and provide  
 9.5 them to the owner, operator, or agent in charge. If an analysis is made of the samples,  
 9.6 a copy of the results of the analysis must be furnished to the owner, operator, or agent  
 9.7 in charge within 30 days after an analysis has been performed. If an analysis is not  
 9.8 performed, the commissioner must notify the owner, operator, or agent in charge within 30  
 9.9 days of the decision not to perform the analysis.

9.10 (b) The sampling and analysis must be done according to methods provided for  
 9.11 under applicable provisions of chapter 18G ~~or~~ 18H, 27, 223, 231, or 232; sections 21.80  
 9.12 to 21.92~~;~~ or associated rules. In cases not covered by those sections and methods or in  
 9.13 cases where methods are available in which improved applicability has been demonstrated  
 9.14 the commissioner may adopt appropriate methods from other sources.

9.15 Sec. 20. Minnesota Statutes 2010, section 18J.04, subdivision 4, is amended to read:

9.16 Subd. 4. **Inspection requests by others.** (a) A person who believes that a violation  
 9.17 of chapter 18G ~~or~~ 18H, 27, 223, 231, or 232; sections 21.80 to 21.92~~;~~ or associated  
 9.18 rules has occurred may request an inspection by giving notice to the commissioner of the  
 9.19 violation. The notice must be in writing, state with reasonable particularity the grounds  
 9.20 for the notice, and be signed by the person making the request.

9.21 (b) If after receiving a notice of violation the commissioner reasonably believes that  
 9.22 a violation has occurred, the commissioner shall make a special inspection in accordance  
 9.23 with the provisions of this section as soon as practicable, to determine if a violation has  
 9.24 occurred.

9.25 (c) An inspection conducted pursuant to a notice under this subdivision may cover  
 9.26 an entire site and is not limited to the portion of the site specified in the notice. If the  
 9.27 commissioner determines that reasonable grounds to believe that a violation occurred  
 9.28 do not exist, the commissioner must notify the person making the request in writing of  
 9.29 the determination.

9.30 Sec. 21. Minnesota Statutes 2010, section 18J.05, subdivision 1, is amended to read:

9.31 Subdivision 1. **Enforcement required.** (a) A violation of chapter 18G ~~or~~ 18H, 27,  
 9.32 223, 231, or 232; sections 21.80 to 21.92~~;~~ or an associated rule is a violation of this  
 9.33 chapter.

10.1 (b) Upon the request of the commissioner, county attorneys, sheriffs, and other  
 10.2 officers having authority in the enforcement of the general criminal laws must take action  
 10.3 to the extent of their authority necessary or proper for the enforcement of chapter 18G ~~or~~<sub>2</sub>  
 10.4 18H, 27, 223, 231, or 232; sections 21.80 to 21.92~~;~~<sub>2</sub> or associated rules or valid orders,  
 10.5 standards, stipulations, and agreements of the commissioner.

10.6 Sec. 22. Minnesota Statutes 2010, section 18J.05, subdivision 2, is amended to read:

10.7 Subd. 2. **Commissioner's discretion.** If minor violations of chapter 18G ~~or~~<sub>2</sub>  
 10.8 18H, 27, 223, 231, or 232; sections 21.80 to 21.92~~;~~<sub>2</sub> or associated rules occur or the  
 10.9 commissioner believes the public interest will be best served by a suitable notice of  
 10.10 warning in writing, this section does not require the commissioner to:

- 10.11 (1) report the violation for prosecution;
- 10.12 (2) institute seizure proceedings; or
- 10.13 (3) issue a withdrawal from distribution, stop-sale, or other order.

10.14 Sec. 23. Minnesota Statutes 2010, section 18J.05, subdivision 6, is amended to read:

10.15 Subd. 6. **Agent for service of process.** All persons licensed, permitted, registered,  
 10.16 or certified under chapter 18G ~~or~~<sub>2</sub> 18H, 27, 223, 231, or 232; sections 21.80 to 21.92~~;~~<sub>2</sub> or  
 10.17 associated rules must appoint the commissioner as the agent upon whom all legal process  
 10.18 may be served and service upon the commissioner is deemed to be service on the licensee,  
 10.19 permittee, registrant, or certified person.

10.20 Sec. 24. Minnesota Statutes 2010, section 18J.06, is amended to read:

10.21 **18J.06 FALSE STATEMENT OR RECORD.**

10.22 A person must not knowingly make or offer a false statement, record, or other  
 10.23 information as part of:

- 10.24 (1) an application for registration, license, certification, or permit under chapter 18G  
 10.25 ~~or~~<sub>2</sub> 18H, 27, 223, 231, or 232; sections 21.80 to 21.92~~;~~<sub>2</sub> or associated rules;
- 10.26 (2) records or reports required under chapter 18G ~~or~~<sub>2</sub> 18H, 27, 223, 231, or 232;  
 10.27 sections 21.80 to 21.92~~;~~<sub>2</sub> or associated rules; or
- 10.28 (3) an investigation of a violation of chapter 18G ~~or~~<sub>2</sub> 18H, 27, 223, 231, or 232;  
 10.29 sections 21.80 to 21.92~~;~~<sub>2</sub> or associated rules.

10.30 Sec. 25. Minnesota Statutes 2010, section 18J.07, subdivision 3, is amended to read:

10.31 Subd. 3. **Cancellation of registration, permit, license, certification.** The  
 10.32 commissioner may cancel or revoke a registration, permit, license, or certification

11.1 provided for under chapter 18G ~~or~~, 18H, 27, 223, 231, or 232; sections 21.80 to 21.92~~;~~  
 11.2 or associated rules or refuse to register, permit, license, or certify under provisions of  
 11.3 chapter 18G ~~or~~, 18H, 27, 223, 231, or 232; sections 21.80 to 21.92~~;~~ or associated rules  
 11.4 if the registrant, permittee, licensee, or certified person has used fraudulent or deceptive  
 11.5 practices in the evasion or attempted evasion of a provision of chapter 18G ~~or~~, 18H, 27,  
 11.6 223, 231, or 232; sections 21.80 to 21.92~~;~~ or associated rules.

11.7 Sec. 26. Minnesota Statutes 2010, section 18J.07, subdivision 4, is amended to read:

11.8 Subd. 4. **Service of order or notice.** (a) If a person is not available for service of an  
 11.9 order, the commissioner may attach the order to the facility, site, seed or seed container,  
 11.10 plant or other living or nonliving object regulated under chapter 18G ~~or~~, 18H, 27, 223,  
 11.11 231, or 232; sections 21.80 to 21.92~~;~~ or associated rules and notify the owner, custodian,  
 11.12 other responsible party, or registrant.

11.13 (b) The seed, seed container, plant, or other living or nonliving object regulated  
 11.14 under chapter 18G ~~or~~, 18H, 27, 223, 231, or 232; sections 21.80 to 21.92~~;~~ or associated  
 11.15 rules may not be sold, used, tampered with, or removed until released under conditions  
 11.16 specified by the commissioner, by an administrative law judge, or by a court.

11.17 Sec. 27. Minnesota Statutes 2010, section 18J.07, subdivision 5, is amended to read:

11.18 Subd. 5. **Unsatisfied judgments.** (a) An applicant for a license, permit, registration,  
 11.19 or certification under provisions of this chapter, chapter 18G ~~or~~, 18H, 27, 223, 231, or  
 11.20 232; sections 21.80 to 21.92~~;~~ or associated rules may not allow a final judgment against  
 11.21 the applicant for damages arising from a violation of those statutes or rules to remain  
 11.22 unsatisfied for a period of more than 30 days.

11.23 (b) Failure to satisfy, within 30 days, a final judgment resulting from a violation  
 11.24 of this chapter results in automatic suspension of the license, permit, registration, or  
 11.25 certification.

