

14.16

ARTICLE 2

14.17

AGRICULTURE STATUTORY CHANGES

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Section 1. Minnesota Statutes 2018, section 17.041, subdivision 1, is amended to read:

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Subdivision 1. **Establishment; appropriation.** An agricultural emergency account is established in the agricultural fund. Money in the account, including interest, is appropriated to the commissioner for emergency response and preparedness activities for agricultural emergencies affecting producers of livestock, poultry, crops, or other agricultural products. Eligible uses include, but are not limited to, agency costs directly attributed to responding to agricultural emergencies and purchasing necessary equipment and reimbursing costs incurred by local units of government that are not eligible for reimbursement from other sources.

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Sec. 5. Minnesota Statutes 2018, section 17.118, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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(iii) livestock stream crossing stabilization; and

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(iv) fences; or

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

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(i) freestall barns;

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(ii) watering facilities;

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(iii) feed storage and handling equipment;

- 15.30 (iv) milking parlors;
- 16.1 (v) robotic equipment;
- 16.2 (vi) scales;
- 16.3 (vii) milk storage and cooling facilities;
- 16.4 (viii) bulk tanks;
- 16.5 (ix) computer hardware and software and associated equipment used to monitor the
- 16.6 productivity and feeding of livestock;
- 16.7 (x) manure pumping and storage facilities;
- 16.8 (xi) swine farrowing facilities;
- 16.9 (xii) swine and cattle finishing barns;
- 16.10 (xiii) calving facilities;
- 16.11 (xiv) digesters;
- 16.12 (xv) equipment used to produce energy;
- 16.13 (xvi) on-farm processing facilities equipment;
- 16.14 (xvii) fences, including but not limited to farmed Cervidae perimeter fences required
- 16.15 under section 35.155, subdivision 4; and
- 16.16 (xviii) livestock pens and corrals and sorting, restraining, and loading chutes.
- 16.17 Except for qualifying pasture development expenditures under clause (2), qualifying
- 16.18 expenditures only include amounts that are allowed to be capitalized and deducted under
- 16.19 either section 167 or 179 of the Internal Revenue Code in computing federal taxable income.
- 16.20 Qualifying expenditures do not include an amount paid to refinance existing debt.
- 16.21 Sec. 6. Minnesota Statutes 2018, section 18B.07, subdivision 2, is amended to read:
- 16.22 Subd. 2. **Prohibited pesticide use.** (a) A person may not use, store, handle, distribute,
- 16.23 or dispose of a pesticide, rinsate, pesticide container, or pesticide application equipment in
- 16.24 a manner:
- 16.25 (1) that is inconsistent with a label or labeling as defined by FIFRA;
- 16.26 (2) that endangers humans, damages agricultural products, food, livestock, fish, or
- 16.27 wildlife; or
- 16.28 (3) that will cause unreasonable adverse effects on the environment.
- 17.1 (b) A person may not direct a pesticide onto property beyond the boundaries of the target
- 17.2 site. A person may not apply a pesticide resulting in damage to adjacent property. A person

- 17.3 who applies a pesticide resulting in damage to adjacent property that is part of the state
 17.4 outdoor recreation system or the metropolitan area regional park system is subject to
 17.5 enhanced monetary penalties as provided in section 18D.40.
- 17.6 (c) A person may not directly apply a pesticide on a human by overspray or target site
 17.7 spray, except when:
- 17.8 (1) the pesticide is intended for use on a human;
- 17.9 (2) the pesticide application is for mosquito control operations;
- 17.10 (3) the pesticide application is for control of gypsy moth, forest tent caterpillar, or other
 17.11 pest species, as determined by the commissioner, and the pesticide used is a biological
 17.12 agent; or
- 17.13 (4) the pesticide application is for a public health risk, as determined by the commissioner
 17.14 of health, and the commissioner of health, in consultation with the commissioner of
 17.15 agriculture, determines that the application is warranted based on the commissioner's
 17.16 balancing of the public health risk with the risk that the pesticide application poses to the
 17.17 health of the general population, with special attention to the health of children.
- 17.18 (d) For pesticide applications under paragraph (c), clause (2), the following conditions
 17.19 apply:
- 17.20 (1) no practicable and effective alternative method of control exists;
- 17.21 (2) the pesticide is among the least toxic available for control of the target pest; and
- 17.22 (3) notification to residents in the area to be treated is provided at least 24 hours before
 17.23 application through direct notification, posting daily on the treating organization's website,
 17.24 if any, and by sending a broadcast e-mail to those persons who request notification of such,
 17.25 of those areas to be treated by adult mosquito control techniques during the next calendar
 17.26 day. For control operations related to human disease, notice under this paragraph may be
 17.27 given less than 24 hours in advance.
- 17.28 (e) For pesticide applications under paragraph (c), clauses (3) and (4), the following
 17.29 conditions apply:
- 17.30 (1) no practicable and effective alternative method of control exists;
- 17.31 (2) the pesticide is among the least toxic available for control of the target pest; and
- 18.1 (3) notification of residents in the area to be treated is provided by direct notification
 18.2 and through publication in a newspaper of general circulation within the affected area.
- 18.3 (f) For purposes of this subdivision, "direct notification" may include mailings, public
 18.4 meetings, posted placards, neighborhood newsletters, or other means of contact designed
 18.5 to reach as many residents as possible. Public meetings held to meet this requirement for
 18.6 adult mosquito control, under paragraph (d), must be held within each city or town where

14.27 Sec. 2. Minnesota Statutes 2018, section 18B.34, subdivision 5, is amended to read:

14.28 Subd. 5. **Fees.** (a) A person initially applying for or renewing a noncommercial applicator
 14.29 license must pay a nonrefundable application fee of \$50, except an applicant who is uses
 14.30 pesticides in the course of performing official duties as: (1) a government employee; (2) a
 14.31 contractor providing rest area custodial services for the commissioner of transportation; or
 15.1 (3) a Conservation Corps Minnesota employee who uses pesticides in the course of
 15.2 performing official duties must pay a nonrefundable application fee of \$10.

15.3 (b) A license renewal application received after March 1 in the year for which the license
 15.4 is to be issued is subject to a penalty fee of 50 percent of the application fee. The penalty
 15.5 fee must be paid before the renewal license may be issued.

15.6 (c) An application for a duplicate noncommercial applicator license must be accompanied
 15.7 by a nonrefundable application fee of \$10.

15.8 Sec. 3. Minnesota Statutes 2018, section 18C.425, subdivision 6, is amended to read:

15.9 Subd. 6. **Payment of inspection fee.** (a) The person who registers and distributes in the
 15.10 state a specialty fertilizer, soil amendment, or plant amendment under section 18C.411 shall
 15.11 pay the inspection fee to the commissioner.

15.12 (b) The person licensed under section 18C.415 who distributes a fertilizer to a person
 15.13 not required to be so licensed shall pay the inspection fee to the commissioner, except as
 15.14 exempted under section 18C.421, subdivision 1, paragraph (b).

15.15 (c) The person responsible for payment of the inspection fees for fertilizers, soil
 15.16 amendments, or plant amendments sold and used in this state must pay an inspection fee of
 15.17 39 cents per ton, and until June 30, ~~2019~~ 2029, an additional 40 cents per ton, of fertilizer,
 15.18 soil amendment, and plant amendment sold or distributed in this state, with a minimum of
 15.19 \$10 on all tonnage reports. Notwithstanding section 18C.131, the commissioner must deposit
 15.20 all revenue from the additional 40 cents per ton fee in the agricultural fertilizer research and

18.7 the pesticide treatments are to be made, at a time and location that is convenient for residents
 18.8 of the area where the treatments will occur.

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

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

18.15 Sec. 7. Minnesota Statutes 2018, section 18B.34, subdivision 5, is amended to read:

18.16 Subd. 5. **Fees.** (a) Except as provided under paragraph (b), a person initially applying
 18.17 for or renewing a noncommercial applicator license must pay a nonrefundable application
 18.18 fee of \$50, except an applicant who is a government or Conservation Corps Minnesota
 18.19 employee who uses pesticides in the course of performing official duties must pay a
 18.20 nonrefundable application fee of \$10.

18.21 (b) A government employee, a contractor providing rest area custodial services for the
 18.22 commissioner of transportation, or a Conservation Corps Minnesota employee is eligible
 18.23 for a reduced fee of \$10 if the employee or contractor uses pesticides in the course of
 18.24 performing official duties.

18.25 ~~(b)~~ (c) A license renewal application received after March 1 in the year for which the
 18.26 license is to be issued is subject to a penalty fee of 50 percent of the application fee. The
 18.27 penalty fee must be paid before the renewal license may be issued.

18.28 ~~(c)~~ (d) An application for a duplicate noncommercial applicator license must be
 18.29 accompanied by a nonrefundable application fee of \$10.

19.1 Sec. 8. Minnesota Statutes 2018, section 18C.425, subdivision 6, is amended to read:

19.2 Subd. 6. **Payment of inspection fee.** (a) The person who registers and distributes in the
 19.3 state a specialty fertilizer, soil amendment, or plant amendment under section 18C.411 shall
 19.4 pay the inspection fee to the commissioner.

19.5 (b) The person licensed under section 18C.415 who distributes a fertilizer to a person
 19.6 not required to be so licensed shall pay the inspection fee to the commissioner, except as
 19.7 exempted under section 18C.421, subdivision 1, paragraph (b).

19.8 (c) The person responsible for payment of the inspection fees for fertilizers, soil
 19.9 amendments, or plant amendments sold and used in this state must pay an inspection fee of
 19.10 39 cents per ton, and until June 30, ~~2019~~ 2024, an additional 40 cents per ton, of fertilizer,
 19.11 soil amendment, and plant amendment sold or distributed in this state, with a minimum of
 19.12 \$10 on all tonnage reports. Notwithstanding section 18C.131, the commissioner must deposit
 19.13 all revenue from the additional 40 cents per ton fee in the agricultural fertilizer research and

15.21 education account in section 18C.80. Products sold or distributed to manufacturers or
 15.22 exchanged between them are exempt from the inspection fee imposed by this subdivision
 15.23 if the products are used exclusively for manufacturing purposes.

15.24 (d) A registrant or licensee must retain invoices showing proof of fertilizer, plant
 15.25 amendment, or soil amendment distribution amounts and inspection fees paid for a period
 15.26 of three years.

15.27 Sec. 4. Minnesota Statutes 2018, section 18C.70, subdivision 5, is amended to read:

15.28 Subd. 5. **Expiration.** This section expires June 30, ~~2020~~ 2030.

15.29 Sec. 5. Minnesota Statutes 2018, section 18C.71, subdivision 4, is amended to read:

15.30 Subd. 4. **Expiration.** This section expires June 30, ~~2020~~ 2030.

16.1 Sec. 6. Minnesota Statutes 2018, section 18C.80, subdivision 2, is amended to read:

16.2 Subd. 2. **Expiration.** This section expires June 30, ~~2020~~ 2030.

19.14 education account in section 18C.80. Products sold or distributed to manufacturers or
 19.15 exchanged between them are exempt from the inspection fee imposed by this subdivision
 19.16 if the products are used exclusively for manufacturing purposes.

19.17 (d) A registrant or licensee must retain invoices showing proof of fertilizer, plant
 19.18 amendment, or soil amendment distribution amounts and inspection fees paid for a period
 19.19 of three years.

19.20 Sec. 9. Minnesota Statutes 2018, section 18C.70, subdivision 5, is amended to read:

19.21 Subd. 5. **Expiration.** This section expires June 30, ~~2020~~ 2025.

19.22 Sec. 10. Minnesota Statutes 2018, section 18C.71, subdivision 1, is amended to read:

19.23 Subdivision 1. **Eligible projects.** Eligible project activities include research, education,
 19.24 and technology transfer related to the production and application of fertilizer, soil
 19.25 amendments, and other plant amendments. Chosen projects must contain a component of
 19.26 outreach that achieves a timely dissemination of findings and their applicability to the
 19.27 production agricultural community or metropolitan fertilizer users.

19.28 Sec. 11. Minnesota Statutes 2018, section 18C.71, subdivision 2, is amended to read:

19.29 Subd. 2. **Awarding grants.** Applications for program grants must be submitted in the
 19.30 form prescribed by the Minnesota Agricultural Fertilizer Research and Education Council.
 19.31 Applications must be submitted on or before the deadline prescribed by the council. All
 20.1 applications are subject to a thorough in-state review by a peer committee established and
 20.2 approved by the council. Each project meeting the basic qualifications is subject to a yes
 20.3 or no vote by each council member. Projects chosen to receive funding must achieve an
 20.4 affirmative vote from at least eight of the 12 council members or two-thirds of voting
 20.5 members present. Projects awarded program funds must submit an annual progress report
 20.6 in the form prescribed by the council. Up to ten percent of the grant dollars awarded each
 20.7 cycle may be for projects that concern fertilizer use in metropolitan areas.

