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HOUSE FILE NO. 2678

FIRST COMMITTEE ENGROSSMENT

February 4, 2010

Authored by Juhnke, Faust, Urdahl and Otremba

The bill was read for the first time and referred to the Committee on Finance

Referred by Chair to Agriculture, Rural Economies and Veterans Affairs Finance Division.

March 24, 2010

Returned to the Committee on Finance as Amended.

A bill for an act

relating to the operation of state government; changing certain provisions and programs affecting agriculture and veterans affairs; clarifying certain terms and procedures; changing certain record keeping provisions; requiring planning for additional veterans cemeteries; amending Minnesota Statutes 2008, sections 1.141, by adding subdivisions; 3.737, subdivision 4; 17.03, by adding a subdivision; 18B.31, subdivision 5; 18B.36, subdivision 1; 18B.37, subdivision 4; 28A.082, subdivision 1; 35.244, subdivisions 1, 2; 197.455, by adding a subdivision; 197.481, subdivisions 1, 2, 4; 197.60, subdivision 1; 197.601; 197.605; 197.606; 197.609, subdivisions 1, 2; 197.75, subdivision 1; 239.092; 239.093; 239.791, by adding subdivisions; 336.9-531; 336A.08, subdivisions 1, 4; 336A.14; 500.221, subdivisions 2, 4; 500.24, subdivision 2; 514.965, subdivision 2; 514.966, subdivisions 5, 6, by adding a subdivision; Minnesota Statutes 2009 Supplement, sections 3.737, subdivision 1; 18B.316, subdivision 10; 190.19, subdivision 2a; 197.46; 239.791, subdivisions 1, 1a; Laws 2007, chapter 45, article 1, section 3, subdivisions 4, as amended, 5, as amended; Laws 2008, chapter 296, article 1, section 25; Laws 2009, chapter 94, article 1, section 3, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 38; repealing Minnesota Statutes 2008, section 17.231.

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

ARTICLE 1

AGRICULTURE

Section 1. Minnesota Statutes 2009 Supplement, section 3.737, subdivision 1, is amended to read:

Subdivision 1. **Compensation required.** (a) Notwithstanding section 3.736, subdivision 3, paragraph (e), or any other law, a livestock owner shall be compensated by the commissioner of agriculture for livestock that is destroyed by a gray wolf or is so crippled by a gray wolf that it must be destroyed. Except as provided in this section, the owner is entitled to the fair market value of the destroyed livestock as determined

2.1 by the commissioner, upon recommendation of the fair market value by a university
2.2 extension agent ~~or a conservation officer~~. In any fiscal year, a livestock owner may not
2.3 be compensated for a destroyed animal claim that is less than \$100 in value and may be
2.4 compensated up to \$20,000, as determined under this section. In any fiscal year, the
2.5 commissioner may provide compensation for claims filed under this section up to the
2.6 amount expressly appropriated for this purpose.

2.7 (b) ~~Either the agent or the~~ A conservation officer, an official from the Animal and
2.8 Plant Health Inspection Service of the United States Department of Agriculture, or a peace
2.9 officer from the county sheriff's office must make a personal inspection of the site and
2.10 submit a report to the commissioner detailing the results of the investigation. ~~The agent or~~
2.11 ~~the conservation officer~~ The investigator must take into account factors in addition to a
2.12 visual identification of a carcass when making a recommendation to the commissioner.
2.13 The commissioner, upon recommendation of the ~~agent or conservation officer~~ investigator,
2.14 shall determine whether the livestock was destroyed by a gray wolf ~~and any deficiencies in~~
2.15 ~~the owner's adoption of the best management practices developed in subdivision 5. The~~
2.16 ~~commissioner may authorize payment of claims only if the agent or the conservation~~
2.17 ~~officer has recommended payment.~~ The owner shall file a claim on forms provided by the
2.18 commissioner and available at the university extension agent's office.

2.19 Sec. 2. Minnesota Statutes 2008, section 3.737, subdivision 4, is amended to read:

2.20 Subd. 4. **Payment; denial of compensation.** (a) If the commissioner finds that the
2.21 livestock owner has shown that the loss of the livestock was likely caused by a gray
2.22 wolf, the commissioner shall pay compensation as provided in this section and in the
2.23 rules of the department.

2.24 ~~(b) For a gray wolf depredation claim submitted by a livestock owner after~~
2.25 ~~September 1, 1999, the commissioner shall, based on the report from the university~~
2.26 ~~extension agent and conservation officer, evaluate the claim for conformance with~~
2.27 ~~the best management practices developed by the commissioner in subdivision 5. The~~
2.28 ~~commissioner must provide to the livestock owner an itemized list of any deficiencies~~
2.29 ~~in the livestock owner's adoption of best management practices that were noted in the~~
2.30 ~~university extension agent's or conservation officer's report.~~

2.31 ~~(c)~~ (b) If the commissioner denies compensation claimed by an owner under
2.32 this section, the commissioner shall issue a written decision based upon the available
2.33 evidence. It shall include specification of the facts upon which the decision is based
2.34 and the conclusions on the material issues of the claim. A copy of the decision shall
2.35 be mailed to the owner.