11.26 Sec. 28. Minnesota Statutes 2010, section 21.82, subdivision 7, is amended to read:

11.27 Subd. 7. **Vegetable seeds.** For vegetable seeds prepared for use in home gardens  
 11.28 or household plantings the requirements in paragraphs (a) to (p) apply. Vegetable seeds  
 11.29 packed for sale in commercial quantities to farmers, conservation groups, and other similar  
 11.30 entities are considered agricultural seeds and must be labeled accordingly.

11.31 (a) The label must contain the name of the kind or kind and variety for each seed  
 11.32 component in excess of five percent of the whole and the percentage by weight of each  
 11.33 in order of its predominance. If the variety of those kinds generally labeled as to variety

12.1 is not stated and it is not required to be stated, the label must show the name of the kind  
12.2 and the words "variety not stated."

12.3 (b) The percentage that is hybrid must be at least 95 percent of the percentage of pure  
12.4 seed shown unless the percentage of pure seed which is hybrid seed is shown separately.  
12.5 If two or more kinds of varieties are present in excess of five percent and are named on  
12.6 the label, each that is hybrid must be designated as hybrid on the label. Any one kind or  
12.7 kind and variety that has pure seed that is less than 95 percent but more than 75 percent  
12.8 hybrid seed as a result of incompletely controlled pollination in a cross must be labeled  
12.9 to show the percentage of pure seed that is hybrid seed or a statement such as "contains  
12.10 from 75 percent to 95 percent hybrid seed." No one kind or variety of seed may be labeled  
12.11 as hybrid if the pure seed contains less than 75 percent hybrid seed. The word "hybrid"  
12.12 must be shown on the label in conjunction with the kind.

12.13 (c) Blends must be listed on the label using the term "blend" in conjunction with  
12.14 the kind.

12.15 (d) Mixtures shall be listed on the label using the term "mixture," "mix," or "mixed."

12.16 (e) The label must show a lot number or other lot identification.

12.17 (f) The origin may be omitted from the label.

12.18 (g) The label must show the year for which the seed was packed for sale listed as  
12.19 "packed for (year)" for seed with a percentage of germination that exceeds the standard last  
12.20 established by the commissioner, the percentage of germination and the calendar month  
12.21 and year that the percentages were determined by test, or the calendar month and year the  
12.22 germination test was completed and the statement "sell by (month and year listed here),"  
12.23 which may be no more than 12 months from the date of test, exclusive of the month of test.

12.24 (h) For vegetable seeds which germinate less than the standard last established by  
12.25 the commissioner, the label must show:

12.26 (1) a percentage of germination, exclusive of hard or dormant seed or both;

12.27 (2) a percentage of hard or dormant seed or both, if present; and

12.28 (3) the words "below standard" in not less than eight point type and the month and  
12.29 year the percentages were determined by test.

12.30 (i) The net weight of the contents or a statement indicating the number of seeds in  
12.31 the container or both, must appear on either the container or the label, ~~except that for~~  
12.32 ~~containers with contents of 200 seeds or less a statement indicating the number of seeds in~~  
12.33 ~~the container may be listed along with or in lieu of the net weight of contents.~~

12.34 (j) The heading for and percentage by weight of pure seed may be omitted from a  
12.35 label if the total is more than 90 percent.

13.1 (k) The heading for and percentage by weight of weed seed may be omitted from a  
13.2 label if they are not present in the seed.

13.3 (l) The heading "noxious weed seeds" may be omitted from a label if they are not  
13.4 present in the seed.

13.5 (m) The heading for and percentage by weight of other crop seed may be omitted  
13.6 from a label if it is less than five percent.

13.7 (n) The heading for and percentage by weight of inert matter may be omitted from a  
13.8 label if it is less than ten percent.

13.9 (o) The label must contain the name and address of the person who labeled the  
13.10 seed or who sells the seed in this state or a code number that has been registered with  
13.11 the commissioner.

13.12 (p) The labeling requirements for vegetable seeds prepared for use in home gardens  
13.13 or household plantings when sold outside their original containers are met if the seed is  
13.14 weighed from a properly labeled container in the presence of the purchaser.

13.15 Sec. 29. Minnesota Statutes 2010, section 21.82, subdivision 8, is amended to read:

13.16 Subd. 8. **Flower seeds.** For flower and wildflower seeds prepared for use in home  
13.17 gardens or household plantings, the requirements in paragraphs (a) to (l) apply. Flower  
13.18 and wildflower seeds packed for sale in commercial quantities to farmers, conservation  
13.19 groups, and other similar entities are considered agricultural seeds and must be labeled  
13.20 accordingly.

13.21 (a) The label must contain the name of the kind and variety or a statement of type  
13.22 and performance characteristics as prescribed by rule.

13.23 (b) The percentage that is hybrid must be at least 95 percent of the percentage of pure  
13.24 seed shown unless the percentage of pure seed which is hybrid seed is shown separately.  
13.25 If two or more kinds of varieties are present in excess of five percent and are named on  
13.26 the label, each that is hybrid must be designated as hybrid on the label. Any one kind or  
13.27 kind and variety that has pure seed that is less than 95 percent but more than 75 percent  
13.28 hybrid seed as a result of incompletely controlled pollination in a cross must be labeled  
13.29 to show the percentage of pure seed that is hybrid seed or a statement such as "contains  
13.30 from 75 percent to 95 percent hybrid seed." No one kind or variety of seed may be labeled  
13.31 as hybrid if the pure seed contains less than 75 percent hybrid seed. The word "hybrid"  
13.32 must be shown on the label in conjunction with the kind.

13.33 (c) Blends must be listed on the label using the term "blend" in conjunction with  
13.34 the kind.

13.35 (d) Mixtures must be listed on the label using the term "mixture," "mix," or "mixed."

14.1 (e) The label must contain the lot number or other lot identification.

14.2 (f) The origin may be omitted from the label.

14.3 (g) The label must contain the year for which the seed was packed for sale listed as  
 14.4 "packed for (year)" for seed with a percentage of germination that exceeds the standard last  
 14.5 established by the commissioner, the percentage of germination and the calendar month  
 14.6 and year that the percentages were determined by test, or the calendar month and year the  
 14.7 germination test was completed and the statement "sell by (month and year listed here),"  
 14.8 which may be no more than 12 months from the date of test, exclusive of the month of test.

14.9 (h) For flower seeds which germinate less than the standard last established by  
 14.10 the commissioner, the label must show:

14.11 (1) percentage of germination exclusive of hard or dormant seed or both;

14.12 (2) percentage of hard or dormant seed or both, if present; and

14.13 (3) the words "below standard" in not less than eight point type and the month and  
 14.14 year this percentage was determined by test.

14.15 (i) The label must show the net weight of contents or a statement indicating the  
 14.16 number of seeds in the container, or both, on either the container or the label, ~~except that~~  
 14.17 ~~for containers with contents of 200 seeds or less a statement indicating the number of~~  
 14.18 ~~seeds in the container may be listed along with or in lieu of the net weight of contents.~~

14.19 (j) The heading for and percentage by weight of pure seed may be omitted from a  
 14.20 label if the total is more than 90 percent.

14.21 (k) The heading for and percentage by weight of weed seed may be omitted from a  
 14.22 label if they are not present in the seed.

14.23 (l) The heading "noxious weed seeds" may be omitted from a label if they are not  
 14.24 present in the seed.

14.25 (m) The heading for and percentage by weight of other crop seed may be omitted  
 14.26 from a label if it is less than five percent.

14.27 (n) The heading for and percentage by weight of inert matter may be omitted from a  
 14.28 label if it is less than ten percent.

14.29 (o) The label must show the name and address of the person who labeled the seed  
 14.30 or who sells the seed within this state, or a code number which has been registered with  
 14.31 the commissioner.