20.8 Sec. 12. Minnesota Statutes 2018, section 18C.71, subdivision 4, is amended to read:

20.9 Subd. 4. **Expiration.** This section expires June 30, ~~2020~~ 2025.

20.10 Sec. 13. Minnesota Statutes 2018, section 18C.80, subdivision 2, is amended to read:

20.11 Subd. 2. **Expiration.** This section expires June 30, ~~2020~~ 2025.

20.12 Sec. 14. **[18D.40] ENHANCED PENALTIES; OUTDOOR RECREATION LANDS.**

20.13 Notwithstanding limitations placed on administrative or civil penalty amounts under
 20.14 sections 18D.315 and 18D.325, a person who applies a pesticide resulting in damage to
 20.15 adjacent property that is part of the state outdoor recreation system or the metropolitan area
 20.16 regional park system is subject to a monetary penalty equal to twice the amount that the
 20.17 commissioner would otherwise assess for a comparable violation.

- 20.18 Sec. 15. Minnesota Statutes 2018, section 18H.14, is amended to read:
- 20.19 **18H.14 LABELING AND ADVERTISING OF NURSERY STOCK.**
- 20.20 (a) Plants, plant materials, or nursery stock must not be labeled or advertised with false
- 20.21 or misleading information including, but not limited to, scientific name, variety, place of
- 20.22 origin, hardiness zone as defined by the United States Department of Agriculture, and growth
- 20.23 habit.
- 20.24 (b) All nonhardy nursery stock as designated by the commissioner must be labeled
- 20.25 correctly for hardiness or be labeled "nonhardy" in Minnesota.
- 20.26 (c) A person may not offer for distribution plants, plant materials, or nursery stock,
- 20.27 represented by some specific or special form of notation, including, but not limited to, "free
- 20.28 from" or "grown free of," unless the plants are produced under a specific program approved
- 20.29 by the commissioner to address the specific plant properties addressed in the special notation
- 20.30 claim.
- 21.1 (d) Nursery stock collected from the wild state must be inspected and certified prior to
- 21.2 sale and at the time of sale must be labeled "Collected from the Wild." The label must remain
- 21.3 on each plant or clump of plants while it is offered for sale and during the distribution
- 21.4 process. The collected stock may be grown in nursery rows at least two years, after which
- 21.5 the plants may be sold without the labeling required by this paragraph.
- 21.6 (e) A person ~~selling at retail or providing to an end user~~ may not label or advertise an
- 21.7 annual plant, bedding plant, or other plant, plant material, or nursery stock as beneficial to
- 21.8 pollinators if the annual plant, bedding plant, plant material, or nursery stock has:
- 21.9 ~~(1)~~ been treated with and has a detectable level of a systemic insecticide that:
- 21.10 ~~(i)~~ (1) has a pollinator protection box on the label; or
- 21.11 ~~(ii)~~ (2) has a pollinator, bee, or honey bee precautionary statement in the environmental
- 21.12 hazards section of the insecticide product label; and
- 21.13 ~~(2) a concentration in its flowers greater than the no observed adverse effect level of a~~
- 21.14 ~~systemic insecticide.~~
- 21.15 The commissioner shall enforce this paragraph as provided in chapter 18J.
- 21.16 (f) For the purposes of paragraph (e):
- 21.17 ~~(1)~~ "systemic insecticide" means an insecticide that is both absorbed by the plant and
- 21.18 translocated through the plant's vascular system; and
- 21.19 ~~(2) "no observed adverse effect level" means the level established by the United States~~
- 21.20 ~~Environmental Protection Agency for acute oral toxicity for adult honeybees.~~

16.3 Sec. 7. Minnesota Statutes 2018, section 18K.02, subdivision 3, is amended to read:

16.4 Subd. 3. **Industrial hemp.** "Industrial hemp" means the plant Cannabis sativa L. and
 16.5 any part of the plant, whether growing or not, including the plant's seeds, and all the plant's
 16.6 derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether
 16.7 growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3
 16.8 percent on a dry weight basis. Industrial hemp is not marijuana as defined in section 152.01,
 16.9 subdivision 9.

16.10 Sec. 8. Minnesota Statutes 2018, section 18K.06, is amended to read:

16.11 **18K.06 RULEMAKING.**

16.12 (a) The commissioner shall adopt rules governing the production, testing, and licensing
 16.13 of industrial hemp.

16.14 (b) Rules adopted under paragraph (a) must include, but not be limited to, provisions
 16.15 governing:

16.16 (1) the supervision and inspection of industrial hemp during its growth and harvest;

16.17 (2) the testing of industrial hemp to determine delta-9 tetrahydrocannabinol levels;

16.18 (3) the use of background check results required under section 18K.04 to approve or
 16.19 deny a license application; and

16.20 (4) any other provision or procedure necessary to carry out the purposes of this chapter.

16.21 (c) Rules issued under this section must be consistent with federal law regarding the
 16.22 production, distribution, and sale of industrial hemp.

16.23 (d) After consulting with stakeholders, the commissioner may use the expedited
 16.24 rulemaking process in section 14.389 to adopt the rules required under this section that are
 16.25 required to conform to the Agriculture Improvement Act of 2018, Public Law 115-1072,
 16.26 and federal rules authorized under that act. This paragraph expires June 30, 2020.

17.1 Sec. 9. Minnesota Statutes 2018, section 28A.16, is amended to read:

17.2 **28A.16 PERSONS SELLING LIQUOR.**

17.3 (a) The provisions of the Minnesota consolidated food licensing law, sections 28A.01
 17.4 to 28A.16 and acts amendatory thereto, shall not apply to persons licensed to sell 3.2 percent
 17.5 malt liquor "on-sale" as provided in section 340A.403, or to persons licensed to sell

21.21 Sec. 16. Minnesota Statutes 2018, section 18K.02, subdivision 3, is amended to read:

21.22 Subd. 3. **Industrial hemp.** "Industrial hemp" means the plant Cannabis sativa L. and
 21.23 any part of the plant, whether growing or not, including the plant's seeds, and all the plant's
 21.24 derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether
 21.25 growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3
 21.26 percent on a dry weight basis. Industrial hemp is not marijuana as defined in section 152.01,
 21.27 subdivision 9.

22.1 Sec. 17. Minnesota Statutes 2018, section 18K.03, is amended to read:

22.2 **18K.03 AGRICULTURAL CROP; POSSESSION AUTHORIZED.**

22.3 Industrial hemp is an agricultural crop in this state. A person may possess, transport,
 22.4 process, sell, or buy industrial hemp that is grown pursuant to this chapter or lawfully grown
 22.5 in another state.

22.6 Sec. 18. Minnesota Statutes 2018, section 28A.16, is amended to read:

22.7 **28A.16 PERSONS SELLING LIQUOR.**

22.8 (a) The provisions of the Minnesota consolidated food licensing law, sections 28A.01
 22.9 to 28A.16 and acts amendatory thereto, shall not apply to persons licensed to sell 3.2 percent
 22.10 malt liquor "on-sale" as provided in section 340A.403, or to persons licensed to sell

- 17.6 intoxicating liquors "on-sale" or "off-sale" as provided in sections 340A.404 to 340A.407,
 17.7 provided that these persons sell only ice manufactured and packaged by another, or bottled
 17.8 or canned soft drinks and prepacked candy at retail, or to persons licensed to sell intoxicating
 17.9 liquors at wholesale to retailers as provided in section 340A.301.
- 17.10 (b) When an exclusive liquor store is not exempt under paragraph (a), the commissioner
 17.11 must exclude all gross sales of off-sale alcoholic beverages by the exclusive liquor store
 17.12 when determining the applicable license fee under section 28A.08, subdivision 3.
- 17.13 (c) For purposes of this section, "exclusive liquor store," "alcoholic beverage,"
 17.14 "intoxicating liquor," and "wholesaler" have the meanings given in section 340A.101.

- 17.15 Sec. 10. Minnesota Statutes 2018, section 41A.15, is amended by adding a subdivision to
 17.16 read:
- 17.17 Subd. 2c. **Biomass.** "Biomass" means any organic matter that is available on a renewable
 17.18 or recurring basis, including agricultural crops and trees; wood and wood waste and residues;

- 22.11 intoxicating liquors "on-sale" or "off-sale" as provided in sections 340A.404 to 340A.407,
 22.12 provided that these persons sell only ice manufactured and packaged by another, or bottled
 22.13 or canned soft drinks and prepacked candy at retail.
- 22.14 (b) When an exclusive liquor store is not exempt under paragraph (a), the commissioner
 22.15 must exclude all gross sales of off-sale alcoholic beverages when determining the applicable
 22.16 license fee under section 28A.08, subdivision 3. For purposes of this paragraph, "exclusive
 22.17 liquor store" and "alcoholic beverage" have the meanings given in section 340A.101.
- 35.25 Sec. 22. **INDUSTRIAL HEMP; REPORT.**
- 35.26 (a) The commissioner of agriculture must submit a plan to the secretary of the United
 35.27 States Department of Agriculture and request primary regulatory authority over the
 35.28 production of industrial hemp in this state, as provided under section 10113 of the Agriculture
 35.29 Improvement Act of 2018.
- 35.30 (b) The commissioner of agriculture, in consultation with the commissioners of public
 35.31 safety and health, must develop a framework for regulating the possession and use of
 35.32 tetrahydrocannabinol resulting from industrial hemp processing, including but not limited
 35.33 to the extraction of cannabidiol or other components. No later than February 15, 2020, the
 36.1 commissioner of agriculture must submit the proposed framework to the chairs and ranking
 36.2 minority members of the legislative committees and divisions with jurisdiction over
 36.3 agriculture, public safety, and health.
- 36.4 Sec. 23. **REPORT REQUIRED; BEGINNING FARMERS.**
- 36.5 No later than February 1, 2020, the commissioner of agriculture must report
 36.6 recommendations to the legislative committees and divisions with jurisdiction over agriculture
 36.7 finance regarding how best to cultivate and support beginning farmers, with priority given
 36.8 to beginning farmers who are women, veterans, persons with disabilities, American Indian
 36.9 or Alaskan Native, and members of communities of color. When preparing this report, the
 36.10 commissioner must consult the commissioners of labor and industry and employment and
 36.11 economic development and consider development of a next generation farmer internship
 36.12 program.

17.19 plants including aquatic plants, grasses, residues, and fibers; animal waste; and the organic
17.20 portion of solid wastes.

17.21 Sec. 11. Minnesota Statutes 2018, section 41A.15, subdivision 10, is amended to read:

17.22 Subd. 10. **Renewable chemical.** "Renewable chemical" means a chemical with biobased
17.23 content, polymer, monomer, plastic, or composite material that is entirely produced from
17.24 biomass.

17.25 Sec. 12. Minnesota Statutes 2018, section 41A.16, subdivision 1, is amended to read:

17.26 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
17.27 source from Minnesota at least 80 percent raw materials from Minnesota. of the biomass
17.28 used to produce an advanced biofuel, except that, if a facility is sited 50 miles or less from
17.29 the state border, raw materials biomass used to produce an advanced biofuel may be sourced
17.30 from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from
17.31 within a 100-mile radius of the facility or from within Minnesota. Raw materials must be
18.1 from agricultural or forestry sources or from solid waste. The facility must be located in
18.2 Minnesota, must begin production at a specific location by June 30, 2025, and must not
18.3 begin operating above 23,750 MMBtu of quarterly advanced biofuel production before July
18.4 1, 2015. Eligible facilities include existing companies and facilities that are adding advanced
18.5 biofuel production capacity, or retrofitting existing capacity, as well as new companies and
18.6 facilities. Production of conventional corn ethanol and conventional biodiesel is not eligible.
18.7 Eligible advanced biofuel facilities must produce at least 23,750 1,500 MMBtu of advanced
18.8 biofuel quarterly.

18.9 (b) No payments shall be made for advanced biofuel production that occurs after June
18.10 30, 2035, for those eligible biofuel producers under paragraph (a).

18.11 (c) An eligible producer of advanced biofuel shall not transfer the producer's eligibility
18.12 for payments under this section to an advanced biofuel facility at a different location.

18.13 (d) A producer that ceases production for any reason is ineligible to receive payments
18.14 under this section until the producer resumes production.

18.15 (e) Renewable chemical production for which payment has been received under section
18.16 41A.17, and biomass thermal production for which payment has been received under section
18.17 41A.18, are not eligible for payment under this section.

18.18 (f) Biobutanol is eligible under this section.