3.1 ~~(d)~~ (c) A decision to deny compensation claimed under this section is not subject to
3.2 the contested case review procedures of chapter 14, but may be reviewed upon a trial de
3.3 novo in a court in the county where the loss occurred. The decision of the court may be
3.4 appealed as in other civil cases. Review in court may be obtained by filing a petition for
3.5 review with the administrator of the court within 60 days following receipt of a decision
3.6 under this section. Upon the filing of a petition, the administrator shall mail a copy to the
3.7 commissioner and set a time for hearing within 90 days of the filing.

3.8 Sec. 3. Minnesota Statutes 2008, section 17.03, is amended by adding a subdivision to
3.9 read:

3.10 Subd. 11a. **Permitting efficiency goal and report.** (a) It is the goal of the state that
3.11 environmental and resource management permits be issued or denied within 150 days of
3.12 the submission of a completed permit application. The commissioner of agriculture shall
3.13 establish management systems designed to achieve the goal.

3.14 (b) The commissioner shall prepare semiannual permitting efficiency reports that
3.15 include statistics on meeting the goal in paragraph (a). The reports are due February 1
3.16 and August 1 of each year. For permit applications that have not met the goal, the report
3.17 must state the reasons for not meeting the goal, steps that will be taken to complete action
3.18 on the application, and the expected timeline. In stating the reasons for not meeting the
3.19 goal, the commissioner shall separately identify delays caused by the responsiveness of
3.20 the proposer, lack of staff, scientific or technical disagreements, or the level of public
3.21 engagement. The report must specify the number of days from initial submission of
3.22 the application to the day of determination that the application is complete. The report
3.23 for the final quarter of the fiscal year must aggregate the data for the year and assess
3.24 whether program or system changes are necessary to achieve the goal. The report must
3.25 be posted on the department Web site and submitted to the governor and the chairs of
3.26 the house of representatives and senate committees having jurisdiction over agriculture
3.27 policy and finance.

3.28 (c) The commissioner shall allow electronic submission of environmental review
3.29 and permit documents to the department.

3.30 Sec. 4. Minnesota Statutes 2008, section 18B.31, subdivision 5, is amended to read:

3.31 Subd. 5. **Application fee.** (a) An application for a pesticide dealer license must be
3.32 accompanied by a nonrefundable application fee of \$150.

3.33 (b) If an application for renewal of a pesticide dealer license is not filed before
3.34 ~~January 1 of the year for which the license is to be issued~~ expires, an additional fee of \$20

4.1 50 percent of the application fee must be paid by the applicant before the commissioner
4.2 may issue the license ~~is issued~~.

4.3 Sec. 5. Minnesota Statutes 2009 Supplement, section 18B.316, subdivision 10, is
4.4 amended to read:

4.5 Subd. 10. **Application fee.** (a) An application for an agricultural pesticide dealer
4.6 license, or a renewal of an agricultural pesticide dealer license, must be accompanied
4.7 by a nonrefundable fee of \$150.

4.8 (b) If an application for renewal of an agricultural pesticide dealer license is not filed
4.9 before ~~January of the year for which the license is to be issued~~ expires, an additional fee of
4.10 50 percent of the application fee must be paid by the applicant before the commissioner
4.11 may issue the license.

4.12 Sec. 6. Minnesota Statutes 2008, section 18B.36, subdivision 1, is amended to read:

4.13 Subdivision 1. **Requirement.** (a) Except for a licensed commercial or
4.14 noncommercial applicator, only a certified private applicator may use a restricted use
4.15 pesticide to produce an agricultural commodity:

4.16 (1) as a traditional exchange of services without financial compensation;

4.17 (2) on a site owned, rented, or managed by the person or the person's employees; or

4.18 (3) when the private applicator is one of two or fewer employees and the owner or
4.19 operator is a certified private applicator or is licensed as a noncommercial applicator.

4.20 (b) A ~~private applicator~~ person may not purchase a restricted use pesticide without
4.21 presenting a license card, certified private applicator card, or the card number.

4.22 Sec. 7. Minnesota Statutes 2008, section 18B.37, subdivision 4, is amended to read:

4.23 Subd. 4. **Storage, handling, incident response, and disposal plan.** A ~~commercial~~
4.24 pesticide dealer, agricultural pesticide dealer, or a commercial, noncommercial, or
4.25 structural pest control applicator or the business that the applicator is employed by must
4.26 develop and maintain a plan that describes its pesticide storage, handling, incident
4.27 response, and disposal practices. The plan must be kept at a principal business site
4.28 or location within this state and must be submitted to the commissioner upon request
4.29 on forms provided by the commissioner. The plan must be available for inspection by
4.30 the commissioner.