14.32 Sec. 30. Minnesota Statutes 2010, section 31.13, is amended to read:

14.33 **31.13 ANALYSIS; EVIDENCE.**

14.34 It shall be the duty of the ~~chief chemist and assistants~~ laboratory director, managers,  
 14.35 and analysts to make analyses and examinations of such articles as shall be furnished

15.1 to them by the commissioner, for the purpose of determining from such examination  
 15.2 whether such articles are adulterated, misbranded, insufficiently labeled, unwholesome,  
 15.3 poisonous, or deleterious and whether such articles have been manufactured, used, sold,  
 15.4 transported, offered for use, sale, or transportation, or had in possession with intent to use,  
 15.5 sell, or transport in violation of any law now or hereafter enacted relating to food, or of  
 15.6 any definition, standard, rule, or ruling made and published thereunder, and to certify the  
 15.7 result of such analysis and examination to the commissioner. A copy of the result of the  
 15.8 examination or analysis of any such article, duly authenticated, by the ~~chemist~~ analyst  
 15.9 making such ~~analysis determinations~~ or examination, under oath of such ~~chemist~~ analyst,  
 15.10 shall be prima facie evidence in all courts of the matters and facts therein contained.

15.11 Sec. 31. Minnesota Statutes 2010, section 31.94, is amended to read:

15.12 **31.94 COMMISSIONER DUTIES.**

15.13 (a) In order to promote opportunities for organic agriculture in Minnesota, the  
 15.14 commissioner shall:

15.15 (1) survey producers and support services and organizations to determine  
 15.16 information and research needs in the area of organic agriculture practices;

15.17 (2) work with the University of Minnesota to demonstrate the on-farm applicability  
 15.18 of organic agriculture practices to conditions in this state;

15.19 (3) direct the programs of the department so as to work toward the promotion of  
 15.20 organic agriculture in this state;

15.21 (4) inform agencies of how state or federal programs could utilize and support  
 15.22 organic agriculture practices; and

15.23 (5) work closely with producers, the University of Minnesota, the Minnesota Trade  
 15.24 Office, and other appropriate organizations to identify opportunities and needs as well  
 15.25 as ensure coordination and avoid duplication of state agency efforts regarding research,  
 15.26 teaching, marketing, and extension work relating to organic agriculture.

15.27 (b) By November 15 of each ~~even-numbered~~ year that ends in a zero or a five, the  
 15.28 commissioner, in conjunction with the task force created in paragraph (c), shall report  
 15.29 on the status of organic agriculture in Minnesota to the legislative policy and finance  
 15.30 committees and divisions with jurisdiction over agriculture. The report must include:  
 15.31 available data on organic acreage and production, available data on the sales or market  
 15.32 performance of organic products, and recommendations regarding programs, policies, and  
 15.33 research efforts that will benefit Minnesota's organic agriculture sector.

15.34 ~~(1) a description of current state or federal programs directed toward organic~~  
 15.35 ~~agriculture, including significant results and experiences of those programs;~~

16.1 ~~(2) a description of specific actions the department of agriculture is taking in the~~  
 16.2 ~~area of organic agriculture, including the proportion of the department's budget spent on~~  
 16.3 ~~organic agriculture;~~

16.4 ~~(3) a description of current and future research needs at all levels in the area of~~  
 16.5 ~~organic agriculture;~~

16.6 ~~(4) suggestions for changes in existing programs or policies or enactment of new~~  
 16.7 ~~programs or policies that will affect organic agriculture;~~

16.8 ~~(5) a description of market trends and potential for organic products;~~

16.9 ~~(6) available information, using currently reliable data, on the price received, yield,~~  
 16.10 ~~and profitability of organic farms, and a comparison with data on conventional farms; and~~

16.11 ~~(7) available information, using currently reliable data, on the positive and negative~~  
 16.12 ~~impacts of organic production on the environment and human health.~~

16.13 (c) A Minnesota Organic Advisory Task Force shall advise the commissioner and the  
 16.14 University of Minnesota on policies and programs that will improve organic agriculture in  
 16.15 Minnesota, including how available resources can most effectively be used for outreach,  
 16.16 education, research, and technical assistance that meet the needs of the organic agriculture  
 16.17 community. The task force must consist of the following residents of the state:

16.18 (1) three farmers using organic agriculture methods;

16.19 (2) one wholesaler or distributor of organic products;

16.20 (3) one representative of organic certification agencies;

16.21 (4) two organic processors;

16.22 (5) one representative from University of Minnesota Extension;

16.23 (6) one University of Minnesota faculty member;

16.24 (7) one representative from a nonprofit organization representing producers;

16.25 (8) two public members;

16.26 (9) one representative from the United States Department of Agriculture;

16.27 (10) one retailer of organic products; and

16.28 (11) one organic consumer representative.

16.29 The commissioner, in consultation with the director of the Minnesota Agricultural  
 16.30 Experiment Station; the dean and director of University of Minnesota Extension; and the  
 16.31 dean of the College of Food, Agricultural and Natural Resource Sciences shall appoint  
 16.32 members to serve staggered two-year terms.

16.33 Compensation and removal of members are governed by section 15.059, subdivision  
 16.34 6. The task force must meet at least twice each year and expires on June 30, 2013.

16.35 (d) For the purposes of expanding, improving, and developing production and  
 16.36 marketing of the organic products of Minnesota agriculture, the commissioner may

17.1 receive funds from state and federal sources and spend them, including through grants or  
 17.2 contracts, to assist producers and processors to achieve certification, to conduct education  
 17.3 or marketing activities, to enter into research and development partnerships, or to address  
 17.4 production or marketing obstacles to the growth and well-being of the industry.

17.5 (e) The commissioner may facilitate the registration of state organic production  
 17.6 and handling operations including those exempt from organic certification according to  
 17.7 Code of Federal Regulations, title 7, section 205.101, and certification agents operating  
 17.8 within the state.

17.9 Sec. 32. **[32C.01] ORGANIZATION.**

17.10 Subdivision 1. **Establishment.** The Dairy Research, Teaching, and Consumer  
 17.11 Education Authority is established as a public corporation. The business of the authority  
 17.12 must be conducted under the name "Dairy Research, Teaching, and Consumer Education  
 17.13 Authority."

17.14 Subd. 2. **Board of directors.** The authority is governed by a board of nine directors.  
 17.15 The term of a director, except as otherwise provided in this subdivision, is four years.  
 17.16 The commissioner of agriculture is a member of the board. The governor shall appoint  
 17.17 four members of the board. Two of the members appointed by the governor must be  
 17.18 currently engaged in the business of operating a dairy. Two of the members appointed  
 17.19 by the governor must be representatives of Minnesota-based businesses actively engaged  
 17.20 in working with or serving Minnesota's dairy industry. The dean of the University of  
 17.21 Minnesota College of Food, Agriculture and Natural Resource Sciences, or the dean's  
 17.22 designee, is a member of the board. One member of the board must be a representative of  
 17.23 a state trade association that represents the interests of milk producers. One member of the  
 17.24 board must be a representative of the Minnesota Division of the Midwest Dairy Council.  
 17.25 One member of the board must be a member of the agricultural education faculty of the  
 17.26 Minnesota State Colleges and Universities System. The four members of the initial board  
 17.27 of directors who are appointed by the governor must be appointed for terms of four years,  
 17.28 and the other four members must be appointed for an initial term of two years. Vacancies  
 17.29 for the governor's appointed positions on the board must be filled by appointment of  
 17.30 the governor. Vacancies for other positions on the board must be filled by the named  
 17.31 represented entities. Board members must not be compensated for their services.

17.32 Subd. 3. **Bylaws.** The board must adopt bylaws necessary for the conduct of the  
 17.33 business of the authority, consistent with this chapter.

17.34 Subd. 4. **Place of business.** The board must locate and maintain the authority's  
 17.35 place of business within the state.

18.1 Subd. 5. **Chair.** The board must annually elect from among its members a chair and  
 18.2 other officers necessary for the performance of its duties.

18.3 Subd. 6. **Meetings.** The board must meet at least four times each year and may hold  
 18.4 additional meetings upon giving notice in accordance with the bylaws of the authority.  
 18.5 Board meetings are subject to chapter 13D.

18.6 Subd. 7. **Conflict of interest.** A director, employee, or officer of the authority may  
 18.7 not participate in or vote on a decision of the board relating to an organization in which  
 18.8 the director has either a direct or indirect financial interest.