18.19 Sec. 13. Minnesota Statutes 2018, section 41A.16, subdivision 2, is amended to read:

18.20 Subd. 2. **Payment amounts; limits.** (a) The commissioner shall make payments to
18.21 eligible producers of advanced biofuel. The amount of the payment for each eligible
18.22 producer's annual production is \$2.1053 per MMBtu for advanced biofuel production from
18.23 cellulosic biomass, and \$1.053 per MMBtu for advanced biofuel production from sugar or
18.24 starch, oil, or animal fat at a specific location for ten years after the start of production.

18.25 (b) Total payments under this section to an eligible biofuel producer in a fiscal year may
 18.26 not exceed the amount necessary for 2,850,000 MMbtu of biofuel production. Total payments
 18.27 under this section to all eligible biofuel producers in a fiscal year may not exceed the amount
 18.28 necessary for 17,100,000 MMbtu of biofuel production. ~~The commissioner shall award~~
 18.29 ~~payments on a first-come, first-served basis within the limits of available funding.~~

18.30 (c) For purposes of this section, an entity that holds a controlling interest in more than
 18.31 one advanced biofuel facility is considered a single eligible producer.

19.1 Sec. 14. Minnesota Statutes 2018, section 41A.16, subdivision 4, is amended to read:

19.2 Subd. 4. **Cellulosic forestry biomass requirements.** All forestry-derived cellulosic
 19.3 biomass used for advanced biofuel production must be produced using Minnesota ~~state~~
 19.4 forest biomass harvesting guidelines or the equivalent. All cellulosic biomass from brushlands
 19.5 must be produced using Minnesota brushland ~~harvesting~~ biomass ~~harvest~~ harvesting
 19.6 guidelines or the equivalent. Forestry-derived cellulosic biomass that comes from land
 19.7 parcels greater than 160 acres must be certified by the Forest Stewardship Council, the
 19.8 Sustainable Forestry Initiative, or the American Tree Farm System. Uncertified land from
 19.9 parcels of 160 acres or less and federal land must be harvested by a logger who has completed
 19.10 training for biomass harvesting from the Minnesota logger education program or the
 19.11 equivalent and have a forest ~~stewardship~~ management plan, as defined in section 290C.02,
 19.12 subdivision 7, or its equivalent.

19.13 Sec. 15. Minnesota Statutes 2018, section 41A.17, subdivision 1, is amended to read:

19.14 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this ~~program~~ section
 19.15 must source from Minnesota at least 80 percent ~~biobased content from Minnesota~~ of the
 19.16 biomass used to produce a renewable chemical, except that, if a facility is sited 50 miles or
 19.17 less from the state border, ~~biobased content must~~ biomass used to produce a renewable
 19.18 chemical may be sourced from outside of Minnesota, but only if at least 80 percent of the
 19.19 biomass is sourced from within a 100-mile radius of the facility or from within Minnesota.
 19.20 ~~Biobased content must be from agricultural or forestry sources or from solid waste.~~ The
 19.21 facility must be located in Minnesota, must begin production at a specific location by June
 19.22 30, 2025, and must not begin production of ~~750,000~~ 250,000 pounds of chemicals quarterly
 19.23 before January 1, 2015. Eligible facilities include existing companies and facilities that are
 19.24 adding production capacity, or retrofitting existing capacity, as well as new companies and
 19.25 facilities. Eligible renewable chemical facilities must produce at least ~~750,000~~ 250,000
 19.26 pounds of renewable chemicals quarterly. Renewable chemicals produced through processes
 19.27 that are fully commercial before January 1, 2000, are not eligible.

19.28 (b) No payments shall be made for renewable chemical production that occurs after June
 19.29 30, 2035, for those eligible renewable chemical producers under paragraph (a).

19.30 (c) An eligible producer of renewable chemicals shall not transfer the producer's eligibility
 19.31 for payments under this section to a renewable chemical facility at a different location.

19.32 (d) A producer that ceases production for any reason is ineligible to receive payments
19.33 under this section until the producer resumes production.

20.1 (e) Advanced biofuel production for which payment has been received under section
20.2 41A.16, and biomass thermal production for which payment has been received under section
20.3 41A.18, are not eligible for payment under this section.

20.4 Sec. 16. Minnesota Statutes 2018, section 41A.17, subdivision 2, is amended to read:

20.5 Subd. 2. **Payment amounts; bonus; limits.** (a) The commissioner shall make payments
20.6 to eligible producers of renewable chemicals located in the state. The amount of the payment
20.7 for each producer's annual production is \$0.03 per pound of sugar-derived renewable
20.8 chemical, \$0.03 per pound of cellulosic sugar, and \$0.06 per pound of cellulosic-derived
20.9 renewable chemical produced at a specific location for ten years after the start of production.

20.10 (b) An eligible facility producing renewable chemicals using agricultural cellulosic
20.11 biomass is eligible for a 20 percent bonus payment for each pound produced from agricultural
20.12 biomass that is derived from perennial crop or cover crop biomass.

20.13 (c) Total payments under this section to an eligible renewable chemical producer in a
20.14 fiscal year may not exceed the amount necessary for 99,999,999 pounds of renewable
20.15 chemical production. Total payments under this section to all eligible renewable chemical
20.16 producers in a fiscal year may not exceed the amount necessary for 599,999,999 pounds of
20.17 renewable chemical production. ~~The commissioner shall award payments on a first come,~~
20.18 ~~first-served basis within the limits of available funding.~~

20.19 (d) An eligible facility may blend renewable chemicals with other chemicals that are
20.20 not renewable chemicals, but only the percentage attributable to renewable chemicals in
20.21 the blended product is eligible to receive payment.

20.22 ~~(d)~~ (e) For purposes of this section, an entity that holds a controlling interest in more
20.23 than one renewable chemical production facility is considered a single eligible producer.

20.24 Sec. 17. Minnesota Statutes 2018, section 41A.17, subdivision 3, is amended to read:

20.25 Subd. 3. **Cellulosic forestry biomass requirements.** All forestry-derived cellulosic
20.26 biomass used for renewable chemical production must be produced using Minnesota ~~state~~
20.27 ~~forest~~ biomass harvesting guidelines or the equivalent. All cellulosic biomass from brushlands
20.28 must be produced using Minnesota brushland ~~harvesting~~ biomass ~~harvest~~ harvesting
20.29 guidelines or the equivalent. Forestry-derived cellulosic biomass that comes from land
20.30 parcels greater than 160 acres must be certified by the Forest Stewardship Council, the
20.31 Sustainable Forestry Initiative, or the American Tree Farm System. Uncertified land from
20.32 parcels of 160 acres or less and federal land must be harvested by a logger who has completed
21.1 training for biomass harvesting from the Minnesota logger education program or the
21.2 equivalent and have a forest ~~stewardship~~ management plan, as defined in section 290C.02,
21.3 subdivision 7, or its equivalent.

21.4 Sec. 18. Minnesota Statutes 2018, section 41A.18, subdivision 1, is amended to read:

21.5 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
 21.6 source from Minnesota at least 80 percent ~~raw materials from Minnesota~~ of the biomass
 21.7 used for biomass thermal production, except that, if a facility is sited 50 miles or less from
 21.8 the state border, ~~raw materials should~~ biomass used for biomass thermal production may
 21.9 be sourced from outside of Minnesota, but only if at least 80 percent of the biomass is
 21.10 sourced from within a 100-mile radius of the facility, or from within Minnesota. ~~Raw~~
 21.11 ~~materials~~ Biomass must be from agricultural or forestry sources. The facility must be located
 21.12 in Minnesota, must have begun production at a specific location by June 30, 2025, and must
 21.13 not begin before July 1, 2015. Eligible facilities include existing companies and facilities
 21.14 that are adding production capacity, or retrofitting existing capacity, as well as new
 21.15 companies and facilities. Eligible biomass thermal production facilities must produce at
 21.16 least 250 MMBtu of biomass thermal quarterly.

21.17 (b) No payments shall be made for biomass thermal production that occurs after June
 21.18 30, 2035, for those eligible biomass thermal producers under paragraph (a).

21.19 (c) An eligible producer of biomass thermal production shall not transfer the producer's
 21.20 eligibility for payments under this section to a biomass thermal production facility at a
 21.21 different location.

21.22 (d) A producer that ceases production for any reason is ineligible to receive payments
 21.23 under this section until the producer resumes production.

21.24 (e) Biofuel production for which payment has been received under section 41A.16, and
 21.25 renewable chemical production for which payment has been received under section 41A.17,
 21.26 are not eligible for payment under this section.

21.27 Sec. 19. Minnesota Statutes 2018, section 41A.18, subdivision 2, is amended to read:

21.28 Subd. 2. **Payment amounts; bonus; limits; blending.** (a) The commissioner shall make
 21.29 payments to eligible producers of biomass thermal located in the state. The amount of the
 21.30 payment for each producer's annual production is \$5.00 per MMBtu of biomass thermal
 21.31 production produced at a specific location for ten years after the start of production.

22.1 (b) An eligible facility producing biomass thermal using agricultural cellulosic biomass
 22.2 is eligible for a 20 percent bonus payment for each MMBtu produced from agricultural
 22.3 biomass that is derived from perennial crop or cover crop biomass.

22.4 (c) Total payments under this section to an eligible thermal producer in a fiscal year
 22.5 may not exceed the amount necessary for 30,000 MMBtu of thermal production. Total
 22.6 payments under this section to all eligible thermal producers in a fiscal year may not exceed
 22.7 the amount necessary for 150,000 MMBtu of total thermal production. ~~The commissioner~~
 22.8 ~~shall award payments on a first-come, first-served basis within the limits of available funding.~~

22.9 (d) An eligible facility may blend a cellulosic feedstock with other fuels in the biomass
 22.10 thermal production facility, but only the percentage attributable to cellulosic material is
 22.11 eligible to receive payment.

22.12 (e) For purposes of this section, an entity that holds a controlling interest in more than
 22.13 one biomass thermal production facility is considered a single eligible producer.

22.14 Sec. 20. Minnesota Statutes 2018, section 41A.18, subdivision 3, is amended to read:

22.15 Subd. 3. **Cellulosic forestry biomass requirements.** All forestry-derived cellulosic
 22.16 biomass used for biomass thermal production must be produced using Minnesota ~~state~~ forest
 22.17 biomass harvesting guidelines or the equivalent. All cellulosic biomass from ~~brushland~~
 22.18 brushlands must be produced using Minnesota brushland ~~harvesting~~ biomass harvesting
 22.19 guidelines or the equivalent. Forestry-derived cellulosic biomass that comes from land
 22.20 parcels greater than 160 acres must be certified by the Forest Stewardship Council, the
 22.21 Sustainable Forestry Initiative, or the American Tree Farm System. Uncertified land from
 22.22 parcels of 160 acres or less and federal land must be harvested by a logger who has completed
 22.23 training for biomass harvesting from the Minnesota logger education program or the
 22.24 equivalent and have a forest ~~stewardship~~ management plan, as defined in section 290C.02,
 22.25 subdivision 7, or its equivalent.

22.26 Sec. 21. **41B.0455 DAIRY MODERNIZATION AND INNOVATION LOAN**
 22.27 **PROGRAM.**

22.28 Subdivision 1. **Establishment.** The authority may establish and implement a loan program
 22.29 to finance dairy modernization and innovations in the state.

22.30 Subd. 2. **Loan participation.** (a) The authority may participate in a dairy modernization
 22.31 and innovation loan with an eligible lender to a livestock farmer who meets the requirements
 22.32 of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in a
 23.1 livestock operation. A prospective borrower must have a total net worth, including assets
 23.2 and liabilities of the borrower's spouse and dependents, of less than \$1,700,000 in 2017 and
 23.3 an amount in subsequent years which is adjusted for inflation by multiplying that amount
 23.4 by the cumulative inflation rate as determined by the United States All-Items Consumer
 23.5 Price Index.

23.6 (b) Participation is limited to 45 percent of the principal amount of the loan or \$525,000,
 23.7 whichever is less. The interest rates and repayment terms of the authority's participation
 23.8 interest may be different from the interest rates and repayment terms of the lender's retained
 23.9 portion of the loan.