4.31 Sec. 8. Minnesota Statutes 2008, section 28A.082, subdivision 1, is amended to read:

5.1 Subdivision 1. **Fees; application.** The fees for review of food handler facility floor
 5.2 plans under the Minnesota Food Code are based upon the square footage of the structure
 5.3 being newly constructed, remodeled, or converted. The fees for the review shall be:

5.4	square footage	review fee
5.5	0 - 4,999	\$ 200.00
5.6	5,000 - 24,999	\$ 275.00
5.7	25,000 plus	\$ 425.00

5.8 The applicant must submit the required fee, review application, plans, equipment
 5.9 specifications, materials lists, and other required information on forms supplied by the
 5.10 department at least 30 days prior to commencement of construction, remodeling, or
 5.11 conversion. The commissioner may waive this fee after determining that the facility's
 5.12 principal mode of business is not the sale of food and that the facility sells only
 5.13 prepackaged foods.

5.14 Sec. 9. Minnesota Statutes 2008, section 35.244, subdivision 1, is amended to read:

5.15 Subdivision 1. **Designation of zones.** The board ~~has the authority to~~ may establish
 5.16 zones for the control and eradication of tuberculosis and restrict the movement of cattle,
 5.17 bison, goats, and farmed cervidae within and between tuberculosis zones in the state.
 5.18 ~~Zones within the state may be designated as accreditation preparatory, modified accredited,~~
 5.19 ~~modified accredited advanced, or accredited free as those terms are defined in Code of~~
 5.20 ~~Federal Regulations, title 9, part 77. The board may designate bovine tuberculosis control~~
 5.21 ~~zones that contain not more than 325 herds.~~

5.22 Sec. 10. Minnesota Statutes 2008, section 35.244, subdivision 2, is amended to read:

5.23 Subd. 2. **Requirements within a tuberculosis control** ~~within modified accredited~~
 5.24 **zone.** In a ~~modified accredited~~ tuberculosis control zone, the board ~~has the authority to~~
 5.25 may:

5.26 (1) require owners of cattle, bison, goats, or farmed cervidae to report personal
 5.27 contact information and location of livestock to the board;

5.28 (2) require a permit or movement certificates for all cattle, bison, goats, and farmed
 5.29 cervidae moving between premises within the zone or leaving or entering the zone;

5.30 (3) require official identification of all cattle, bison, goats, and farmed cervidae
 5.31 within the zone or leaving or entering the zone;

5.32 (4) require a whole-herd tuberculosis test on each herd of cattle, bison, goats, or
 5.33 farmed cervidae when any of the animals in the herd is kept on a premises within the zone;

6.1 (5) require a negative tuberculosis test within 60 days prior to movement for any
6.2 individual cattle, bison, goat, or farmed cervidae moved from a premises in the zone to
6.3 another location in Minnesota, with the exception of cattle moving under permit directly
6.4 to a slaughter facility under state or federal inspection;

6.5 (6) require a whole-herd tuberculosis test within 12 months prior to moving
6.6 cattle, bison, goats, or farmed cervidae from premises in the zone to another location
6.7 in Minnesota;

6.8 (7) require annual herd inventories on all cattle, bison, goat, or farmed cervidae
6.9 herds; and

6.10 (8) require that a risk assessment be performed to evaluate the interaction of
6.11 free-ranging deer and elk with cattle, bison, goat, and farmed cervidae herds and require
6.12 the owner to implement the recommendations of the risk assessment.

6.13 **Sec. 11. [38.345] APPROPRIATIONS BY MUNICIPALITIES.**

6.14 The council of any city and the board of supervisors of any town may incur expenses
6.15 and spend money for county extension work, as provided in sections 38.33 to 38.38.

6.16 Sec. 12. Minnesota Statutes 2008, section 239.092, is amended to read:

6.17 **239.092 SALE FROM BULK.**

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

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

6.22 (2) the date delivered;

6.23 (3) the quantity delivered;

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

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

6.27 and

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

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

7.1 (c) Firewood sold or distributed across state boundaries or more than 100 miles
7.2 from its origin must include delivery ticket information regarding the harvest locations
7.3 of the wood by county and state.

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

7.6 Sec. 13. Minnesota Statutes 2008, section 239.093, is amended to read:

7.7 **239.093 INFORMATION REQUIRED WITH PACKAGE.**

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

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

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

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

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

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

7.20 (c) Firewood sold or distributed across state boundaries or more than 100 miles
7.21 from its origin must include information regarding the harvest locations of the wood by
7.22 county and state on each label or wrapper.