18.9 Subd. 8. **Economic interest statements.** Directors and officers of the authority are  
 18.10 public officials for the purpose of section 10A.09, and must file statements of economic  
 18.11 interest with the Campaign Finance and Public Disclosure Board.

18.12 Sec. 33. **[32C.02] POWERS.**

18.13 Subdivision 1. **General corporate powers.** (a) The authority has the powers granted  
 18.14 to a business corporation by section 302A.161, subdivisions 3; 4; 5; 7; 8; 9; 11; 12; 13,  
 18.15 except that the authority may not act as a general partner in any partnership; 14; 15; 16; 17;  
 18.16 18; and 22, and the powers necessary or convenient to exercise the enumerated powers.

18.17 (b) Section 302A.041 applies to this chapter and the authority in the same manner  
 18.18 that it applies to business corporations established under chapter 302A.

18.19 Subd. 2. **Facility design; development and operation.** The authority may enter into  
 18.20 management contracts, lease agreements, or both, with a Minnesota nonprofit corporation  
 18.21 to design, develop, and operate a facility to further the purposes of this chapter at the site  
 18.22 determined by the board and on the terms that the board finds desirable. The board must  
 18.23 identify and acquire a site that will accommodate the following facilities and activities:

18.24 (1) housing for bred and lactating animals;

18.25 (2) milking parlor;

18.26 (3) automatic milking systems;

18.27 (4) cross-ventilated and natural-ventilated housing;

18.28 (5) transition cow housing;

18.29 (6) special needs and hospital housing;

18.30 (7) classrooms and a conference room;

18.31 (8) dairy processing facility with retail;

18.32 (9) visitors' center;

18.33 (10) student housing;

18.34 (11) laboratory facilities;

19.1 (12) space to accommodate installation of an anaerobic digester system to research  
 19.2 energy production from feedstock produced on-site or from off-site sources; and  
 19.3 (13) space for feed storage to allow for research capabilities at the facility.

19.4 Notwithstanding the provisions of section 32C.01, subdivision 7, relating to conflict  
 19.5 of interest, a director or officer of the authority who is also a director, officer, or member  
 19.6 of a nonprofit corporation with which the authority enters into management contracts or  
 19.7 lease agreements may participate in and vote on the decision of the board as to the terms  
 19.8 and conditions of management contracts or lease agreements between the Minnesota  
 19.9 nonprofit corporation and the authority.

19.10 Subd. 3. **Funds.** The authority may accept and use gifts, grants, or contributions  
 19.11 from any source to support operation of the facility. Unless otherwise restricted by the  
 19.12 terms of a gift or bequest, the board may sell, exchange, or otherwise dispose of, and  
 19.13 invest or reinvest the money, securities, or other property given or bequeathed to it. The  
 19.14 principal of these funds, the income from them, and all other revenues received by the  
 19.15 authority from any nonstate source must be placed in depositories chosen by the board  
 19.16 and are subject to expenditure for the board's purposes. Expenditures of \$25,000 or more  
 19.17 must be approved by the full board.

19.18 Subd. 4. **Animals; regulation.** The authority must comply with all applicable  
 19.19 laws and rules relating to quarantine, transportation, examination, habitation, care, and  
 19.20 treatment of animals.

19.21 Sec. 34. **[32C.03] EMPLOYEES.**

19.22 (a) The board may hire an executive director of the authority and other employees  
 19.23 the board considers necessary to carry out the program, conduct research, and operate and  
 19.24 maintain facilities of the authority.

19.25 (b) Persons employed by contractors or lessees are not state employees and may  
 19.26 not participate in state retirement, deferred compensation, insurance, or other plans that  
 19.27 apply to state employees generally and are not subject to regulation by the Campaign  
 19.28 Finance and Public Disclosure Board, provided, however, that any employee of the state  
 19.29 or any employee or faculty member of the University of Minnesota or Minnesota State  
 19.30 Colleges and Universities System who teaches or conducts research at the authority does  
 19.31 not have their status as employees of the state, the University of Minnesota, or Minnesota  
 19.32 State Colleges and Universities System interrupted by virtue of having their employment  
 19.33 activity take place at facilities owned by the authority.

19.34 Sec. 35. **[32C.04] ACCOUNTS; AUDITS.**

20.1 The authority may establish funds and accounts that it determines to be reasonable  
 20.2 and necessary to conduct the business of the authority. The board shall provide for and  
 20.3 pay the cost of an independent annual audit of its official books and records by the state  
 20.4 auditor. A copy of this audit must be filed with the secretary of state.

20.5 Sec. 36. **[32C.05] ANNUAL REPORT.**

20.6 The board shall submit a report to the chairs of the senate and house of  
 20.7 representatives agriculture committees and the governor on the activities of the authority  
 20.8 and its contractors and lessees by February 1 of each year. The report must include at  
 20.9 least the following:

20.10 (1) a description of each of the programs that the authority has provided or  
 20.11 undertaken at some time during the previous year;

20.12 (2) an identification of the sources of funding in the previous year for the authority's  
 20.13 programs including federal, state, and local government, foundations, gifts, donations,  
 20.14 fees, and all other sources;

20.15 (3) a description of the administrative expenses of the authority during the previous  
 20.16 year;

20.17 (4) a listing of the assets and liabilities of the authority at the end of the previous  
 20.18 fiscal year;

20.19 (5) a description of any changes made to the operational plan during the previous  
 20.20 year; and

20.21 (6) a description of any newly adopted or significant changes to bylaws, policies,  
 20.22 rules, or programs created or administered by the authority during the previous year.

20.23 Reports must be made to the legislature as required by section 3.195.

20.24 Sec. 37. Minnesota Statutes 2010, section 35.0661, subdivision 2, is amended to read:

20.25 Subd. 2. **Quarantine zones.** Upon an emergency declaration by the governor  
 20.26 under subdivision 1, the board or any licensed veterinarian designated by the board may  
 20.27 establish quarantine zones of control in any area where a specific animal is deemed by a  
 20.28 licensed veterinarian as likely to be infected with the disease based on an actual veterinary  
 20.29 examination or laboratory testing. Quarantine zones of control to restrict the movement of  
 20.30 livestock must be the smallest size practicable to prevent the spread of disease and must  
 20.31 exist for the shortest duration consistent with effective disease control. ~~A quarantine zone~~  
 20.32 ~~of control must not extend beyond a radius of three miles from an animal deemed as likely~~  
 20.33 ~~to be infected with the disease, unless the board has adopted a rule regarding a specific~~  
 20.34 ~~disease requiring a larger quarantine zone of control.~~

21.1 Sec. 38. Minnesota Statutes 2010, section 35.0661, subdivision 3, is amended to read:

21.2 Subd. 3. **Restrictions on movement out of quarantine zones.** (a) The board may  
 21.3 issue orders restricting the movement of persons, ~~livestock~~, machinery, and personal  
 21.4 property ~~out of zones~~ off infected premises designated by the board as quarantined under  
 21.5 subdivision 2. The executive director of the board or any licensed veterinarian designated  
 21.6 by the board may issue the orders. An order may be issued upon a determination that  
 21.7 reasonable cause exists to believe that the movement of persons or personal property out  
 21.8 of a quarantine zone will reasonably threaten to transport a dangerous, infectious, or  
 21.9 communicable disease outside of the quarantine zone.

21.10 (b) The order must be served upon any person subject to the order. The restrictions  
 21.11 sought by the board on movement out of a quarantine zone must be limited to the greatest  
 21.12 extent possible consistent with the paramount disease control objectives as determined by  
 21.13 the board. An order under this section may be served on any day at any time. The order  
 21.14 must include a notice of the person's rights under this section, including the ability to enter  
 21.15 into an agreement to abide by disease control measures under paragraph (c) and the right  
 21.16 to request a court hearing under paragraph (d).