23.10 Subd. 3. **Specifications.** (a) Loan participation may be for acquisition, installation of
 23.11 improvements to land, buildings, and other permanent structures, including equipment
 23.12 incorporated in or permanently affixed to the land, buildings, or structures, which are useful
 23.13 for and intended to be used for the purpose of dairy farming, including, but not limited to:

- 23.14 (1) the acquisition, construction, or improvement of buildings or facilities for dairy
 23.15 farming; or
- 23.16 (2) the acquisition of equipment for dairy farming such as:
- 23.17 (i) barns;
- 23.18 (ii) watering facilities;
- 23.19 (iii) feed storage and handling equipment;
- 23.20 (iv) milking parlors;
- 23.21 (v) robotic equipment;
- 23.22 (vi) scales;
- 23.23 (vii) milk storage and cooling facilities; or
- 23.24 (viii) bulk tanks.
- 23.25 (b) Each loan participation must be secured by a mortgage on real property and other
 23.26 security as the authority may require.
- 23.27 Subd. 4. **Application and origination fee.** The authority may impose a reasonable
 23.28 nonrefundable application fee for each application for a loan participation and an origination
 23.29 fee for each loan issued under the dairy modernization and innovation loan program. The
 23.30 origination fee initially shall be set at 1.5 percent and the application fee at \$50. The authority
 23.31 may review the fees annually and make adjustments as necessary. The fees must be deposited
 24.1 in the state treasury and credited to the Rural Finance Authority administrative account
 24.2 established in section 41B.03.
- 24.3 Subd. 5. **Interest rate.** The interest rate per annum on the dairy modernization and
 24.4 innovation loan participation must be at the rate of interest determined by the authority to
 24.5 be necessary to provide for the timely payment of principal and interest when due on bonds
 24.6 or other obligations of the authority issued under this chapter, to provide financing for loan
 24.7 participations made under the dairy modernization and innovation loan program, and to
 24.8 provide for reasonable and necessary costs of issuing, carrying, administering, and securing
 24.9 the bonds or notes and to pay the costs incurred and to be incurred by the authority in the
 24.10 implementation of the dairy modernization and innovation loan program.
- 24.11 Sec. 22. Minnesota Statutes 2018, section 41B.055, subdivision 4, is amended to read:
- 24.12 Subd. 4. **Eligible expenditures.** Money may be used for loans for the acquisition of
 24.13 equipment for animal housing, confinement, animal feeding, milk production, and waste
 24.14 management, including the following, if related to animal husbandry:
- 24.15 (1) fences;
- 24.16 (2) watering facilities;

24.17 (3) feed storage and handling equipment;

24.18 (4) milking parlors;

24.19 (5) milking equipment, including robotic equipment;

24.20 (6) scales;

24.21 (7) milk storage and cooling facilities;

24.22 (8) manure pumping and storage facilities;

24.23 (9) capital investment in pasture;

24.24 (10) hoop barns;

24.25 (11) portable structures;

24.26 (12) hay and forage equipment; and

24.27 (13) related structural work for the installation of equipment.

25.1 Sec. 23. Minnesota Statutes 2018, section 116.06, is amended by adding a subdivision to
25.2 read:

25.3 Subd. 16a. **Pastures.** "Pastures" means areas, including winter feeding areas as part of
25.4 a grazing area, where grass or other growing plants are used for grazing of livestock and
25.5 where the concentration of animals allows a vegetative cover to be maintained during the
25.6 growing season. "Pastures" also includes agricultural land that is used for growing crops
25.7 during the growing season and is used for grazing of livestock on vegetation or crop residues
25.8 during the winter. In either case, a cover of vegetation or crop residues is not required:

25.9 (1) in the immediate vicinity of supplemental feeding or watering devices;

25.10 (2) in associated corrals and chutes where livestock are gathered for the purpose of
25.11 sorting, veterinary services, loading and unloading trucks and trailers, and other necessary
25.12 activities related to good animal husbandry practices;

25.13 (3) in associated livestock access lanes used to convey livestock to and from areas of
25.14 the pasture; and

25.15 (4) in sacrificial areas that are part of a larger pasture system and are used to temporarily
25.16 accommodate livestock and protect other pasture areas when adverse soil or weather
25.17 conditions pose a risk of damaging the pastures, and on which the vegetation is naturally
25.18 restored or replanted after the adverse soil or weather conditions are removed and the
25.19 livestock are moved to other areas of the pasture.

25.20 Sec. 24. Minnesota Statutes 2018, section 116.07, subdivision 7, is amended to read:

25.21 Subd. 7. **Counties; processing applications for animal lot permits.** Any Minnesota
25.22 county board may, by resolution, with approval of the Pollution Control Agency, assume

25.23 responsibility for processing applications for permits required by the Pollution Control
 25.24 Agency under this section for livestock feedlots, poultry lots or other animal lots. The
 25.25 responsibility for permit application processing, if assumed by a county, may be delegated
 25.26 by the county board to any appropriate county officer or employee.

25.27 (a) For the purposes of this subdivision, the term "processing" includes:

25.28 (1) the distribution to applicants of forms provided by the Pollution Control Agency;

25.29 (2) the receipt and examination of completed application forms, and the certification,
 25.30 in writing, to the Pollution Control Agency either that the animal lot facility for which a
 25.31 permit is sought by an applicant will comply with applicable rules and standards, or, if the
 26.1 facility will not comply, the respects in which a variance would be required for the issuance
 26.2 of a permit; and

26.3 (3) rendering to applicants, upon request, assistance necessary for the proper completion
 26.4 of an application.

26.5 (b) For the purposes of this subdivision, the term "processing" may include, at the option
 26.6 of the county board, issuing, denying, modifying, imposing conditions upon, or revoking
 26.7 permits pursuant to the provisions of this section or rules promulgated pursuant to it, subject
 26.8 to review, suspension, and reversal by the Pollution Control Agency. The Pollution Control
 26.9 Agency shall, after written notification, have 15 days to review, suspend, modify, or reverse
 26.10 the issuance of the permit. After this period, the action of the county board is final, subject
 26.11 to appeal as provided in chapter 14. For permit applications filed after October 1, 2001,
 26.12 section 15.99 applies to feedlot permits issued by the agency or a county pursuant to this
 26.13 subdivision.

26.14 (c) For the purpose of administration of rules adopted under this subdivision, the
 26.15 commissioner and the agency may provide exceptions for cases where the owner of a feedlot
 26.16 has specific written plans to close the feedlot within five years. These exceptions include
 26.17 waiving requirements for major capital improvements.

26.18 (d) For purposes of this subdivision, a discharge caused by an extraordinary natural
 26.19 event such as a precipitation event of greater magnitude than the 25-year, 24-hour event,
 26.20 tornado, or flood in excess of the 100-year flood is not a "direct discharge of pollutants."

26.21 (e) In adopting and enforcing rules under this subdivision, the commissioner shall
 26.22 cooperate closely with other governmental agencies.

26.23 (f) The Pollution Control Agency shall work with the Minnesota Extension Service, the
 26.24 Department of Agriculture, the Board of Water and Soil Resources, producer groups, local
 26.25 units of government, as well as with appropriate federal agencies such as the Natural
 26.26 Resources Conservation Service and the Farm Service Agency, to notify and educate
 26.27 producers of rules under this subdivision at the time the rules are being developed and
 26.28 adopted and at least every two years thereafter.

26.29 (g) The Pollution Control Agency shall adopt rules governing the issuance and denial
 26.30 of permits for livestock feedlots, poultry lots or other animal lots pursuant to this section.
 26.31 Pastures are exempt from the rules authorized under this paragraph, and no feedlot permit
 26.32 shall include any terms or conditions that impose any requirements related to any pastures
 26.33 located on, adjacent to, or in the vicinity of the feedlot. A feedlot permit is not required for
 26.34 livestock feedlots with more than ten but less than 50 animal units; provided they are not
 27.1 in shoreland areas. A livestock feedlot permit does not become required solely because of
 27.2 a change in the ownership of the buildings, grounds, or feedlot. These rules apply both to
 27.3 permits issued by counties and to permits issued by the Pollution Control Agency directly.

27.4 (h) The Pollution Control Agency shall exercise supervising authority with respect to
 27.5 the processing of animal lot permit applications by a county.

27.6 (i) Any new rules or amendments to existing rules proposed under the authority granted
 27.7 in this subdivision, or to implement new fees on animal feedlots, must be submitted to the
 27.8 members of legislative policy and finance committees with jurisdiction over agriculture and
 27.9 the environment prior to final adoption. The rules must not become effective until 90 days
 27.10 after the proposed rules are submitted to the members.

27.11 (j) Until new rules are adopted that provide for plans for manure storage structures, any
 27.12 plans for a liquid manure storage structure must be prepared or approved by a registered
 27.13 professional engineer or a United States Department of Agriculture, Natural Resources
 27.14 Conservation Service employee.

27.15 (k) A county may adopt by ordinance standards for animal feedlots that are more stringent
 27.16 than standards in Pollution Control Agency rules.

27.17 (l) After January 1, 2001, a county that has not accepted delegation of the feedlot permit
 27.18 program must hold a public meeting prior to the agency issuing a feedlot permit for a feedlot
 27.19 facility with 300 or more animal units, unless another public meeting has been held with
 27.20 regard to the feedlot facility to be permitted.

27.21 (m) After the proposed rules published in the State Register, volume 24, number 25, are
 27.22 finally adopted, the agency may not impose additional conditions as a part of a feedlot
 27.23 permit, unless specifically required by law or agreed to by the feedlot operator.

27.24 (n) For the purposes of feedlot permitting, a discharge from land-applied manure or a
 27.25 manure stockpile that is managed according to agency rule must not be subject to a fine for
 27.26 a discharge violation.

27.27 (o) For the purposes of feedlot permitting, manure that is land applied, or a manure
 27.28 stockpile that is managed according to agency rule, must not be considered a discharge into
 27.29 waters of the state, unless the discharge is to waters of the state, as defined by section
 27.30 103G.005, subdivision 17, except type 1 or type 2 wetlands, as defined in section 103G.005,
 27.31 subdivision 17b, and does not meet discharge standards established for feedlots under agency
 27.32 rule.

28.1 (p) The natural deposit of manure by livestock on pasture shall not be considered a
 28.2 discharge into waters of the state and shall not be subject to any fine or penalty.

28.3 (q) Unless the upgrade is needed to correct an immediate public health threat under
 28.4 section 145A.04, subdivision 8, or the facility is determined to be a concentrated animal
 28.5 feeding operation under Code of Federal Regulations, title 40, section 122.23, in effect on
 28.6 April 15, 2003, the agency may not require a feedlot operator:

28.7 (1) to spend more than \$3,000 to upgrade an existing feedlot with less than 300 animal
 28.8 units unless cost-share money is available to the feedlot operator for 75 percent of the cost
 28.9 of the upgrade; or

28.10 (2) to spend more than \$10,000 to upgrade an existing feedlot with between 300 and
 28.11 500 animal units, unless cost-share money is available to the feedlot operator for 75 percent
 28.12 of the cost of the upgrade or \$50,000, whichever is less.

28.13 ~~(q) For the purposes of this section, "pastures" means areas, including winter feeding~~
 28.14 ~~areas as part of a grazing area, where grass or other growing plants are used for grazing and~~
 28.15 ~~where the concentration of animals allows a vegetative cover to be maintained during the~~
 28.16 ~~growing season except that vegetative cover is not required;~~

28.17 ~~(1) in the immediate vicinity of supplemental feeding or watering devices;~~

28.18 ~~(2) in associated corrals and chutes where livestock are gathered for the purpose of~~
 28.19 ~~sorting, veterinary services, loading and unloading trucks and trailers, and other necessary~~
 28.20 ~~activities related to good animal husbandry practices; and~~

28.21 ~~(3) in associated livestock access lanes used to convey livestock to and from areas of~~
 28.22 ~~the pasture.~~

28.23 (r) A feedlot operator who stores and applies up to 100,000 gallons per calendar year of
 28.24 private truck wash wastewater resulting from trucks that transport animals or supplies to
 28.25 and from the feedlot does not require a permit to land-apply industrial by-products if the
 28.26 feedlot operator stores and applies the wastewater in accordance with Pollution Control
 28.27 Agency requirements for land applications of industrial by-product that do not require a
 28.28 permit.

28.29 (s) A feedlot operator who holds a permit from the Pollution Control Agency to
 28.30 land-apply industrial by-products from a private truck wash is not required to have a certified
 28.31 land applicator apply the private truck wash wastewater if the wastewater is applied by the
 28.32 feedlot operator to cropland owned or leased by the feedlot operator or by a commercial
 28.33 animal waste technician licensed by the commissioner of agriculture under chapter 18C.
 29.1 For purposes of this paragraph and paragraph (r), "private truck wash" means a truck washing
 29.2 facility owned or leased, operated, and used only by a feedlot operator to wash trucks owned
 29.3 or leased by the feedlot operator and used to transport animals or supplies to and from the
 29.4 feedlot.

29.31 postal, bank, or express money order, in which the amount of payment is verified and secured
 29.32 prior to issuance.