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

7.25 Sec. 14. Minnesota Statutes 2009 Supplement, section 239.791, subdivision 1, is
7.26 amended to read:

7.27 Subdivision 1. **Minimum ethanol content required.** (a) Except as provided in
7.28 subdivisions 10 to 14, a person responsible for the product shall ensure that all gasoline
7.29 sold or offered for sale in Minnesota must contain at least the quantity of ethanol required
7.30 by clause (1) or (2), whichever is greater:

7.31 (1) 10.0 percent denatured ethanol by volume; or

7.32 (2) the maximum percent of denatured ethanol by volume authorized in a waiver
7.33 granted by the United States Environmental Protection Agency ~~under section 211(f)(4) of~~
7.34 ~~the Clean Air Act, United States Code, title 42, section 7545, subsection (f), paragraph (4).~~

8.1 (b) For purposes of enforcing the minimum ethanol requirement of paragraph (a),
8.2 clause (1), a gasoline/ethanol blend will be construed to be in compliance if the ethanol
8.3 content, exclusive of denaturants and permitted contaminants, comprises not less than 9.2
8.4 percent by volume and not more than 10.0 percent by volume of the blend as determined
8.5 by an appropriate United States Environmental Protection Agency or American Society of
8.6 Testing Materials standard method of analysis of alcohol/ether content in engine fuels.

8.7 (c) The provisions of this subdivision are suspended during any period of time that
8.8 subdivision 1a, paragraph (a), is in effect.

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

8.10 Sec. 15. Minnesota Statutes 2009 Supplement, section 239.791, subdivision 1a,
8.11 is amended to read:

8.12 Subd. 1a. **Minimum ethanol content required.** (a) Except as provided in
8.13 subdivisions 10 to 14, on August 30, 2013, and thereafter, a person responsible for the
8.14 product shall ensure that all gasoline sold or offered for sale in Minnesota must contain at
8.15 least the quantity of ethanol required by clause (1) or (2), whichever is greater:

8.16 (1) 20 percent denatured ethanol by volume; or

8.17 (2) the maximum percent of denatured ethanol by volume authorized in a waiver
8.18 granted by the United States Environmental Protection Agency ~~under section 211(f)(4) of~~
8.19 ~~the Clean Air Act, United States Code, title 42, section 7545, subsection (f), paragraph (4).~~

8.20 (b) For purposes of enforcing the minimum ethanol requirement of paragraph (a),
8.21 clause (1), a gasoline/ethanol blend will be construed to be in compliance if the ethanol
8.22 content, exclusive of denaturants and permitted contaminants, comprises not less than 18.4
8.23 percent by volume and not more than 20 percent by volume of the blend as determined by
8.24 an appropriate United States Environmental Protection Agency or American Society of
8.25 Testing Materials standard method of analysis of alcohol content in motor fuels.

8.26 ~~(c) No motor fuel shall be deemed to be a defective product by virtue of the fact~~
8.27 ~~that the motor fuel is formulated or blended pursuant to the requirements of paragraph~~
8.28 ~~(a) under any theory of liability except for simple or willful negligence or fraud. This~~
8.29 ~~paragraph does not preclude an action for negligent, fraudulent, or willful acts. This~~
8.30 ~~paragraph does not affect a person whose liability arises under chapter 115, water pollution~~
8.31 ~~control; 115A, waste management; 115B, environmental response and liability; 115C,~~
8.32 ~~leaking underground storage tanks; or 299J, pipeline safety; under public nuisance law~~
8.33 ~~for damage to the environment or the public health; under any other environmental or~~
8.34 ~~public health law; or under any environmental or public health ordinance or program of a~~
8.35 ~~municipality as defined in section 466.01.~~

9.1 ~~(d)~~ (c) This subdivision expires on December 31, ~~2010~~ 2012, if by that date:

9.2 (1) the commissioner of agriculture certifies and publishes the certification in
9.3 the State Register that at least 20 percent of the volume of gasoline sold in the state
9.4 is denatured ethanol; or

9.5 (2) federal approval has not been granted under paragraph (a), clause (1). The
9.6 United States Environmental Protection Agency's failure to act on an application shall not
9.7 be deemed approval under paragraph (a), clause (1), or a waiver under section 211(f)(4) of
9.8 the Clean Air Act, United States Code, title 42, section 7545, subsection (f), paragraph (4).

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

9.10 Sec. 16. Minnesota Statutes 2008, section 239.791, is amended by adding a subdivision
9.11 to read:

9.12 **Subd. 2a. Federal Clean Air Act waivers; conditions.** (a) Before a waiver granted
9.13 by the United States Environmental Protection Agency under section 211(f)(4) of the
9.14 Clean Air Act, United States Code, title 42, section 7545, subsection (f), paragraph (4),
9.15 may alter the minimum content level required by subdivision 1, paragraph (a), clause (2),
9.16 or subdivision 1a, paragraph (a), clause (2), the waiver must:

9.17 (1) apply to all gasoline-powered motor vehicles irrespective of model year; and

9.18 (2) allow for special regulatory treatment of Reid vapor pressure under Code of

9.19 Federal Regulations, title 40, section 80.27(d), for blends of gasoline and ethanol up to the
9.20 maximum percent of denatured ethanol by volume authorized under the waiver.