21.17 (c) No person may be restricted by an order under this subdivision for longer than 72  
 21.18 hours, exclusive of Saturdays, Sundays, and legal holidays, so long as the person agrees to  
 21.19 abide by the disease control measures established by the board. The person shall sign an  
 21.20 acknowledgment form prepared by the board evidencing the person's agreement to abide  
 21.21 by the disease control measures established by the board.

21.22 (d) A person whose movements are restricted by an order under this subdivision may  
 21.23 seek a district court hearing on the order at any time after it is served on the person. The  
 21.24 hearing may be held by electronic means as soon as possible. The subject of the order may:

21.25 (1) contest imposition of the order on grounds that it is an abuse of the board's  
 21.26 discretion under this section; or

21.27 (2) seek a variance from it to allow movement of a person inconsistent with the  
 21.28 order, upon a showing that the person would otherwise suffer irreparable harm.

21.29 Sec. 39. Minnesota Statutes 2010, section 40A.17, is amended to read:

21.30 **40A.17 REPORT.**

21.31 The commissioner shall report to the legislature on ~~January~~ March 1 of each  
 21.32 even-numbered year on activities under this chapter. By July 1, 1985, the report must  
 21.33 include the survey of public awareness in the awareness program. The report shall include  
 21.34 recommendations for funding levels and other necessary legislative action.

22.1 Sec. 40. Minnesota Statutes 2010, section 41A.12, subdivision 2, is amended to read:

22.2 Subd. 2. **Activities authorized.** For the purposes of this program, the commissioner  
 22.3 may issue grants, loans, or other forms of financial assistance. Eligible activities include,  
 22.4 but are not limited to, grants to livestock producers under the livestock investment grant  
 22.5 program under section 17.118, bioenergy awards made by the NextGen Energy Board  
 22.6 under section 41A.105, cost-share grants for the installation of biofuel blender pumps, and  
 22.7 financial assistance to support other rural economic infrastructure activities.

22.8 Sec. 41. Minnesota Statutes 2010, section 41A.12, subdivision 4, is amended to read:

22.9 Subd. 4. **Sunset.** This section expires on June 30, ~~2013~~ 2015.

22.10 Sec. 42. Minnesota Statutes 2010, section 223.16, subdivision 12, is amended to read:

22.11 Subd. 12. **Public grain warehouse operator.** "Public grain warehouse operator"  
 22.12 means a person operating a grain warehouse in which grain belonging to persons other  
 22.13 than the grain warehouse operator is accepted for storage or purchase or who offers grain  
 22.14 storage or warehouse facilities to the public for hire or a feed-processing plant that  
 22.15 receives and stores grain, the equivalent of which it processes and returns to the grain's  
 22.16 owner in amounts, at intervals, and with added ingredients that are mutually agreeable to  
 22.17 the grain's owner and the person operating the plant.

22.18 Sec. 43. Minnesota Statutes 2010, section 223.17, subdivision 1, is amended to read:

22.19 Subdivision 1. **Licenses.** An application for a grain buyer's license must be filed  
 22.20 with the commissioner and the license issued before any grain may be purchased. ~~The~~  
 22.21 ~~commissioner must provide application forms and licenses that state the restrictions and~~  
 22.22 ~~authority to purchase and store grain under the license being applied for and issued. The~~  
 22.23 ~~categories of grain buyers' licenses are:~~

- 22.24 ~~(a) private grain warehouse operator's license;~~  
 22.25 ~~(b) public grain warehouse operator's license; and~~  
 22.26 ~~(c) independent grain buyer's license.~~

22.27 The applicant for a grain buyer's license shall identify all grain buying locations  
 22.28 owned or controlled by the grain buyer and all vehicles owned or controlled by the grain  
 22.29 buyer used to transport purchased grain. Every applicant for a grain buyer's license shall  
 22.30 have a permanent established place of business at each licensed location. An "established  
 22.31 place of business" means a permanent enclosed building, including a house or a farm,  
 22.32 either owned by the applicant or leased by the applicant for a period of at least one year,  
 22.33 and where the books, records, and files necessary to conduct the business are kept and

23.1 maintained. ~~The commissioner may maintain information on grain buyers by categories~~  
 23.2 ~~including, but not limited to, the categories provided in clauses (a) to (c) and grain buyers~~  
 23.3 ~~that are licensed to purchase grain using trucks but that do not have a public or private~~  
 23.4 ~~warehouse license.~~

23.5 Sec. 44. Minnesota Statutes 2010, section 223.17, subdivision 4, is amended to read:

23.6 Subd. 4. **Bond.** (a) Before a grain buyer's license is issued, the applicant for  
 23.7 the license must file with the commissioner a bond in a penal sum prescribed by the  
 23.8 commissioner but not less than the following amounts:

23.9 ~~(a)~~ (1) \$10,000 for grain buyers whose gross annual purchases are \$100,000 or less;

23.10 ~~(b)~~ (2) \$20,000 for grain buyers whose gross annual purchases are more than  
 23.11 \$100,000 but not more than \$750,000;

23.12 ~~(c)~~ (3) \$30,000 for grain buyers whose gross annual purchases are more than  
 23.13 \$750,000 but not more than \$1,500,000;

23.14 ~~(d)~~ (4) \$40,000 for grain buyers whose gross annual purchases are more than  
 23.15 \$1,500,000 but not more than \$3,000,000;

23.16 ~~(e)~~ (5) \$50,000 for grain buyers whose gross annual purchases are more than  
 23.17 \$3,000,000 but not more than \$6,000,000;

23.18 ~~(f)~~ (6) \$70,000 for grain buyers whose gross annual purchases are more than  
 23.19 \$6,000,000 but not more than \$12,000,000;

23.20 ~~(g)~~ (7) \$125,000 for grain buyers whose gross annual purchases are more than  
 23.21 \$12,000,000 but not more than \$24,000,000; and

23.22 ~~(h)~~ (8) \$150,000 for grain buyers whose gross annual purchases exceed \$24,000,000.

23.23 (b) A grain buyer who has filed a bond with the commissioner prior to July 1, 2004,  
 23.24 is not required to increase the amount of the bond to comply with this section until July 1,  
 23.25 2005. The commissioner may postpone an increase in the amount of the bond until July 1,  
 23.26 2006, if a licensee demonstrates that the increase will impose undue financial hardship on  
 23.27 the licensee, and that producers will not be harmed as a result of the postponement. The  
 23.28 commissioner may impose other restrictions on a licensee whose bond increase has been  
 23.29 postponed. The amount of the bond shall be based on the most recent ~~financial statement~~  
 23.30 gross annual grain purchase report of the grain buyer ~~filed under subdivision 6.~~

23.31 (c) A first-time applicant for a grain buyer's license shall file a \$50,000 bond with the  
 23.32 commissioner. This bond shall remain in effect for the first year of the license. Thereafter,  
 23.33 the licensee shall comply with the applicable bonding requirements contained in ~~clauses~~  
 23.34 ~~(a) to (h)~~ paragraph (a), clauses (1) to (8).

24.1 (d) In lieu of the bond required by this subdivision the applicant may deposit with  
 24.2 the commissioner of management and budget cash, a certified check, a cashier's check,  
 24.3 a postal, bank, or express money order, assignable bonds or notes of the United States,  
 24.4 or an assignment of a bank savings account or investment certificate or an irrevocable  
 24.5 bank letter of credit as defined in section 336.5-102, in the same amount as would be  
 24.6 required for a bond.

24.7 (e) Bonds must be continuous until canceled. To cancel a bond, a surety must provide  
 24.8 90 days' written notice of the bond's termination date to the licensee and the commissioner.

24.9 Sec. 45. Minnesota Statutes 2010, section 223.17, subdivision 6, is amended to read:

24.10 Subd. 6. **Financial statements.** ~~For the purpose of fixing or changing the amount of~~  
 24.11 ~~a required bond or for any other proper reason, (a)~~ The commissioner ~~shall~~ may require an  
 24.12 annual financial statement from a licensee which has been prepared in accordance with  
 24.13 generally accepted accounting principles and which meets the following requirements:

24.14 ~~(a)~~ (1) The financial statement shall include, but not be limited to the following: ~~(1)~~

24.15 (i) a balance sheet; ~~(2)~~

24.16 (ii) a statement of income (profit and loss); ~~(3)~~

24.17 (iii) a statement of retained earnings; ~~(4)~~

24.18 (iv) a statement of changes in financial position; and ~~(5)~~

24.19 (v) a statement of the dollar amount of grain purchased in the previous fiscal year  
 24.20 of the grain buyer.