30.1 Sec. 27. Minnesota Statutes 2018, section 223.16, subdivision 4, is amended to read:

30.2 Subd. 4. **Grain.** "Grain" means any cereal grain, coarse grain, or oilseed in unprocessed
 30.3 form for which a standard has been established by the United States Secretary of Agriculture
 30.4 or the Minnesota Board of Grain Standards, dry edible beans, or other agricultural crops
 30.5 designated by the commissioner by rule.

30.6 Sec. 28. Minnesota Statutes 2018, section 223.17, subdivision 3, is amended to read:

30.7 Subd. 3. **Grain buyers and storage account; fees.** The commissioner shall set the fees
 30.8 for inspections under sections 223.15 to 223.22 at levels necessary to pay the expenses of
 30.9 administering and enforcing sections 223.15 to 223.22.

30.10 The fee for any license issued or renewed after June 30, 2005, shall be set according to
 30.11 the following schedule:

30.12 (a) \$140 plus \$110 for each additional location for grain buyers whose gross annual
 30.13 purchases are less than \$100,000;

30.14 (b) \$275 plus \$110 for each additional location for grain buyers whose gross annual
 30.15 purchases are at least \$100,000, but not more than \$750,000;

30.16 (c) \$415 plus \$220 for each additional location for grain buyers whose gross annual
 30.17 purchases are more than \$750,000 but not more than \$1,500,000;

30.18 (d) \$550 plus \$220 for each additional location for grain buyers whose gross annual
 30.19 purchases are more than \$1,500,000 but not more than \$3,000,000; and

30.20 (e) \$700 plus \$220 for each additional location for grain buyers whose gross annual
 30.21 purchases are more than \$3,000,000.

30.22 A penalty amount not to exceed ten percent of the fees due may be imposed by the
 30.23 commissioner for each month for which the fees are delinquent.

41.13 Sec. 3. Minnesota Statutes 2018, section 223.16, is amended by adding a subdivision to
 41.14 read:

41.15 Subd. 2b. **Cash.** "Cash" means currency or an equivalent manner of payment, including
 41.16 but not limited to a certified check, a cashier's check, or a postal, bank, or express money
 41.17 order in which the amount of payment is verified and secured prior to issuance.

41.18 Sec. 4. Minnesota Statutes 2018, section 223.16, is amended by adding a subdivision to
 41.19 read:

41.20 Subd. 2c. **Cash buyer.** "Cash buyer" means a person that purchases grain only with cash
 41.21 and in amounts of less than \$100,000 total annually.

41.22 Sec. 5. Minnesota Statutes 2018, section 223.16, subdivision 4, is amended to read:

41.23 Subd. 4. **Grain.** "Grain" means any cereal grain, coarse grain, or oilseed in unprocessed
 41.24 form for which a standard has been established by the United States Secretary of Agriculture
 41.25 or the Minnesota Board of Grain Standards, dry edible beans, or other agricultural crops
 41.26 designated by the commissioner by rule.

41.27 Sec. 6. Minnesota Statutes 2018, section 223.17, subdivision 3, is amended to read:

41.28 Subd. 3. **Grain buyers and storage account; fees.** (a) A grain buyer must pay to the
 41.29 commissioner shall set the fees for inspections under sections 223.15 to 223.22 at levels
 42.1 necessary to pay the expenses of administering and enforcing sections 223.15 to 223.22. an
 42.2 annual license fee as follows:

42.3 The fee for any license issued or renewed after June 30, 2005, shall be set according to
 42.4 the following schedule:

42.5 (a) (1) \$140 plus \$110 for each additional location for grain buyers whose gross annual
 42.6 purchases are less than \$100,000;

42.7 (b) (2) \$275 plus \$110 for each additional location for grain buyers whose gross annual
 42.8 purchases are at least \$100,000, but not more than \$750,000;

42.9 (c) (3) \$415 plus \$220 for each additional location for grain buyers whose gross annual
 42.10 purchases are more than \$750,000 but not more than \$1,500,000;

42.11 (d) (4) \$550 plus \$220 for each additional location for grain buyers whose gross annual
 42.12 purchases are more than \$1,500,000 but not more than \$3,000,000; and

42.13 (e) (5) \$700 plus \$220 for each additional location for grain buyers whose gross annual
 42.14 purchases are more than \$3,000,000.

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

30.24 There is created the grain buyers and storage account in the agricultural fund. Money
30.25 collected pursuant to sections 223.15 to 223.19 shall be paid into the state treasury and
30.26 credited to the grain buyers and storage account and is appropriated to the commissioner
30.27 for the administration and enforcement of sections 223.15 to 223.22. Interest, if any, received
30.28 on deposits of these moneys shall be credited to the account, and there shall be paid into
30.29 this fund any sum provided by the legislature for the purpose of carrying out the provisions
30.30 of those sections.

31.1 Sec. 29. Minnesota Statutes 2018, section 223.17, is amended by adding a subdivision to
31.2 read:

31.3 Subd. 3a. **Examination fee.** A person with a license to buy grain is subject to an
31.4 examination fee for each licensed location, based on the following schedule for one
31.5 examination:

31.6	<u>Bushel Capacity</u>	<u>Examination</u>
31.7		<u>Fee</u>
31.8	<u>Inspections without a grain measure</u>	\$ <u>100</u>
31.9	<u>Less than 150,001</u>	\$ <u>300</u>
31.10	<u>150,001 to 250,000</u>	\$ <u>425</u>
31.11	<u>250,001 to 500,000</u>	\$ <u>545</u>
31.12	<u>500,001 to 750,000</u>	\$ <u>700</u>
31.13	<u>750,001 to 1,000,000</u>	\$ <u>865</u>
31.14	<u>1,000,001 to 1,200,000</u>	\$ <u>1,040</u>
31.15	<u>1,200,001 to 1,500,000</u>	\$ <u>1,205</u>
31.16	<u>1,500,001 to 2,000,000</u>	\$ <u>1,380</u>
31.17	<u>More than 2,000,000</u>	\$ <u>1,555</u>

31.18 The fee for supplemental examinations is \$55 per hour per examiner.

31.19 Sec. 30. Minnesota Statutes 2018, section 223.17, is amended by adding a subdivision to
31.20 read:

31.21 Subd. 3b. **Schedule of examination.** A licensee under sections 223.15 to 223.23 is
31.22 subject to one examination annually conducted by the commissioner or the Agricultural
31.23 Marketing Service of the United States Department of Agriculture. Examinations must

43.1 (d) There is created the grain buyers and storage account in the agricultural fund. Money
43.2 collected pursuant to sections 223.15 to ~~223.19~~ 223.23 shall be paid into the state treasury
43.3 and credited to the grain buyers and storage account and. Money in the account, including
43.4 interest, is appropriated to the commissioner for the administration and enforcement of
43.5 sections 223.15 to ~~223.22~~ 223.23.

42.15 (b) In addition to the license fee required under paragraph (a), a grain buyer must pay
42.16 to the commissioner an annual examination fee for each licensed location, as follows:

42.17	<u>Bushel Capacity</u>	<u>Examination</u>
42.18		<u>Fee</u>
42.19	<u>Examinations without a grain measure</u>	\$ <u>100</u>
42.20	<u>Less than 150,001</u>	\$ <u>300</u>
42.21	<u>150,001 to 250,000</u>	\$ <u>425</u>
42.22	<u>250,001 to 500,000</u>	\$ <u>545</u>
42.23	<u>500,001 to 750,000</u>	\$ <u>700</u>
42.24	<u>750,001 to 1,000,000</u>	\$ <u>865</u>
42.25	<u>1,000,001 to 1,200,000</u>	\$ <u>1,040</u>
42.26	<u>1,200,001 to 1,500,000</u>	\$ <u>1,205</u>
42.27	<u>1,500,001 to 2,000,000</u>	\$ <u>1,380</u>
42.28	<u>More than 2,000,000</u>	\$ <u>1,555</u>

42.29 The fee for any supplemental examination required by the commissioner under section
42.30 223.23 is \$55 per hour per examiner.

46.26 Sec. 13. **[223.23] ANNUAL EXAMINATION REQUIRED; SUPPLEMENTAL**
46.27 **EXAMINATIONS.**

46.28 A licensed grain buyer is subject to an annual examination conducted by the commissioner
46.29 or the Agricultural Marketing Service of the United States Department of Agriculture.
46.30 Examinations must include a measurement of all grain owned and maintained by the grain

31.24 include measurement of all grain owned and maintained by the grain buyer. Additional
 31.25 exams, at the determination of the commissioner, may be required.

31.26 Sec. 31. Minnesota Statutes 2018, section 223.17, subdivision 4, is amended to read:

31.27 Subd. 4. **Bond.** (a) Except as provided in paragraph (f), before a grain buyer's license
 31.28 is issued, the applicant for the license must file with the commissioner a bond in a penal
 31.29 sum prescribed by the commissioner but not less than the following amounts:

31.30 (1) \$10,000 for grain buyers whose gross annual purchases are \$100,000 or less;

31.31 (2) \$20,000 for grain buyers whose gross annual purchases are more than \$100,000 but
 31.32 not more than \$750,000;

32.1 (3) \$30,000 for grain buyers whose gross annual purchases are more than \$750,000 but
 32.2 not more than \$1,500,000;

32.3 (4) \$40,000 for grain buyers whose gross annual purchases are more than \$1,500,000
 32.4 but not more than \$3,000,000;

32.5 (5) \$50,000 for grain buyers whose gross annual purchases are more than \$3,000,000
 32.6 but not more than \$6,000,000;

32.7 (6) \$70,000 for grain buyers whose gross annual purchases are more than \$6,000,000
 32.8 but not more than \$12,000,000;

32.9 (7) \$125,000 for grain buyers whose gross annual purchases are more than \$12,000,000
 32.10 but not more than \$24,000,000; and

32.11 (8) \$150,000 for grain buyers whose gross annual purchases exceed \$24,000,000.

32.12 (b) ~~A grain buyer who has filed a bond with the commissioner prior to July 1, 2004, is~~
 32.13 ~~not required to increase the amount of the bond to comply with this section until July 1,~~
 32.14 ~~2005. The commissioner may postpone an increase in the amount of the bond until July 1,~~
 32.15 ~~2006, if a licensee demonstrates that the increase will impose undue financial hardship on~~
 32.16 ~~the licensee, and that producers will not be harmed as a result of the postponement. The~~
 32.17 ~~commissioner may impose other restrictions on a licensee whose bond increase has been~~
 32.18 ~~postponed. The amount of the bond shall be based on the most recent gross annual grain~~
 32.19 ~~purchase report of the grain buyer.~~

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

32.24 (d) In lieu of the bond required by this subdivision the applicant may deposit with the
 32.25 commissioner of management and budget ~~cash, a certified check, a cashier's check, a postal,~~
 32.26 ~~bank, or express money order, assignable bonds or notes of the United States, or an~~
 32.27 ~~assignment of a bank savings account or investment certificate or an irrevocable bank letter~~

46.31 buyer. The commissioner may require supplemental examinations of a grain buyer as the
 46.32 commissioner deems necessary.

43.6 Sec. 7. Minnesota Statutes 2018, section 223.17, subdivision 4, is amended to read:

43.7 Subd. 4. **Bond.** (a) Except as provided in paragraphs (c) to (e), before a grain buyer's
 43.8 license is issued, the applicant for the license must file with the commissioner a bond in a
 43.9 penal sum prescribed by the commissioner but not less than the following amounts:

43.10 (1) \$10,000 for grain buyers whose gross annual purchases are \$100,000 or less;

43.11 (2) \$20,000 for grain buyers whose gross annual purchases are more than \$100,000 but
 43.12 not more than \$750,000;

43.13 (3) \$30,000 for grain buyers whose gross annual purchases are more than \$750,000 but
 43.14 not more than \$1,500,000;

43.15 (4) \$40,000 for grain buyers whose gross annual purchases are more than \$1,500,000
 43.16 but not more than \$3,000,000;

43.17 (5) \$50,000 for grain buyers whose gross annual purchases are more than \$3,000,000
 43.18 but not more than \$6,000,000;

43.19 (6) \$70,000 for grain buyers whose gross annual purchases are more than \$6,000,000
 43.20 but not more than \$12,000,000;

43.21 (7) \$125,000 for grain buyers whose gross annual purchases are more than \$12,000,000
 43.22 but not more than \$24,000,000; and

43.23 (8) \$150,000 for grain buyers whose gross annual purchases exceed \$24,000,000.

