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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **652**

February 5, 2007

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The bill was read for the first time and referred to the Committee on Agriculture, Rural Economies and Veterans Affairs

1.1 A bill for an act
1.2 relating to agriculture; providing for a checkoff for fertilizer, soil amendment,
1.3 and plant amendment; establishing a Minnesota Agricultural Fertilizer Research
1.4 and Education Council and program; exempting on-farm storage from fertilizer
1.5 facility safeguarding and permitting; appropriating money; amending Minnesota
1.6 Statutes 2006, section 18C.305, by adding a subdivision; proposing coding for
1.7 new law in Minnesota Statutes, chapter 18C.

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

1.9 Section 1. Minnesota Statutes 2006, section 18C.305, is amended by adding a
1.10 subdivision to read:

1.11 Subd. 3. Exemption. A permit and safeguard is not required for a person who
1.12 stores on the person's own property and for the person's own use up to 6,000 gallons
1.13 of liquid commercial fertilizer.

1.14 Sec. 2. [18C.70] MINNESOTA AGRICULTURAL FERTILIZER RESEARCH
1.15 AND EDUCATION COUNCIL.

1.16 Subdivision 1. Establishment; membership. (a) The Minnesota Agricultural
1.17 Fertilizer Research and Education Council is established. The council is composed of
1.18 12 voting members as follows:

- 1.19 (1) two members of the Minnesota Crop Production Retailers;
- 1.20 (2) one member of the Minnesota Corn Growers Association;
- 1.21 (3) one member of the Minnesota Soybean Growers Association;
- 1.22 (4) one member of the sugar beet growers industry;
- 1.23 (5) one member of the Minnesota Association of Wheat Growers;
- 1.24 (6) one member of the potato growers industry;

- 2.1 (7) one member of the Minnesota Farm Bureau;
2.2 (8) one member of the Minnesota Farmers Union;
2.3 (9) one member from the Minnesota Irrigators Association;
2.4 (10) one member of the Minnesota Grain and Feed Association; and
2.5 (11) one member of the Minnesota Independent Crop Consultant Association or the
2.6 Minnesota certified crop advisor program.

2.7 (b) Council members shall serve three-year terms. After the initial council is
2.8 appointed, subsequent appointments must be staggered so that one-third of council
2.9 membership is replaced each year. Council members must be nominated by their
2.10 organizations and appointed by the commissioner. The council may add ex-officio
2.11 members at its discretion. The council must meet at least once per year, with all
2.12 related expenses reimbursed by members' sponsoring organizations or by the members
2.13 themselves.

2.14 Subd. 2. **Powers and duties.** The council must review applications and select
2.15 projects to receive agricultural fertilizer research and education program grants, as
2.16 authorized in section 18C.71. The council must establish a program to provide grants to
2.17 research, education, and technology transfer projects related to agricultural fertilizer,
2.18 soil amendments, and plant amendments. For the purpose of this section, "fertilizer"
2.19 includes soil amendments and plant amendments, but does not include vegetable or animal
2.20 manures that are not manipulated. The commissioner has authority over all deposits to
2.21 and withdrawals from the program account authorized in subdivision 4, but after January
2.22 1, 2008, the council may select the commissioner or any other person it considers fit
2.23 to perform all other administrative duties related to the program. The commissioner
2.24 is responsible for all fiscal and administrative duties in the first year and may use up
2.25 to eight percent of program revenue to offset costs incurred. No later than October 1,
2.26 2007, the commissioner must provide the council with an estimate of the annual costs the
2.27 Department of Agriculture would incur in administering the program.

2.28 Subd. 3. **Checkoff fees.** Any person, whether in Minnesota or elsewhere, that
2.29 sells fertilizer to producers must collect a checkoff of 40 cents per ton of fertilizer sold
2.30 and forward the checkoff funds at least semiannually to the commissioner along with
2.31 forms provided by the commissioner. For the purposes of this section, "producer" means
2.32 a person who owns or operates an agricultural producing or growing facility for an
2.33 agricultural commodity, shares in the profits and risk of loss from the operation, and
2.34 grows, raises, feeds, or produces the agricultural commodity in Minnesota during the
2.35 current or preceding calendar year.

3.1 Subd. 4. **Program account.** There is established in the state treasury an agricultural
3.2 fertilizer research and education program account in the agricultural fund. The checkoff
3.3 funds raised under this section must be deposited in the account. Money in the account,
3.4 including interest earned, is appropriated to the commissioner to carry out the program
3.5 and to provide refunds under subdivision 5.

3.6 Subd. 5. **Refunds.** A producer may, by use of forms provided by the commissioner
3.7 and upon presentation of proof the commissioner requires, have the checkoff fee refunded
3.8 if the checkoff fee was remitted on a timely basis. The producer must submit refund
3.9 requests to the commissioner by February 28 each year for checkoff fees paid in the
3.10 previous calendar year. For checkoff fees paid between January 1, 2007, and January 1,
3.11 2008, refunds must not be issued until January 15, 2008.

3.12 Subd. 6. **Rules.** The commissioner's duties under this section and section 18C.71
3.13 are not subject to the provisions of chapter 14.

3.14 Subd. 7. **Expiration.** This section expires on January 8, 2017.

3.15 **EFFECTIVE DATE.** This section is effective January 1, 2008.

3.16 **Sec. 3. [18C.71] MINNESOTA AGRICULTURAL FERTILIZER RESEARCH**
3.17 **AND EDUCATION PROGRAM.**

3.18 Subdivision 1. **Eligible projects.** Eligible project activities include research,
3.19 education, and technology transfer related to the production and application of fertilizer,
3.20 soil amendments, and other plant amendments. Chosen projects must contain a component
3.21 of outreach that achieves a timely dissemination of findings and their applicability to the
3.22 production agricultural community.

3.23 Subd. 2. **Awarding grants.** Applications for program grants must be submitted in
3.24 the form prescribed by the Minnesota Agricultural Fertilizer Research and Education
3.25 Council. Applications must be submitted on or before the deadline prescribed by the
3.26 council. All applications are subject to a thorough in-state review by a peer committee
3.27 established and approved by the council. Each project meeting the basic qualifications is
3.28 subject to a yes or no vote by each council member. Projects chosen to receive funding
3.29 must achieve an affirmative vote from at least eight of the 12 council members or
3.30 two-thirds of voting members present. Projects awarded program funds must submit an
3.31 annual progress report in the form prescribed by the council.

3.32 Subd. 3. **Annual audit.** The program must have an annual audit of financial
3.33 activities, which the council must file with the commissioner on or before June 1 for the
3.34 immediately preceding year ending December 31.

3.35 Subd. 4. **Expiration.** This section expires January 8, 2017.

4.1 **EFFECTIVE DATE.** This section is effective January 1, 2008.