24.21 ~~(b)~~ (2) The financial statement shall be accompanied by a compilation report of the  
 24.22 financial statement that is prepared by a grain commission firm or a management firm  
 24.23 approved by the commissioner or by an independent public accountant, in accordance with  
 24.24 standards established by the American Institute of Certified Public Accountants. Grain  
 24.25 buyers purchasing less than 150,000 bushels of grain per calendar year may submit a  
 24.26 financial statement prepared by a public accountant who is not an employee or a relative  
 24.27 within the third degree of kindred according to civil law.

24.28 ~~(c)~~ (3) The financial statement shall be accompanied by a certification by the chief  
 24.29 executive officer or the chief executive officer's designee of the licensee, under penalty  
 24.30 of perjury, that the financial statement accurately reflects the financial condition of the  
 24.31 licensee for the period specified in the statement.

24.32 (b) Only one financial statement must be filed for a chain of warehouses owned  
 24.33 or operated as a single business entity, unless otherwise required by the commissioner.  
 24.34 Any grain buyer having a net worth in excess of \$500,000,000 need not file the financial  
 24.35 statement required by this subdivision but must provide the commissioner with a certified

25.1 net worth statement. All financial statements filed with the commissioner are private or  
 25.2 nonpublic data as provided in section 13.02.

25.3 Sec. 46. Minnesota Statutes 2010, section 223.17, subdivision 9, is amended to read:

25.4 Subd. 9. **Defaults; violations.** It is a violation under this chapter if the commissioner  
 25.5 finds, after an investigation is conducted, that a complaint is valid or that a licensee is in  
 25.6 violation of the provisions of this chapter, the commissioner may immediately suspend  
 25.7 the license, in which case the licensee shall surrender the license to the commissioner.  
 25.8 ~~Within 15 days, the licensee may request an administrative hearing subject to chapter 14~~  
 25.9 ~~to determine whether the license should be revoked. If no request is made within 15 days,~~  
 25.10 ~~the commissioner shall revoke the license.~~

25.11 Sec. 47. Minnesota Statutes 2010, section 232.21, subdivision 2, is amended to read:

25.12 Subd. 2. **Bond.** "Bond" means an acceptable obligation, running to the state as  
 25.13 obligee, for the purpose of indemnifying depositors and producers of grain against breach  
 25.14 of contract by a public grain warehouse ~~or grain bank operator.~~

25.15 Sec. 48. Minnesota Statutes 2010, section 232.21, subdivision 6, is amended to read:

25.16 Subd. 6. **Depositor.** "Depositor" means a person who is the owner or legal holder of  
 25.17 an outstanding grain warehouse receipt, grain bank receipt or open scale ticket marked  
 25.18 for storage on which a receipt is to be issued, representing any grain stored in a public  
 25.19 grain warehouse ~~or grain bank.~~

25.20 Sec. 49. Minnesota Statutes 2010, section 232.21, subdivision 12, is amended to read:

25.21 Subd. 12. **Public grain warehouse operator.** "Public grain warehouse operator"  
 25.22 means a person licensed to operate a grain warehouse in which grain belonging to persons  
 25.23 other than the grain warehouse operator is accepted for storage or purchase, or who offers  
 25.24 grain storage or grain warehouse facilities to the public for hire or a feed-processing  
 25.25 plant that receives and stores grain, the equivalent of which, it processes and returns to  
 25.26 the grain's owner in amounts, at intervals, and with added ingredients that are mutually  
 25.27 agreeable to the grain's owner and the person operating the plant.

25.28 Sec. 50. Minnesota Statutes 2010, section 232.22, subdivision 3, is amended to read:

25.29 Subd. 3. **Fees; grain buyers and storage account.** There is created in the  
 25.30 agricultural fund an account known as the grain buyers and storage account. The  
 25.31 commissioner shall set the fees for ~~inspections~~ examinations, certifications, and licenses

26.1 under sections 232.20 to ~~232.25~~ 232.24 at levels necessary to pay the costs of administering  
 26.2 and enforcing sections 232.20 to ~~232.25~~ 232.24. All money collected pursuant to sections  
 26.3 232.20 to ~~232.25~~ and chapters ~~233 and 236~~ 232.24 shall be paid by the commissioner into  
 26.4 the state treasury and credited to the grain buyers and storage account and is appropriated  
 26.5 to the commissioner for the administration and enforcement of sections 232.20 to ~~232.25~~  
 26.6 ~~and chapters 233 and 236~~ 232.24. All money collected pursuant to chapter 231 shall be  
 26.7 paid by the commissioner into the grain buyers and storage account and is appropriated to  
 26.8 the commissioner for the administration and enforcement of chapter 231.

26.9 The fees for a license to store grain are as follows:

26.10 (a) For a license to store grain, \$110 for each home rule charter or statutory city or  
 26.11 town in which a public grain warehouse is operated.

26.12 (b) A person with a license to store grain in a public grain warehouse is subject to  
 26.13 an examination fee for each licensed location, based on the following schedule for one  
 26.14 examination:

26.15 Bushel Capacity	26.16 Examination
	26.17 Fee
26.18 Less than 150,001	26.19 \$ 300
26.20 150,001 to 250,000	26.21 \$ 425
26.22 250,001 to 500,000	26.23 \$ 545
26.24 500,001 to 750,000	26.25 \$ 700
26.26 750,001 to 1,000,000	26.27 \$ 865
26.28 1,000,001 to 1,200,000	26.29 \$ 1,040
26.30 1,200,001 to 1,500,000	26.31 \$ 1,205
26.32 1,500,001 to 2,000,000	26.33 \$ 1,380
26.34 More than 2,000,000	26.35 \$ 1,555

26.36 (c) The fee for the second examination is \$55 per hour per examiner for warehouse  
 26.37 operators who choose to have it performed by the commissioner.

26.38 (d) A penalty amount not to exceed ten percent of the fees due may be imposed by  
 26.39 the commissioner for each month for which the fees are delinquent.

26.40 Sec. 51. Minnesota Statutes 2010, section 232.22, subdivision 4, is amended to read:

26.41 Subd. 4. **Bonding.** (a) Before a license is issued, the applicant for a public grain  
 26.42 warehouse operator's license shall file with the commissioner a bond in a penal sum  
 26.43 prescribed by the commissioner. ~~The penal sum on a condition one bond shall be~~  
 26.44 ~~established by rule by the commissioner pursuant to the requirements of chapter 14 for~~  
 26.45 ~~all grain outstanding on grain warehouse receipts. The penal sum on a condition two~~  
 26.46 ~~bond shall not be less than \$10,000 for each location up to a maximum of five locations.~~  
 26.47 based on the annual average storage liability as stated on the statement of grain in storage

27.1 report or on the gross annual grain purchase report, whichever is greater, and applying  
 27.2 the following amounts:

27.3 (1) \$10,000 for storages with annual average storage liability of more than \$0 but  
 27.4 not more than \$25,000;

27.5 (2) \$20,000 for storages with annual average storage liability of more than \$25,001  
 27.6 but not more than \$50,000;

27.7 (3) \$30,000 for storages with annual average storage liability of more than \$50,001  
 27.8 but not more than \$75,000;

27.9 (4) \$50,000 for storages with annual average storage liability of more than \$75,001  
 27.10 but not more than \$100,000;

27.11 (5) \$75,000 for storages with annual average storage liability of more than \$100,001  
 27.12 but not more than \$200,000;

27.13 (6) \$125,000 for storages with annual average storage liability of more than  
 27.14 \$200,001 but not more than \$300,000;

27.15 (7) \$175,000 for storages with annual average storage liability of more than  
 27.16 \$300,001 but not more than \$400,000;

27.17 (8) \$225,000 for storages with annual average storage liability of more than  
 27.18 \$400,001 but not more than \$500,000;

27.19 (9) \$275,000 for storages with annual average storage liability of more than  
 27.20 \$500,001 but not more than \$600,000;

27.21 (10) \$325,000 for storages with annual average storage liability of more than  
 27.22 \$600,001 but not more than \$700,000;

27.23 (11) \$375,000 for storages with annual average storage liability of more than  
 27.24 \$700,001 but not more than \$800,000;

27.25 (12) \$425,000 for storages with annual average storage liability of more than  
 27.26 \$800,001 but not more than \$900,000;

27.27 (13) \$475,000 for storages with annual average storage liability of more than  
 27.28 \$900,001 but not more than \$1,000,000; and

27.29 (14) \$500,000 for storages with annual average storage liability of more than  
 27.30 \$1,000,000.