43.24 (b) ~~A grain buyer who has filed a bond with the commissioner prior to July 1, 2004, is~~
 43.25 ~~not required to increase the amount of the bond to comply with this section until July 1,~~
 43.26 ~~2005. The commissioner may postpone an increase in the amount of the bond until July 1,~~
 43.27 ~~2006, if a licensee demonstrates that the increase will impose undue financial hardship on~~
 43.28 ~~the licensee, and that producers will not be harmed as a result of the postponement. The~~
 43.29 ~~commissioner may impose other restrictions on a licensee whose bond increase has been~~
 43.30 ~~postponed. The amount of the bond shall be based on the most recent gross annual grain~~
 43.31 ~~purchase report of the grain buyer.~~

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

44.5 (d) In lieu of the bond required by this subdivision the applicant may deposit with the
 44.6 commissioner of management and budget ~~cash, a certified check, a cashier's check, a postal,~~
 44.7 ~~bank, or express money order, assignable bonds or notes of the United States, or an~~
 44.8 ~~assignment of a bank savings account or investment certificate or an irrevocable bank letter~~

32.28 of credit as defined in section 336.5-102, in the same amount as would be required for a
 32.29 bond.

32.30 (e) Bonds must be continuous until canceled. To cancel a bond, a surety must provide
 32.31 90 days' written notice of the bond's termination date to the licensee and the commissioner.

32.32 (f) A grain buyer who notifies the commissioner of the intent to purchase grain
 32.33 immediately upon delivery solely with cash; certified check; cashier's check; or postal, bank,
 33.1 or express money order is not obligated to file a bond as long as annual purchases do not
 33.2 exceed \$100,000.

33.3 Sec. 32. Minnesota Statutes 2018, section 223.17, subdivision 5, is amended to read:

33.4 Subd. 5. **Cash sales; manner of payment.** For a cash sale of a shipment of grain ~~which~~
 33.5 ~~is part of a multiple shipment sale~~, the grain buyer shall tender payment to the seller in cash
 33.6 or by check or shall wire or mail the payment to the seller's account not later than ten days
 33.7 after the sale of that shipment, except that when the entire sale is completed, payment shall
 33.8 be tendered not later than the close of business on the next day, or within 48 hours, whichever
 33.9 is later. For other cash sales the grain buyer, before the close of business on the next business
 33.10 day after the sale, shall tender payment to the seller in cash or by check, or shall wire or
 33.11 mail funds to the seller's account in the amount of at least 80 percent of the value of the
 33.12 grain at the time of delivery. The grain buyer shall complete final settlement as rapidly as
 33.13 possible through ordinary diligence.

33.14 Sec. 33. Minnesota Statutes 2018, section 223.17, subdivision 6, is amended to read:

33.15 Subd. 6. **Financial statements.** (a) ~~The~~ commissioner ~~may~~ shall require an annual
 33.16 financial statement from a licensee which has been prepared in accordance with generally
 33.17 accepted accounting principles and ~~which~~ meets the following requirements:

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

33.19 (i) a balance sheet;

33.20 (ii) a statement of income (profit and loss);

33.21 (iii) a statement of retained earnings;

33.22 (iv) a statement of changes in financial position; and

33.23 (v) a statement of the dollar amount of grain purchased in the previous fiscal year of the
 33.24 grain buyer;

33.25 (2) ~~the financial statement shall be accompanied by a compilation report of the financial~~
 33.26 ~~statement that is prepared by a grain commission firm or a management firm approved by~~
 33.27 ~~the commissioner or by an independent public accountant, in accordance with standards~~
 33.28 ~~established by the American Institute of Certified Public Accountants. Grain buyers~~
 33.29 ~~purchasing less than 150,000 bushels of grain per calendar year may submit a financial~~

44.9 of credit as defined in section 336.5-102, in the same amount as would be required for a
 44.10 bond.

44.11 (e) A cash buyer is exempt from the requirements under this subdivision.

44.12 (f) Bonds must be continuous until canceled. To cancel a bond, a surety must provide
 44.13 90 days' written notice of the bond's termination date to the licensee and the commissioner.

44.14 Sec. 8. Minnesota Statutes 2018, section 223.17, subdivision 5, is amended to read:

44.15 Subd. 5. **Cash sales; manner of payment.** For a cash sale of a shipment of grain ~~which~~
 44.16 ~~is part of a multiple shipment sale~~, the grain buyer shall tender payment to the seller in cash
 44.17 or by check not later than ten days after the sale of that shipment, except that when the entire
 44.18 sale is completed, payment shall be tendered not later than the close of business on the next
 44.19 day, or within 48 hours, whichever is later. For other cash sales the grain buyer, before the
 44.20 close of business on the next business day after the sale, shall tender payment to the seller
 44.21 in cash or by check, or shall wire or mail funds to the seller's account in the amount of at
 44.22 least 80 percent of the value of the grain at the time of delivery, or wire or mail funds to the
 44.23 seller's account. The grain buyer shall complete final settlement after the sale of the shipment
 44.24 as rapidly as possible through ordinary diligence.

44.25 Sec. 9. Minnesota Statutes 2018, section 223.17, subdivision 6, is amended to read:

44.26 Subd. 6. **Financial statements.** (a) Except as required in paragraph (c), the commissioner
 44.27 ~~may~~ must require an annual financial statement from a licensee which has been prepared
 44.28 in accordance with generally accepted accounting principles and ~~which~~ meets the following
 44.29 requirements:

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

44.31 (i) a balance sheet;

44.32 (ii) a statement of income (profit and loss);

45.1 (iii) a statement of retained earnings;

45.2 (iv) a statement of changes in financial position; and

45.3 (v) a statement of the dollar amount of grain purchased in the previous fiscal year of the
 45.4 grain buyer;

45.5 (2) ~~The financial statement shall be accompanied by a compilation report of the financial~~
 45.6 ~~statement that is prepared by a grain commission firm or a management firm approved by~~
 45.7 ~~the commissioner or by an independent public accountant, in accordance with standards~~
 45.8 ~~established by the American Institute of Certified Public Accountants. Grain buyers~~
 45.9 ~~purchasing less than 150,000 bushels of grain per calendar year may submit a financial~~

33.30 statement prepared by a public accountant who is not an employee or a relative within the
 33.31 third degree of kindred according to civil law.

34.1 (3) the financial statement shall be accompanied by a certification by the chief executive
 34.2 officer or the chief executive officer's designee of the licensee, and where applicable, all
 34.3 members of the governing board of directors under penalty of perjury, that the financial
 34.4 statement accurately reflects the financial condition of the licensee for the period specified
 34.5 in the statement.

34.6 (4) for grain buyers purchasing under \$5,000,000 of grain annually, financial statements
 34.7 shall be reviewed by a certified public accountant in accordance with standards established
 34.8 by the American Institute of Certified Public Accountants, and must show that the financial
 34.9 statements are free from material misstatements; and

34.10 (5) for grain buyers purchasing \$5,000,000 or more of grain annually, financial statements
 34.11 shall be audited by a certified public accountant in accordance with standards established
 34.12 by the American Institute of Certified Public Accountants and must include an opinion
 34.13 statement from the certified public accountant.

34.14 (b) Only one financial statement must be filed for a chain of warehouses owned or
 34.15 operated as a single business entity, unless otherwise required by the commissioner. Any
 34.16 grain buyer having a net worth in excess of \$500,000,000 need not file the financial statement
 34.17 required by this subdivision but must provide the commissioner with a certified net worth
 34.18 statement. All financial statements filed with the commissioner are private or nonpublic
 34.19 data as provided in section 13.02.

34.20 (c) A grain buyer who purchases grain immediately upon delivery solely with cash;
 34.21 certified check; cashier's check; or postal, bank, or express money order and whose annual
 34.22 purchases do not exceed \$100,000 is exempt from the provisions contained in this
 34.23 subdivision.

34.24 (d) The commissioner shall annually provide information on the person's fiduciary duties
 34.25 to all persons required to certify the financial statement under paragraph (a), clause (2).

34.26 Sec. 34. Minnesota Statutes 2018, section 223.177, subdivision 2, is amended to read:

34.27 Subd. 2. **Oral contracts.** Any grain buyer entering into a voluntary extension of credit
 34.28 contract orally or by phone shall give or mail to the seller a written confirmation conforming
 34.29 to the requirements of section 223.175 before the close of the next business day within ten
 34.30 days. Written confirmation of oral contracts must meet the requirements of subdivision 3.

35.1 Sec. 35. Minnesota Statutes 2018, section 223.177, subdivision 3, is amended to read:

35.2 Subd. 3. **Contracts reduced to writing.** A voluntary extension of credit contract must
 35.3 be reduced to writing by the grain buyer and mailed or given to the seller before the close
 35.4 of the next business day after the contract is entered into or, in the case of an oral or phone
 35.5 contract, after the written confirmation is received by the seller. Provided, however, that if

45.10 statement prepared by a public accountant who is not an employee or a relative within the
 45.11 third degree of kindred according to civil law.

45.12 (2) The financial statement shall be accompanied by a certification by the chief
 45.13 executive officer or the chief executive officer's designee of the licensee, under penalty of
 45.14 perjury, that the financial statement accurately reflects the financial condition of the licensee
 45.15 for the period specified in the statement.

45.16 (3) A grain buyer purchasing less than \$2,000,000 of grain annually must have the
 45.17 financial statement reviewed by a certified public accountant in accordance with standards
 45.18 established by the American Institute of Certified Public Accountants, and must show that
 45.19 the financial statements are free from material misstatements.

45.20 (4) A grain buyer purchasing \$2,000,000 or more of grain annually must have the
 45.21 financial statement audited by a certified public accountant in accordance with standards
 45.22 established by the American Institute of Certified Public Accountants, and must submit an
 45.23 opinion statement from the certified public accountant.

45.24 (b) Only one financial statement must be filed for a chain of warehouses owned or
 45.25 operated as a single business entity, unless otherwise required by the commissioner. Any
 45.26 grain buyer having a net worth in excess of \$500,000,000 need not file the financial statement
 45.27 required by this subdivision but must provide the commissioner with a certified net worth
 45.28 statement. All financial statements filed with the commissioner are private or nonpublic
 45.29 data as provided in section 13.02.

45.30 (c) A cash buyer is exempt from the requirements of this subdivision.

46.1 Sec. 10. Minnesota Statutes 2018, section 223.177, subdivision 2, is amended to read:

46.2 Subd. 2. **Oral contracts.** Any grain buyer entering into a voluntary extension of credit
 46.3 contract orally or by phone shall give or mail to the seller a written confirmation conforming
 46.4 to the requirements of section 223.175 before the close of the next business day within 30
 46.5 days. Written confirmation of oral contracts must meet the requirements under section
 46.6 223.177, subdivision 3.

46.7 Sec. 11. Minnesota Statutes 2018, section 223.177, subdivision 3, is amended to read:

46.8 Subd. 3. **Contracts reduced to writing.** A voluntary extension of credit contract must
 46.9 be reduced to writing by the grain buyer and, mailed or given to the seller before the close
 46.10 of the next business day after the contract is entered into or, in the case of an oral or phone
 46.11 contract, after the written confirmation is received by the seller. Provided, however, that if

35.6 a scale ticket has been received by the seller prior to the completion of the grain shipment,
35.7 the contract must be reduced to writing within ten days after the sale, but not later than the
35.8 close of the next business day after the completion of the entire sale and is signed by both
35.9 buyer and seller within ten days of the date of delivery. The form of the contract shall comply
35.10 with the requirements of section 223.175. A grain buyer may use an electronic version of
35.11 a voluntary extension of credit contract that contains the same information as a written
35.12 document and that conforms to the requirements of this chapter to which a seller has applied
35.13 an electronic signature in place of a written document. There must not at any time be an
35.14 electronic and paper voluntary extension of credit contract representing the same lot of
35.15 grain.

35.16 Sec. 36. Minnesota Statutes 2018, section 223.177, subdivision 8, is amended to read:

35.17 Subd. 8. **Records.** A grain buyer shall keep sufficiently detailed books and records of
35.18 signed voluntary extension of credit contracts and evidences of grain, rights in grain, and
35.19 the proceeds from the sale of grain so as to clearly show compliance with this section. The
35.20 commissioner or the commissioner's authorized agent may inspect these books and records
35.21 to determine whether grain buyers are complying with the provisions of this chapter, and
35.22 for this purpose the commissioner may enter upon any public or private premises during
35.23 regular business hours.

35.24 Sec. 37. Minnesota Statutes 2018, section 232.21, is amended by adding a subdivision to
35.25 read:

35.26 Subd. 4a. **Grain bank.** "Grain bank" means a feed-processing plant that receives and
35.27 stores grain it processes and returns to the grain's owner in amounts, at intervals, and with
35.28 added ingredients that are mutually agreeable to the grain's owner and the person operating
35.29 the plant. Grain bank does not include a seed cleaning plant.