9.21 (b) The minimum ethanol requirement in subdivision 1, paragraph (a), clause (2),
9.22 or subdivision 1a, paragraph (a), clause (2), shall, upon the grant of the federal waiver,
9.23 be effective on a date determined by the commissioner of commerce. In making this
9.24 determination, the commissioner shall consider the amount of time required by refiners,
9.25 retailers, and other fuel suppliers, acting expeditiously, to make the operational and
9.26 logistical changes required to supply fuel in compliance with the minimum ethanol
9.27 requirement.

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

9.29 Sec. 17. Minnesota Statutes 2008, section 239.791, is amended by adding a subdivision
9.30 to read:

9.31 **Subd. 2b. Limited liability waiver.** No motor fuel shall be deemed to be a defective
9.32 product by virtue of the fact that the motor fuel is formulated or blended pursuant to
9.33 the requirements of subdivision 1, paragraph (a), clause (2), or subdivision 1a, under

10.1 any theory of liability except for simple or willful negligence or fraud. This subdivision
10.2 does not preclude an action for negligent, fraudulent, or willful acts. This subdivision
10.3 does not affect a person whose liability arises under chapter 115, water pollution control;
10.4 115A, waste management; 115B, environmental response and liability; 115C, leaking
10.5 underground storage tanks; or 299J, pipeline safety; under public nuisance law for damage
10.6 to the environment or the public health; under any other environmental or public health
10.7 law; or under any environmental or public health ordinance or program of a municipality
10.8 as defined in section 466.01.

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

10.10 Sec. 18. Minnesota Statutes 2008, section 239.791, is amended by adding a subdivision
10.11 to read:

10.12 **Subd. 2c. Fuel dispensing equipment; blends over ten percent ethanol.**

10.13 Notwithstanding any other law or rule, fuel dispensing equipment authorized to dispense
10.14 fuel under subdivision 1, paragraph (a), clause (1), is authorized to dispense fuel under
10.15 subdivision 1, paragraph (a), clause (2), or subdivision 1a.

10.16 Sec. 19. Minnesota Statutes 2008, section 336.9-531, is amended to read:

10.17 **336.9-531 ELECTRONIC ACCESS; LIABILITY; RETENTION.**

10.18 (a) **Electronic access.** The secretary of state may allow private parties to have
10.19 electronic access to the central filing system and to other computerized records maintained
10.20 by the secretary of state on a fee basis, except that: (1) visual access to electronic display
10.21 terminals at the public counters at the Secretary of State's Office must be without charge
10.22 and must be available during public counter hours; and (2) access by law enforcement
10.23 personnel, acting in an official capacity, must be without charge. If the central filing system
10.24 allows a form of electronic access to information regarding the obligations of debtors, the
10.25 access must be available 24 hours a day, every day of the year. ~~Notwithstanding section~~
10.26 ~~13.355, private parties who have electronic access to computerized records may view the~~
10.27 ~~Social Security number information about a debtor that is of record.~~

10.28 ~~Notwithstanding section 13.355, a filing office may include Social Security number~~
10.29 ~~information in an information request response under section 336.9-523 or a search of~~
10.30 ~~other liens in the central filing system. A filing office may also include Social Security~~
10.31 ~~number information on a photocopy or electronic copy of a record whether provided in~~
10.32 ~~an information request response or in response to a request made under section 13.03.~~

11.1 Any Social Security number information or tax identification number information in the
11.2 possession of the secretary of state is private data on individuals.

11.3 (b) **Liability.** The secretary of state, county recorders, and their employees and
11.4 agents are not liable for any loss or damages arising from errors in or omissions from
11.5 information entered into the central filing system as a result of the electronic transmission
11.6 of tax lien notices under sections 268.058, subdivision 1, paragraph (c); 270C.63,
11.7 subdivision 4; 272.483; and 272.488, subdivisions 1 and 3.

11.8 The state, the secretary of state, counties, county recorders, and their employees and
11.9 agents are immune from liability that occurs as a result of errors in or omissions from
11.10 information provided from the central filing system.

11.11 (c) **Retention.** Once the image of a paper record has been captured by the central
11.12 filing system, the secretary of state may remove or direct the removal from the files and
11.13 destroy the paper record.

11.14 **EFFECTIVE DATE.** This section is effective 30 days after the secretary of state
11.15 certifies that the information systems of the Office of the Secretary of State have been
11.16 modified to implement this section.

11.17 Sec. 20. Minnesota Statutes 2008, section 336A.08, subdivision 1, is amended to read:

11.18 Subdivision 1. **Compilation.** (a) The secretary of state shall compile the information
11.19 on effective financing statements in the computerized filing system into a master list:

11.20 (1) organized according to farm product;

11.21 (2) arranged within each product:

11.22 (i) in alphabetical order according to the last name of the individual debtor or, in
11.23 the case of debtors doing business other than as individuals, the first word in the name
11.24 of the debtors;

11.25 (ii) in numerical order according to the ~~Social Security number of the individual~~
11.26 ~~debtor or, in the case of debtors doing business other than as individuals, the Internal~~
11.27 ~~Revenue Service taxpayer identification number of the debtors~~ unique identifier assigned
11.28 by the secretary of state to, and associated with, the Social Security number of the debtor;

11.29 (iii) geographically by county; and

11.30 (iv) by crop year;

11.31 (3) containing the information provided on an effective financing statement; and

11.32 (4) designating any applicable terminations of the effective financing statement.