27.31 (b) Bonds must be continuous until canceled. To cancel a bond, a surety must provide  
 27.32 90 days' written notice of the bond's termination date to the licensee and the commissioner.

27.33 Sec. 52. Minnesota Statutes 2010, section 232.22, subdivision 5, is amended to read:

27.34 Subd. 5. **Statement of grain in storage; reports.** (a) All public grain warehouse  
 27.35 operators must by ~~the tenth day of each month~~ February 15 of each year file with the

28.1 commissioner on ~~forms~~ a form approved by the commissioner a report showing the ~~net~~  
 28.2 annual average liability of all grain outstanding on grain warehouse receipts ~~as of the close~~  
 28.3 ~~of business on the last day of~~ that occurred during the preceding month calendar year.

28.4 This report shall be used for the purpose of establishing the penal sum of the bond.

28.5 (b) Warehouse operators that are at a maximum bond and want to continue at  
 28.6 maximum bond do not need to file this report.

28.7 ~~(b) If (c) It is a violation of this chapter for any public grain warehouse operator~~  
 28.8 ~~willfully neglects or refuses to fail to file the report required in clause (a) for two~~  
 28.9 ~~consecutive months, the commissioner may immediately suspend the person's license~~  
 28.10 ~~and the licensee must surrender the license to the commissioner. Within 15 days the~~  
 28.11 ~~licensee may request an administrative hearing subject to chapter 14 to determine if the~~  
 28.12 ~~license should be revoked. If no request is made within 15 days the commissioner shall~~  
 28.13 ~~revoke the license.~~

28.14 ~~(e) (d)~~ Every public grain warehouse operator shall keep in a place of safety complete  
 28.15 and accurate records and accounts relating to any grain warehouse operated. The records  
 28.16 shall reflect each commodity received and shipped daily, the balance remaining in the  
 28.17 grain warehouse at the close of each business day, a listing of all unissued grain warehouse  
 28.18 receipts in the operator's possession, a record of all grain warehouse receipts issued which  
 28.19 remain outstanding and a record of all grain warehouse receipts which have been returned  
 28.20 for cancellation. Copies of grain warehouse receipts or other documents evidencing  
 28.21 ownership of grain by a depositor, or other liability of the grain warehouse operator, shall  
 28.22 be retained as long as the liability exists but must be kept for a minimum of three years.

28.23 ~~(d) (e)~~ Every public grain warehouse operator must maintain in the grain warehouse  
 28.24 at all times grain of proper grade and sufficient quantity to meet delivery obligations on  
 28.25 all outstanding grain warehouse receipts.

28.26 Sec. 53. Minnesota Statutes 2010, section 232.22, subdivision 7, is amended to read:

28.27 Subd. 7. **Bond disbursement.** (a) The ~~condition one~~ bond of a public grain  
 28.28 warehouse operator must be conditioned that the public grain warehouse operator issuing  
 28.29 a grain warehouse receipt is liable to the depositor for the delivery of the kind, grade and  
 28.30 net quantity of grain called for by the receipt.

28.31 ~~(b) The condition two bond shall provide for payment of loss caused by the grain~~  
 28.32 ~~buyer's failure to pay, upon the owner's demand, the purchase price of grain sold to the~~  
 28.33 ~~grain buyer. The bond shall be conditioned upon the grain buyer being duly licensed as~~  
 28.34 ~~provided herein. The bond shall not cover any transaction which constitutes a voluntary~~  
 28.35 ~~extension of credit.~~

29.1 ~~(e)~~(b) Upon notification of default, the commissioner shall determine the validity  
 29.2 of all claims and notify all parties having filed claims. Any aggrieved party may appeal  
 29.3 the commissioner's determination by requesting, within 15 days, that the commissioner  
 29.4 initiate a contested case proceeding. In the absence of such a request, or following the  
 29.5 issuance of a final order in a contested case, the surety company shall issue payment to  
 29.6 those claimants entitled to payment. If the commissioner determines it is necessary, the  
 29.7 commissioner may apply to the district court for an order appointing a trustee or receiver  
 29.8 to manage and supervise the operations of the grain warehouse operator in default. The  
 29.9 commissioner may participate in any resulting court proceeding as an interested party.

29.10 ~~(d)~~(c) For the purpose of determining the amount of bond disbursement against all  
 29.11 valid claims under a condition one bond, all grain owned or stored in the public grain  
 29.12 warehouse shall be sold and the combined proceeds deposited in a special fund. Payment  
 29.13 shall be made from the special fund satisfying the valid claims of grain warehouse receipt  
 29.14 holders.

29.15 ~~(e)~~(d) If a public grain warehouse operator has become liable to more than one  
 29.16 depositor or producer by reason of breaches of the conditions of the bond and the  
 29.17 amount of the bond is insufficient to pay, beyond the proceeds of the special fund, the  
 29.18 entire liability to all valid claimants, the proceeds of the bond and special fund shall be  
 29.19 apportioned among the valid claimants on a pro rata basis.

29.20 ~~(f)~~(e) A bond is not cumulative from one licensing period to the next. The maximum  
 29.21 liability of the bond shall be its face value for the licensing period.

29.22 Sec. 54. Minnesota Statutes 2010, section 232.23, subdivision 2, is amended to read:

29.23 Subd. 2. **Scale tickets.** A public or private grain warehouse operator, upon receiving  
 29.24 grain, shall issue a scale ticket for each load of grain received. Scale tickets shall contain  
 29.25 the name, location and the date of each transaction, weight, volume, kind of grain,  
 29.26 signature of warehouse operator, and be consecutively numbered. A duplicate copy of  
 29.27 each scale ticket shall remain in the possession of the public or private grain warehouse  
 29.28 operator as a permanent record. The original scale ticket shall be delivered to the depositor  
 29.29 upon receipt of each load of grain. Each scale ticket shall have printed across its face "This  
 29.30 is a memorandum, nonnegotiable, possession of which does not signify that settlement  
 29.31 has or has not been consummated." The scale ticket shall state specifically whether the  
 29.32 grain is received on contract, for storage, for shipment or consignment or sold. If the grain  
 29.33 is received on contract or sold, the price shall be indicated on the scale ticket. All scale  
 29.34 tickets shall be dated and signed by the public or private grain warehouse operator or  
 29.35 the operator's agent or manager.

30.1 Sec. 55. Minnesota Statutes 2010, section 232.23, subdivision 5, is amended to read:

30.2 Subd. 5. **Void agreements; penalty.** A provision or agreement in a grain warehouse  
30.3 receipt not contained in subdivision 4 is void. The failure to issue a grain warehouse  
30.4 receipt, as directed, or the issuance of slips, memoranda or other forms of receipt  
30.5 embracing a different grain warehouse or storage contract is a misdemeanor, and no  
30.6 slip, memorandum or other form of receipt is admissible as evidence in any civil action.  
30.7 Nothing in sections 232.20 to ~~232.25~~ 232.24 requires or compels any person operating a  
30.8 flour, cereal or feed mill or malthouse doing a manufacturing business, to receive, store or  
30.9 purchase at the mill or malthouse any kind of grain.