46.12 a scale ticket has been received by the seller prior to the completion of the grain shipment,
46.13 the contract must be reduced to writing within ten days after the sale, but not later than the
46.14 close of the next business day after the completion of the entire sale, and signed by both
46.15 buyer and seller within 30 days of the date of delivery. The form of the contract shall comply
46.16 with the requirements of section 223.175. A grain buyer may use an electronic version of
46.17 a voluntary extension of credit contract that contains the same information as a written
46.18 document and that conforms to the requirements of this chapter to which a seller has applied
46.19 an electronic signature in place of a written document. There must not at any time be an
46.20 electronic and paper voluntary extension of credit contract representing the same lot of
46.21 grain.

46.22 Sec. 12. Minnesota Statutes 2018, section 223.19, is amended to read:

46.23 **223.19 RULES.**

46.24 The commissioner may make rules pursuant to chapter 14 to carry out the provisions of
46.25 sections 223.15 to ~~223.22~~ 223.23.

47.1 **ARTICLE 4**

47.2 **GRAIN WAREHOUSES**

47.8 Sec. 2. Minnesota Statutes 2018, section 232.21, is amended by adding a subdivision to
47.9 read:

47.10 Subd. 7a. **Grain bank.** "Grain bank" means a feed-processing plant that receives and
47.11 stores grain it processes and returns to the grain's owner in amounts, at intervals, and with
47.12 added ingredients that are mutually agreeable to the grain's owner and the person operating
47.13 the plant. "Grain bank" does not include a seed cleaning plant. Grain assigned to a grain
47.14 bank is considered stored grain.

47.3 Section 1. Minnesota Statutes 2018, section 232.21, subdivision 7, is amended to read:

47.4 Subd. 7. **Grain.** "Grain" means any cereal grain, coarse grain, or oilseed in unprocessed
47.5 form for which a standard has been established by the United States Secretary of Agriculture

36.1 Sec. 38. Minnesota Statutes 2018, section 232.21, is amended by adding a subdivision to
36.2 read:

36.3 Subd. 13. **Temporary storage.** "Temporary storage" means grain stored in outdoor piles
36.4 or suitable structures, which are not in use for the entirety of the license period.

36.5 Sec. 39. Minnesota Statutes 2018, section 232.22, subdivision 3, is amended to read:

36.6 Subd. 3. **Fees; grain buyers and storage account.** There is created in the agricultural
36.7 fund an account known as the grain buyers and storage account. ~~The commissioner shall~~
36.8 ~~set the fees for examinations, certifications, and licenses under sections 232.20 to 232.24~~
36.9 ~~at levels necessary to pay the costs of administering and enforcing sections 232.20 to 232.24.~~
36.10 All money collected pursuant to sections 232.20 to 232.24 shall be paid by the commissioner
36.11 into the state treasury and credited to the grain buyers and storage account and is appropriated
36.12 to the commissioner for the administration and enforcement of sections 232.20 to 232.24.
36.13 All money collected pursuant to chapter 231 shall be paid by the commissioner into the
36.14 grain buyers and storage account and is appropriated to the commissioner for the
36.15 administration and enforcement of chapter 231.

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

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

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

36.22	Bushel Capacity	Examination
36.23		Fee
36.24	Less than 150,001	\$ 300
36.25	150,001 to 250,000	\$ 425
36.26	250,001 to 500,000	\$ 545
36.27	500,001 to 750,000	\$ 700
36.28	750,001 to 1,000,000	\$ 865
36.29	1,000,001 to 1,200,000	\$ 1,040

47.6 or the Minnesota Board of Grain Standards, dry edible beans, or agricultural crops designated
47.7 by the commissioner by rule.

47.15 Sec. 3. Minnesota Statutes 2018, section 232.22, subdivision 3, is amended to read:

47.16 Subd. 3. **Fees; grain buyers and storage account.** (a) There is created in the agricultural
47.17 fund an account known as the grain buyers and storage account. ~~The commissioner shall~~
47.18 ~~set the fees for examinations, certifications, and licenses under sections 232.20 to 232.24~~
47.19 ~~at levels necessary to pay the costs of administering and enforcing sections 232.20 to 232.24.~~
47.20 All money collected pursuant to sections 232.20 to 232.24 shall be paid by the commissioner
47.21 into the state treasury and credited to the grain buyers and storage account and ~~Money in~~
47.22 ~~the account, including interest,~~ is appropriated to the commissioner for the administration
47.23 and enforcement of sections 232.20 to 232.24.

47.24 (b) All money collected pursuant to chapter 231 shall be paid by the commissioner into
47.25 the grain buyers and storage account and ~~Money in the account~~ is appropriated to the
47.26 commissioner for the administration and enforcement of chapter 231.

47.27 (c) The fees for a license to store grain are as follows:

47.28 ~~(a) (1)~~ For a license to store grain, \$110 for each home rule charter or statutory city or
47.29 town in which a public grain warehouse is operated.

47.30 ~~(b) (2)~~ In addition to the license fee required under clause (1), a person with a license
47.31 to store grain in a public grain warehouse is subject to an examination fee for each licensed
47.32 location, ~~based on the following schedule for one examination~~ as follows:

48.1	Bushel Capacity	Examination
48.2		Fee
48.3	Less than 150,001	\$ 300
48.4	150,001 to 250,000	\$ 425
48.5	250,001 to 500,000	\$ 545
48.6	500,001 to 750,000	\$ 700
48.7	750,001 to 1,000,000	\$ 865
48.8	1,000,001 to 1,200,000	\$ 1,040

36.30	1,200,001 to 1,500,000	\$ 1,205
36.31	1,500,001 to 2,000,000	\$ 1,380
36.32	More than 2,000,000	\$ 1,555
36.33	(c) The fee for the second examination supplemental examinations is \$55 per hour per	
36.34	examiner for warehouse operators who choose to have it performed by the commissioner.	
37.1	(d) A penalty amount not to exceed ten percent of the fees due may be imposed by the	
37.2	commissioner for each month for which the fees are delinquent.	
37.3	Sec. 40. Minnesota Statutes 2018, section 232.22, subdivision 4, is amended to read:	
37.4	Subd. 4. Bonding. (a) Before a license is issued, the applicant for a public grain	
37.5	warehouse operator's license shall file with the commissioner a bond in a penal sum	
37.6	prescribed by the commissioner based on the annual average storage liability as stated on	
37.7	the statement of grain in storage report or on the gross annual grain purchase report,	
37.8	whichever is greater, and applying the following amounts:	
37.9	(1) \$10,000 for storages with annual average storage liability of more than \$0 but not	
37.10	more than \$25,000;	
37.11	(2) \$20,000 for storages with annual average storage liability of more than \$25,001 but	
37.12	not more than \$50,000;	
37.13	(3) \$30,000 for storages with annual average storage liability of more than \$50,001 but	
37.14	not more than \$75,000;	
37.15	(4) \$50,000 for storages with annual average storage liability of more than \$75,001 but	
37.16	not more than \$100,000;	
37.17	(5) \$75,000 for storages with annual average storage liability of more than \$100,001	
37.18	but not more than \$200,000;	
37.19	(6) \$125,000 for storages with annual average storage liability of more than \$200,001	
37.20	but not more than \$300,000;	
37.21	(7) \$175,000 for storages with annual average storage liability of more than \$300,001	
37.22	but not more than \$400,000;	
37.23	(8) \$225,000 for storages with annual average storage liability of more than \$400,001	
37.24	but not more than \$500,000;	
37.25	(9) \$275,000 for storages with annual average storage liability of more than \$500,001	
37.26	but not more than \$600,000;	

48.9	1,200,001 to 1,500,000	\$ 1,205
48.10	1,500,001 to 2,000,000	\$ 1,380
48.11	More than 2,000,000	\$ 1,555
48.12	(e) (3) The fee for the second examination supplemental examinations required by the	
48.13	commissioner under section 232.24 is \$55 per hour per examiner for warehouse operators	
48.14	who choose to have it performed by the commissioner.	
48.15	(d) A penalty amount not to exceed ten percent of the fees due may be imposed by the	
48.16	commissioner for each month for which the fees are delinquent.	
48.17	Sec. 4. Minnesota Statutes 2018, section 232.22, subdivision 4, is amended to read:	
48.18	Subd. 4. Bonding. (a) Before a license is issued, <u>except as provided under paragraph</u>	
48.19	<u>(c)</u> , the applicant for a public grain warehouse operator's license shall file with the	
48.20	commissioner a bond in a penal sum prescribed by the commissioner based on the annual	
48.21	average storage liability as stated on the statement of grain in storage report or on the gross	
48.22	annual grain purchase report, whichever is greater, and applying the following amounts:	
48.23	(1) \$10,000 for storages with annual average storage liability of more than \$0 but not	
48.24	more than \$25,000;	
48.25	(2) \$20,000 for storages with annual average storage liability of more than \$25,001 but	
48.26	not more than \$50,000;	
48.27	(3) \$30,000 for storages with annual average storage liability of more than \$50,001 but	
48.28	not more than \$75,000;	
48.29	(4) \$50,000 for storages with annual average storage liability of more than \$75,001 but	
48.30	not more than \$100,000;	
48.31	(5) \$75,000 for storages with annual average storage liability of more than \$100,001	
48.32	but not more than \$200,000;	
49.1	(6) \$125,000 for storages with annual average storage liability of more than \$200,001	
49.2	but not more than \$300,000;	
49.3	(7) \$175,000 for storages with annual average storage liability of more than \$300,001	
49.4	but not more than \$400,000;	
49.5	(8) \$225,000 for storages with annual average storage liability of more than \$400,001	
49.6	but not more than \$500,000;	
49.7	(9) \$275,000 for storages with annual average storage liability of more than \$500,001	
49.8	but not more than \$600,000;	

37.27 (10) \$325,000 for storages with annual average storage liability of more than \$600,001
 37.28 but not more than \$700,000;

37.29 (11) \$375,000 for storages with annual average storage liability of more than \$700,001
 37.30 but not more than \$800,000;

38.1 (12) \$425,000 for storages with annual average storage liability of more than \$800,001
 38.2 but not more than \$900,000;

38.3 (13) \$475,000 for storages with annual average storage liability of more than \$900,001
 38.4 but not more than \$1,000,000; and

38.5 (14) \$500,000 for storages with annual average storage liability of more than \$1,000,000.

38.6 (b) Bonds must be continuous until canceled. To cancel a bond, a surety must provide
 38.7 90 days' written notice of the bond's termination date to the licensee and the commissioner.

38.8 (c) In lieu of the bond required by this subdivision, the applicant may deposit with the
 38.9 commissioner of management and budget an irrevocable bank letter of credit as defined in
 38.10 section 336.5-102, in the same amount as would be required for a bond.

38.11 Sec. 41. Minnesota Statutes 2018, section 232.23, subdivision 3, is amended to read:

38.12 Subd. 3. **Grain delivered considered stored.** All grain delivered to a public grain
 38.13 warehouse operator shall be considered stored at the time of delivery, unless arrangements
 38.14 have been made with the public grain warehouse operator prior to or at the time of delivery
 38.15 to apply the grain on contract, for shipment or consignment or for cash sale. Grain may be
 38.16 held in open storage or placed on a warehouse receipt. Warehouse receipts must be issued
 38.17 for all grain held in open storage within six months of delivery to the warehouse unless the
 38.18 depositor has signed a statement that the depositor does not desire a warehouse receipt. The
 38.19 warehouse operator's tariff applies for any grain that is retained in open storage or under
 38.20 warehouse receipt. All grain in temporary storage must be owned and exclusively maintained
 38.21 by the licensee. Grain assigned to grain bank is considered stored grain.

38.22 Sec. 42. Minnesota Statutes 2018, section 232.24, subdivision 1, is amended to read:

38.23 Subdivision 1. **Schedule of examination.** A licensee under sections 232.20 to 232.24
 38.24 is subject to ~~two examinations~~ one examination annually conducted by the commissioner
 38.25 or the Agricultural Marketing Service of the United States Department of Agriculture. ~~The~~
 38.26 ~~commissioner may, by rule, authorize one examination to be conducted by a qualified~~
 38.27 ~~nongovernmental unit. Additional exams, at the determination of the commissioner, may~~
 38.28 ~~be required.~~

38.29 Sec. 43. Minnesota Statutes 2018, section 232.24, subdivision 2, is amended to read:

38.30 Subd. 2. **Financial reports.** A licensee under sections 232.20 to 232.24 ~~upon request~~
 38.31 must provide to the commissioner a copy of the financial reports of an audit conducted by

49.9 (10) \$325,000 for storages with annual average storage liability of more than \$600,001
 49.10 but not more than \$700,000;

49.11 (11) \$375,000 for storages with annual average storage liability of more than \$700,001
 49.12 but not more than \$800,000;

49.13 (12) \$425,000 for storages with annual average storage liability of more than \$800,001
 49.14 but not more than \$900,000;

49.15 (13) \$475,000 for storages with annual average storage liability of more than \$900,001
 49.16 but not more than \$1,000,000; and

49.17 (14) \$500,000 for storages with annual average storage liability of more than \$1,000,000.