11.33 (b) The secretary of state shall compile information from lien notices recorded in the
11.34 computerized filing system into a statutory lien master list in alphabetical order according
11.35 to the last name of the individual debtor or, in the case of debtors doing business other

12.1 than as individuals, the first word in the name of the debtors. The secretary of state may
12.2 also organize the statutory lien master list according to one or more of the categories of
12.3 information established in paragraph (a). Any terminations of lien notices must be noted.

12.4 **EFFECTIVE DATE.** This section is effective 30 days after the secretary of state
12.5 certifies that the information systems of the Office of the Secretary of State have been
12.6 modified to implement this section.

12.7 Sec. 21. Minnesota Statutes 2008, section 336A.08, subdivision 4, is amended to read:

12.8 Subd. 4. **Distribution of master and partial lists.** (a) The secretary of state shall
12.9 maintain the information on the effective financing statement master list:

12.10 (1) by farm product arranged alphabetically by debtor; and

12.11 (2) by farm product arranged numerically by the ~~debtor's Social Security number for~~
12.12 ~~an individual debtor or, in the case of debtors doing business other than as individuals, the~~
12.13 ~~Internal Revenue Service taxpayer identification number of the debtors~~ unique identifier
12.14 assigned by the secretary of state to, and associated with, the Social Security number
12.15 of the debtor.

12.16 (b) The secretary of state shall maintain the information in the farm products
12.17 statutory lien master list by county arranged alphabetically by debtor.

12.18 (c) The secretary of state shall distribute or make available the requested master and
12.19 partial master lists on a monthly basis to farm product dealers registered under section
12.20 336A.11. Lists will be distributed or made available on or before the tenth day of each
12.21 month or on the next business day thereafter if the tenth day is not a business day.

12.22 (d) The secretary of state shall make the master and partial master lists available
12.23 as written or printed paper documents and may make lists available in other forms or
12.24 media, including:

12.25 (1) any electronically transmitted medium; or

12.26 (2) any form of digital media.

12.27 (e) There shall be no fee for partial or master lists distributed via an electronically
12.28 transmitted medium. The annual fee for any other form of digital media is \$200. The
12.29 annual fee for paper partial lists is \$250 and \$400 for paper master lists.

12.30 (f) A farm products dealer shall register pursuant to section 336A.11 by the last
12.31 business day of the month to receive the monthly lists requested by the farm products
12.32 dealer for that month.

12.33 (g) If a registered farm products dealer receives a monthly list that cannot be read or
12.34 is incomplete, the farm products dealer must immediately inform the secretary of state by
12.35 telephone or e-mail of the problem. The registered farm products dealer shall confirm the

13.1 existence of the problem by writing to the secretary of state. The secretary of state shall
13.2 provide the registered farm products dealer with new monthly lists in the medium chosen
13.3 by the registered farm products dealer no later than five business days after receipt of the
13.4 oral notice from the registered farm products dealer. A registered farm products dealer is
13.5 not considered to have received notice of the information on the monthly lists until the
13.6 duplicate list is received from the secretary of state or until five days have passed since the
13.7 duplicate lists were deposited in the mail by the secretary of state, whichever comes first.

13.8 (h) On receipt of a written notice pursuant to section 336A.13, the secretary of state
13.9 shall duplicate the monthly lists requested by the registered farm products dealer. The
13.10 duplicate monthly lists must be sent to the registered farm products dealer no later than five
13.11 business days after receipt of the written notice from the registered farm products dealer.

13.12 (i) A registered farm products dealer may request monthly lists in one medium
13.13 per registration.

13.14 (j) Registered farm products dealers must have renewed their registration before the
13.15 first day of July each year. Failure to send in the registration before that date will result in
13.16 the farm products dealer not receiving the requested monthly lists.

13.17 (k) Registered farm products dealers choosing to obtain monthly lists via an
13.18 electronically transmitted medium or in any form of digital media may choose to receive
13.19 all of the information for the monthly lists requested the first month and then only
13.20 additions and deletions to the database for the remaining 11 months of the year. Following
13.21 the first year of registration, the registered farm products dealer may choose to continue to
13.22 receive one copy of the full monthly list at the beginning of each year or may choose to
13.23 receive only additions and deletions.

13.24 **EFFECTIVE DATE.** This section is effective 30 days after the secretary of state
13.25 certifies that the information systems of the Office of the Secretary of State have been
13.26 modified to implement this section.