30.10 Sec. 56. Minnesota Statutes 2010, section 232.23, subdivision 10, is amended to read:

30.11 Subd. 10. **Delivery of grain.** (a) On the redemption of a grain warehouse receipt  
30.12 and payment of all lawful charges, the grain represented by the receipt is immediately  
30.13 deliverable to the depositor or the depositor's order, and is not subject to any further charge  
30.14 for storage after demand for delivery has been made and proper facilities for receiving and  
30.15 shipping the grain have been provided. If delivery has not commenced within 48 hours  
30.16 after demand has been made and proper facilities have been provided, the public grain  
30.17 warehouse operator issuing the grain warehouse receipt is liable to the owner in damages  
30.18 not exceeding two cents per bushel for each day's delay, unless the public grain warehouse  
30.19 operator makes delivery to different owners in the order demanded as rapidly as it can be  
30.20 done through ordinary diligence, or unless insolvency has occurred.

30.21 (b) If a disagreement arises between the person receiving and the person delivering  
30.22 the grain at a public grain warehouse in this state as to the proper grade or dockage of any  
30.23 grain, an average sample of at least three quarts of the grain in dispute may be taken by  
30.24 either or both of the persons interested. The sample shall be certified by both the owner  
30.25 and the public grain warehouse operator as being true samples of the grain in dispute on  
30.26 the delivery day. The samples shall be forwarded in a suitable airtight container by parcel  
30.27 post or express, prepaid, with the name and address of both parties, to ~~the head of the a~~  
30.28 United States Department of Agriculture authorized grain inspection program ~~of the~~  
30.29 ~~Department of Agriculture~~, who shall, upon request, examine the grain, and determine  
30.30 what grade or dockage the samples of grain are entitled to under the inspection rules.  
30.31 Before the results of the inspection are released to the person requesting the inspection,  
30.32 the person shall pay the required fee. The fee shall be the same as that required for similar  
30.33 services rendered by the grain inspection program.

30.34 Sec. 57. Minnesota Statutes 2010, section 232.24, subdivision 1, is amended to read:

31.1 Subdivision 1. **Schedule of ~~inspection~~ examination.** A licensee under sections  
 31.2 232.20 to 232.25 is subject to two ~~audits~~ examinations annually conducted by the  
 31.3 commissioner or the agricultural marketing service of the United States Department of  
 31.4 Agriculture. The commissioner may, by rule, authorize one ~~audit~~ examination to be  
 31.5 conducted by a qualified nongovernmental unit.

31.6 Sec. 58. Minnesota Statutes 2010, section 232.24, subdivision 2, is amended to read:

31.7 Subd. 2. **Financial reports.** A licensee under sections 232.20 to 232.25 upon request  
 31.8 must provide to the commissioner a copy of the financial reports of an audit conducted by  
 31.9 a qualified nongovernmental unit containing information the commissioner requires.

31.10 Sec. 59. Minnesota Statutes 2010, section 239.092, is amended to read:

31.11 **239.092 SALE FROM BULK.**

31.12 (a) Bulk sales of commodities, when the buyer and seller are not both present to  
 31.13 witness the measurement, must be accompanied by a delivery ticket containing the  
 31.14 following information:

31.15 (1) the name and address of the person who weighed or measured the commodity;

31.16 (2) the date delivered;

31.17 (3) the quantity delivered;

31.18 (4) the count of individually wrapped packages delivered, if more than one is  
 31.19 included in the quantity delivered;

31.20 (5) the quantity on which the price is based, if different than the quantity delivered;

31.21 and

31.22 (6) the identity of the commodity in the most descriptive terms commercially  
 31.23 practicable, including representations of quality made in connection with the sale.

31.24 (b) This section is not intended to conflict with the bulk sale requirements of the  
 31.25 Department of Agriculture. If a conflict occurs, the law and rules of the Department of  
 31.26 Agriculture govern.

31.27 (c) Firewood sold or distributed ~~across state boundaries or more than 100 miles~~  
 31.28 ~~from its origin in this state~~ must include delivery ticket information regarding the harvest  
 31.29 locations of the wood by county or counties and state.

31.30 (d) Paragraph (c) may be enforced using the authority granted in this chapter or  
 31.31 section 18J.05 or 84D.13.

31.32 Sec. 60. Minnesota Statutes 2010, section 239.093, is amended to read:

31.33 **239.093 INFORMATION REQUIRED WITH PACKAGE.**

32.1 (a) A package offered, exposed, or held for sale must bear a clear and conspicuous  
32.2 declaration of:

32.3 (1) the identity of the commodity in the package, unless the commodity can be easily  
32.4 identified through the wrapper or container;

32.5 (2) the net quantity in terms of weight, measure, or count;

32.6 (3) the name and address of the manufacturer, packer, or distributor, if the packages  
32.7 were not produced on the premises where they are offered, exposed, or held for sale; and

32.8 (4) the unit price, if the packages are part of a lot containing random weight  
32.9 packages of the same commodity.

32.10 (b) This section is not intended to conflict with the packaging requirements of the  
32.11 Department of Agriculture. If a conflict occurs, the laws and rules of the Department of  
32.12 Agriculture govern.

32.13 (c) Firewood sold or distributed ~~across state boundaries or more than 100 miles from~~  
32.14 ~~its origin in this state~~ must include information regarding the harvest locations of the wood  
32.15 by county or counties and state on each label or wrapper.

32.16 (d) Paragraph (c) may be enforced using the authority granted in this chapter or  
32.17 section 18J.05 or 84D.13.

32.18 Sec. 61. Laws 2011, chapter 14, section 6, is amended by adding an effective date to  
32.19 read:

32.20 **EFFECTIVE DATE.** This section is effective retroactively from April 16, 2011.

32.21 Sec. 62. **REPEALER.**

32.22 (a) Minnesota Statutes 2010, sections 17B.01; 17B.02; 17B.03; 17B.04; 17B.041;  
32.23 17B.0451; 17B.048; 17B.05; 17B.06; 17B.07; 17B.10; 17B.11; 17B.12; 17B.13; 17B.14;  
32.24 17B.15, subdivisions 1 and 3; 17B.16; 17B.17; 17B.18; 17B.20; 17B.22, subdivisions 1  
32.25 and 2; 17B.28; 17B.29; 27.19, subdivisions 2 and 3; 27.20; 223.16, subdivision 7; 223.18;  
32.26 232.21, subdivision 4; 232.24, subdivision 3; 232.25; 233.01; 233.015; 233.017; 233.02;  
32.27 233.03; 233.04; 233.05; 233.06; 233.07; 233.08; 233.09; 233.10; 233.11; 233.12; 233.22;  
32.28 233.23; 233.24; 233.33; 234.01; 234.03; 234.04; 234.05; 234.06; 234.08; 234.09; 234.10;  
32.29 234.11; 234.12; 234.13; 234.14; 234.15; 234.16; 234.17; 234.18; 234.19; 234.20; 234.21;  
32.30 234.22; 234.23; 234.24; 234.25; 234.27; 235.01; 235.02; 235.04; 235.05; 235.06; 235.07;  
32.31 235.08; 235.09; 235.10; 235.13; 235.18; 236.01; 236.02; 236.03; 236.04; 236.05; 236.06;  
32.32 236.07; 236.08; 236.09; 395.14; 395.15; 395.16; 395.17; 395.18; 395.19; 395.20; 395.21;  
32.33 395.22; 395.23; and 395.24, are repealed.

- 33.1 (b) Minnesota Rules, parts 1505.0780; 1505.0810; 1511.0100; 1511.0110;  
33.2 1511.0120; 1511.0130; 1511.0140; 1511.0150; 1511.0160; 1511.0170; 1562.0100,  
33.3 subparts 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, and 25;  
33.4 1562.0200; 1562.0400; 1562.0700; 1562.0900; 1562.1300; and 1562.1800, are repealed.