49.18 (b) Bonds must be continuous until canceled. To cancel a bond, a surety must provide
 49.19 90 days' written notice of the bond's termination date to the licensee and the commissioner.

49.20 (c) In lieu of the bond required by this subdivision, the applicant may deposit with the
 49.21 commissioner of management and budget an irrevocable bank letter of credit as defined in
 49.22 section 336.5-102, in the same amount as would be required for a bond.

49.23 Sec. 5. Minnesota Statutes 2018, section 232.24, is amended to read:

49.24 **232.24 SCHEDULE OF INSPECTION, FINANCIAL REPORTS.**

49.25 Subdivision 1. **Schedule of examination.** A licensee under sections 232.20 to 232.24
 49.26 is subject to ~~two examinations~~ an examination annually conducted by the commissioner or
 49.27 the Agricultural Marketing Service of the United States Department of Agriculture. ~~The~~
 49.28 ~~commissioner may, by rule, authorize one examination to be conducted by a qualified~~
 49.29 ~~nongovernmental unit~~ require supplemental examinations of a licensee as the commissioner
 49.30 deems necessary.

50.1 Subd. 2. **Financial reports.** A licensee under sections 232.20 to 232.24 ~~upon request~~
 50.2 must provide to the commissioner a copy of the financial reports of an audit conducted by
 50.3 a qualified nongovernmental unit containing information the commissioner requires report

39.1 ~~a qualified nongovernmental unit containing information the commissioner requires that~~
39.2 ~~meet the requirements in section 223.17, subdivision 6.~~

SEE SF 2314, THE THIRD ENGROSSMENT, ARTICLE 3, SECTIONS 2-9.

50.4 that satisfies the requirements under section 223.17, subdivision 6, paragraph (a), clause
50.5 (1).

36.13 **ARTICLE 2**

36.14 **FARMED CERVIDAE**

36.15 Section 1. Minnesota Statutes 2018, section 35.155, subdivision 4, is amended to read:

36.16 Subd. 4. **Fencing.** Farmed Cervidae must be confined in a manner designed to prevent
36.17 escape. All perimeter fences for farmed Cervidae must be comprised of two or more rows
36.18 of fencing, or one high tensile fence. All perimeter fences must be at least 96 inches in
36.19 height and be constructed and maintained in a way that prevents the escape of farmed
36.20 Cervidae or entry into the premises by free-roaming Cervidae. All entry areas for farmed
36.21 Cervidae enclosure areas shall have two redundant gates, which must be maintained to
36.22 prevent the escape of animals through an open gate. If a fence deficiency allows imminent
36.23 entry or exit by farmed or free-roaming Cervidae, the owner must repair the deficiency
36.24 within a reasonable period of time as determined by the board. If a fence deficiency is
36.25 detected during an annual inspection under subdivision 7, the facility must be reinspected
36.26 not less than two times in the subsequent six months. If the facility experiences more than
36.27 two escape incidents in any 12-month period, the board may revoke the facility's registration
36.28 and order the owner to remove or destroy the animals as directed by the board.

36.29 Sec. 2. Minnesota Statutes 2018, section 35.155, subdivision 6, is amended to read:

36.30 Subd. 6. **Identification.** (a) Farmed Cervidae must be identified by means approved by
36.31 the Board of Animal Health. The identification must include a distinct number that has not
36.32 been used during the previous three years and must be visible to the naked eye during
37.1 daylight under normal conditions at a distance of 50 yards. Newborn animals must be
37.2 identified before ~~December~~ October 31 of the year in which the animal is born, at the time
37.3 of weaning, or before movement from the premises, whichever occurs first. As coordinated
37.4 by the board, the commissioner of natural resources may destroy any animal that is not
37.5 identified as required under this subdivision.

37.6 (b) The Board of Animal Health shall register farmed Cervidae. The owner must submit
37.7 the registration request on forms provided by the board. The forms must include sales
37.8 receipts or other documentation of the origin of the Cervidae. The board shall provide copies
37.9 of the registration information to the commissioner of natural resources upon request. The
37.10 owner must keep written records of the acquisition and disposition of registered farmed
37.11 Cervidae.

37.12 Sec. 3. Minnesota Statutes 2018, section 35.155, subdivision 7, is amended to read:

37.13 Subd. 7. **Inspection.** (a) The commissioner of agriculture and the Board of Animal
37.14 Health may inspect farmed Cervidae, ~~farmed Cervidae facilities,~~ and farmed Cervidae

37.15 records. For each herd, the owner or owners must, on or before January 1, pay an annual
 37.16 inspection fee equal to \$10 for each cervid in the herd as reflected in the most recent
 37.17 inventory submitted to the Board of Animal Health, up to a maximum fee of \$100. The
 37.18 board shall coordinate inspections authorized under this paragraph.

37.19 (b) The Board of Animal Health shall annually inspect each farmed Cervidae facility.
 37.20 Upon request by the Board of Animal Health, the commissioner of agriculture shall assist
 37.21 the board with annual inspections required under this paragraph. The annual inspection shall
 37.22 include a physical inspection of all perimeter fencing around the facility and a viewing to
 37.23 ensure all animals are tagged. The owner of a farmed Cervidae facility must present to the
 37.24 regulatory agency conducting the annual inspection an accurate inventory of the owner's
 37.25 farmed Cervidae for review. During an annual inspection, the owner must present individual
 37.26 animals in a herd for a physical inventory, if required by the board.

37.27 (c) The commissioner of natural resources may inspect farmed Cervidae, farmed Cervidae
 37.28 facilities, and farmed Cervidae records with reasonable suspicion that laws protecting native
 37.29 wild animals have been violated and must notify the owner in writing at the time of the
 37.30 inspection of the reason for the inspection and must inform the owner in writing after the
 37.31 inspection of whether (1) the cause of the inspection was unfounded; or (2) there will be an
 37.32 ongoing investigation or continuing evaluation.

37.33 (d) If the owner of a farmed Cervidae facility does not repair fence deficiencies within
 37.34 the reasonable period of time determined by the board or is not otherwise in compliance
 38.1 with this section after an inspection and review of the owner's farmed Cervidae facility, the
 38.2 board may revoke the owner's registration and order the owner to remove or destroy the
 38.3 animals as directed by the board.

38.4 Sec. 4. Minnesota Statutes 2018, section 35.155, is amended by adding a subdivision to
 38.5 read:

38.6 Subd. 7a. **Fees.** For each herd, the owner must, on or before January 1, pay to the board
 38.7 an annual inspection fee of \$500 unless:

38.8 (1) the owner sells the ability to shoot animals in the herd, in which case the annual
 38.9 inspection fee is \$1,000; or

38.10 (2) the herd consists of more than one species, in which case the annual inspection fee
 38.11 is \$650.

38.12 Sec. 5. Minnesota Statutes 2018, section 35.155, subdivision 9, is amended to read:

38.13 Subd. 9. **Contested case hearing.** (a) A person raising farmed Cervidae that is aggrieved
 38.14 with any decision regarding the farmed Cervidae may request a contested case hearing under
 38.15 chapter 14.

38.16 (b) A person requesting a contested case hearing regarding a registration revocation
 38.17 under this section must make the request within 30 days of the revocation notice.

- 38.18 Sec. 6. Minnesota Statutes 2018, section 35.155, subdivision 10, is amended to read:
- 38.19 Subd. 10. **Mandatory registration.** (a) A person may not possess live Cervidae in
- 38.20 Minnesota unless the person is registered with the Board of Animal Health and meets all
- 38.21 the requirements for farmed Cervidae under this section. Cervidae possessed in violation
- 38.22 of this subdivision may be seized and destroyed by the commissioner of natural resources.
- 38.23 (b) A person whose registration is revoked by the board is ineligible for future registration
- 38.24 under this section.
- 38.25 (c) Effective July 1, 2019, to July 1, 2022, the board must not approve a new registration
- 38.26 under this subdivision for possession of white-tailed deer. This paragraph does not prohibit
- 38.27 a person holding a valid registration under this subdivision from selling or transferring their
- 38.28 herd to a family member if the person has no history of violations under this section and
- 38.29 the herd is free from chronic wasting disease.
- 39.1 Sec. 7. Minnesota Statutes 2018, section 35.155, subdivision 11, is amended to read:
- 39.2 Subd. 11. **Mandatory surveillance for chronic wasting disease; herd depopulation.** (a)
- 39.3 An inventory for each farmed Cervidae herd must be verified by an accredited veterinarian
- 39.4 and filed with the Board of Animal Health every 12 months.
- 39.5 (b) Movement of farmed Cervidae from any premises to another location must be reported
- 39.6 to the Board of Animal Health within ~~14 days~~ 48 hours of the movement on forms approved
- 39.7 by the Board of Animal Health. If an animal in a farmed Cervidae herd tests positive for
- 39.8 chronic wasting disease, the board must alert each person registered under subdivision 7 as
- 39.9 soon as practicable and farmed Cervidae must not be moved from any premises in this state
- 39.10 for a minimum of 72 hours. The board must examine the movement of farmed Cervidae
- 39.11 and other chronic wasting disease vectors related to farmed Cervidae both in and out of the
- 39.12 premises where the infected herd was located and take reasonable action necessary to slow
- 39.13 or prevent the spread of chronic wasting disease from the infected herd to other farmed or
- 39.14 free-roaming Cervidae.
- 39.15 (c) All animals from farmed Cervidae herds that are over ~~16~~ 12 months of age that die
- 39.16 or are slaughtered must be tested for chronic wasting disease.
- 39.17 (d) If an animal in a farmed Cervidae herd tests positive for chronic wasting disease,
- 39.18 except as provided in paragraph (g), the entire herd must be euthanized and disposed of in
- 39.19 a manner, and within a reasonable period of time, determined by the board in consultation
- 39.20 with the commissioner of natural resources.
- 39.21 (e) The owner of a herd that euthanizes and disposes of the herd as required by paragraph
- 39.22 (d) must:
- 39.23 (1) maintain the fencing required under subdivision 4;

- 39.24 (2) prevent any free-roaming or farmed Cervidae from accessing the former cervid pens
 39.25 and other areas that were accessible by the farmed Cervidae; and
- 39.26 (3) post the premises as directed by the board.
- 39.27 The requirements under this paragraph must be met for at least 60 months from the date
 39.28 depopulation is completed.
- 39.29 (f) Before signing an agreement to sell or transfer the property, the owner of a premises
 39.30 where chronic wasting disease is detected must disclose in writing to the buyer or transferee
 39.31 the date of depopulation and the requirements incumbent upon the premises and the buyer
 39.32 or transferee under paragraph (e).
- 40.1 (g) An owner is not required to euthanize and dispose of any animal that tests negative
 40.2 for chronic wasting disease using a live-animal test approved by the board. A live-animal
 40.3 test is not approved for purposes of this paragraph until the board publishes notice in the
 40.4 State Register and provides written notice to the chairs of the house of representatives and
 40.5 senate committees and divisions with jurisdiction over agriculture and natural resources
 40.6 policy and finance that the board has:
- 40.7 (1) obtained the approval of the commissioners of agriculture and natural resources;
- 40.8 (2) consulted relevant stakeholders and higher education institutions;
- 40.9 (3) determined that the test, when used as directed by the board, does not pose an
 40.10 unreasonable risk to the health of free-roaming and farmed Cervidae; and
- 40.11 (4) developed corresponding animal and herd testing and reporting protocols in
 40.12 coordination with the commissioners of agriculture and natural resources, including but not
 40.13 limited to periodic and ongoing herd testing requirements which reflect the latest scientific
 40.14 understanding of chronic wasting disease.
- 40.15 Sec. 8. **REPORT REQUIRED.**
- 40.16 (a) No later than February 1, 2020, the Board of Animal Health must report to the
 40.17 legislative committees and divisions with jurisdiction over agriculture policy and finance
 40.18 regarding the board's progress in implementing recommendations in the Office of the
 40.19 Legislative Auditor's April 2018 program evaluation report "Board of Animal Health's
 40.20 Oversight of Deer and Elk Farms."
- 40.21 (b) No later than March 15, 2020, the Board of Animal Health must report to the
 40.22 legislative committees and divisions with jurisdiction over agriculture and natural resources
 40.23 policy and finance regarding the development of chronic wasting disease testing protocols
 40.24 under Minnesota Statutes, section 35.155, subdivision 11, paragraph (g).