13.27 Sec. 22. Minnesota Statutes 2008, section 336A.14, is amended to read:

13.28 **336A.14 RESTRICTED USE OF INFORMATION.**

13.29 Any Social Security number information or tax identification number information
13.30 in the possession of the secretary of state is private data on individuals. Information
13.31 obtained from the seller of a farm product relative to the Social Security number or tax
13.32 identification number of the true owner of the farm product and all information obtained
13.33 from the master or limited list may not be used for purposes that are not related to: (1)

14.1 purchase of a farm product; (2) taking a security interest against a farm product; or (3)
14.2 perfecting a farm product statutory lien.

14.3 **EFFECTIVE DATE.** This section is effective 30 days after the secretary of state
14.4 certifies that the information systems of the Office of the Secretary of State have been
14.5 modified to implement this section.

14.6 Sec. 23. Minnesota Statutes 2008, section 500.221, subdivision 2, is amended to read:

14.7 Subd. 2. **Aliens and non-American corporations.** Except as hereinafter provided,
14.8 no natural person shall acquire directly or indirectly any interest in agricultural land unless
14.9 the person is a citizen of the United States or a permanent resident alien of the United
14.10 States. In addition to the restrictions in section 500.24, no corporation, partnership,
14.11 limited partnership, trustee, or other business entity shall directly or indirectly, acquire
14.12 or otherwise obtain any interest, whether legal, beneficial or otherwise, in any title to
14.13 agricultural land unless at least 80 percent of each class of stock issued and outstanding or
14.14 80 percent of the ultimate beneficial interest of the entity is held directly or indirectly by
14.15 citizens of the United States or permanent resident aliens. This section shall not apply:

14.16 (1) to agricultural land that may be acquired by devise, inheritance, as security for
14.17 indebtedness, by process of law in the collection of debts, or by any procedure for the
14.18 enforcement of a lien or claim thereon, whether created by mortgage or otherwise. All
14.19 agricultural land acquired in the collection of debts or by the enforcement of a lien or
14.20 claim shall be disposed of within three years after acquiring ownership;

14.21 (2) to citizens or subjects of a foreign country whose rights to hold land are secured
14.22 by treaty;

14.23 (3) to lands used for transportation purposes by a common carrier, as defined in
14.24 section 218.011, subdivision 10;

14.25 (4) to lands or interests in lands acquired for use in connection with (i) the production
14.26 of timber and forestry products by a corporation organized under the laws of Minnesota,
14.27 or (ii) mining and mineral processing operations. Pending the development of agricultural
14.28 land for the production of timber and forestry products or mining purposes the land may
14.29 not be used for farming except under lease to a family farm, a family farm corporation or
14.30 an authorized farm corporation;

14.31 (5) to agricultural land operated for research or experimental purposes if the
14.32 ownership of the agricultural land is incidental to the research or experimental objectives
14.33 of the person or business entity and the total acreage owned by the person or business
14.34 entity does not exceed the acreage owned on May 27, 1977;

15.1 (6) to the purchase of any tract of 40 acres or less for facilities incidental to pipeline
15.2 operation by a company operating a pipeline as defined in section 216G.01, subdivision 3;

15.3 (7) to agricultural land and land capable of being used as farmland in vegetable
15.4 processing operations that is reasonably necessary to meet the requirements of pollution
15.5 control law or rules; ~~or~~

15.6 (8) to an interest in agricultural land held on the August 1, 2003, by a natural person
15.7 with a nonimmigrant treaty investment visa, pursuant to United States Code, title 8,
15.8 section 1101(a)15(E)(ii), if, within five years after August 1, 2003, the person:

15.9 (i) disposes of all agricultural land held; or

15.10 (ii) becomes a permanent resident alien of the United States or a United States
15.11 citizen; or

15.12 (9) to an easement taken by an individual or entity for the installation and repair
15.13 of transmission lines and for wind rights.

15.14 Sec. 24. Minnesota Statutes 2008, section 500.221, subdivision 4, is amended to read:

15.15 Subd. 4. **Reports.** (a) Any natural person, corporation, partnership, limited
15.16 partnership, trustee, or other business entity prohibited from future acquisition of
15.17 agricultural land may retain title to any agricultural land lawfully acquired within this state
15.18 prior to June 1, 1981, but shall file a report with the commissioner of agriculture annually
15.19 before January 31 containing a description of all agricultural land held within this state,
15.20 the purchase price and market value of the land, the use to which it is put, the date of
15.21 acquisition and any other reasonable information required by the commissioner.

15.22 (b) An individual or entity that qualifies for an exemption under subdivision 2, clause
15.23 (2) or (9), and owns an interest in agricultural land shall file a report with the commissioner
15.24 of agriculture within 30 days of acquisition and annually thereafter by January 31,
15.25 containing a description of all interests in agricultural land held within this state.

15.26 (c) The commissioner shall make the information available to the public.

15.27 (d) All required annual reports shall include a filing fee of \$50 plus \$10 for each
15.28 additional quarter section of land.

15.29 Sec. 25. Minnesota Statutes 2008, section 500.24, subdivision 2, is amended to read:

15.30 Subd. 2. **Definitions.** The definitions in this subdivision apply to this section.

15.31 (a) "Farming" means the production of (1) agricultural products; (2) livestock or
15.32 livestock products; (3) milk or milk products; or (4) fruit or other horticultural products. It
15.33 does not include the processing, refining, or packaging of said products, nor the provision
15.34 of spraying or harvesting services by a processor or distributor of farm products. It does

16.1 not include the production of timber or forest products, the production of poultry or
16.2 poultry products, or the feeding and caring for livestock that are delivered to a corporation
16.3 for slaughter or processing for up to 20 days before slaughter or processing.

16.4 (b) "Family farm" means an unincorporated farming unit owned by one or more
16.5 persons residing on the farm or actively engaging in farming.

16.6 (c) "Family farm corporation" means a corporation founded for the purpose of
16.7 farming and the ownership of agricultural land in which the majority of the stock is held
16.8 by and the majority of the stockholders are persons, the spouses of persons, or current
16.9 beneficiaries of one or more family farm trusts in which the trustee holds stock in a family
16.10 farm corporation, related to each other within the third degree of kindred according to
16.11 the rules of the civil law, and at least one of the related persons is residing on or actively
16.12 operating the farm, and none of whose stockholders are corporations; provided that a
16.13 family farm corporation shall not cease to qualify as such hereunder by reason of any:

16.14 (1) transfer of shares of stock to a person or the spouse of a person related within
16.15 the third degree of kindred according to the rules of civil law to the person making the
16.16 transfer, or to a family farm trust of which the shareholder, spouse, or related person is
16.17 a current beneficiary; or

16.18 (2) distribution from a family farm trust of shares of stock to a beneficiary related
16.19 within the third degree of kindred according to the rules of civil law to a majority of the
16.20 current beneficiaries of the trust, or to a family farm trust of which the shareholder, spouse,
16.21 or related person is a current beneficiary.

16.22 For the purposes of this section, a transfer may be made with or without
16.23 consideration, either directly or indirectly, during life or at death, whether or not in trust,
16.24 of the shares in the family farm corporation, and stock owned by a family farm trust are
16.25 considered to be owned in equal shares by the current beneficiaries.

16.26 (d) "Family farm trust" means:

16.27 (1) a trust in which:

16.28 (i) a majority of the current beneficiaries are persons or spouses of persons who are
16.29 related to each other within the third degree of kindred according to the rules of civil law;

16.30 (ii) all of the current beneficiaries are natural persons or nonprofit corporations
16.31 or trusts described in the Internal Revenue Code, section 170(c), as amended, and the
16.32 regulations under that section; and

16.33 (iii) one of the family member current beneficiaries is residing on or actively
16.34 operating the farm; or the trust leases the agricultural land to a family farm unit, a
16.35 family farm corporation, an authorized farm corporation, an authorized livestock farm
16.36 corporation, a family farm limited liability company, a family farm trust, an authorized

17.1 farm limited liability company, a family farm partnership, or an authorized farm
17.2 partnership; or

17.3 (2) a charitable remainder trust as defined in the Internal Revenue Code, section 664,
17.4 as amended, and the regulations under that section, and a charitable lead trust as set forth
17.5 in the Internal Revenue Code, section 170(f), and the regulations under that section.

17.6 (e) "Authorized farm corporation" means a corporation meeting the following
17.7 standards:

17.8 (1) it has no more than five shareholders, provided that for the purposes of this
17.9 section, a husband and wife are considered one shareholder;

17.10 (2) all its shareholders, other than any estate, are natural persons or a family farm
17.11 trust;

17.12 (3) it does not have more than one class of shares;

17.13 (4) its revenue from rent, royalties, dividends, interest, and annuities does not exceed
17.14 20 percent of its gross receipts;

17.15 (5) shareholders holding 51 percent or more of the interest in the corporation reside
17.16 on the farm or are actively engaging in farming;

17.17 (6) it does not, directly or indirectly, own or otherwise have an interest in any title to
17.18 more than 1,500 acres of agricultural land; and

17.19 (7) none of its shareholders are shareholders in other authorized farm corporations
17.20 that directly or indirectly in combination with the corporation own more than 1,500 acres
17.21 of agricultural land.

17.22 (f) "Authorized livestock farm corporation" means a corporation formed for the
17.23 production of livestock and meeting the following standards:

17.24 (1) it is engaged in the production of livestock other than dairy cattle;

17.25 (2) all its shareholders, other than any estate, are natural persons, family farm trusts,
17.26 or family farm corporations;

17.27 (3) it does not have more than one class of shares;

17.28 (4) its revenue from rent, royalties, dividends, interest, and annuities does not exceed
17.29 20 percent of its gross receipts;

17.30 (5) shareholders holding 75 percent or more of the control, financial, and capital
17.31 investment in the corporation are farmers, and at least 51 percent of the required
17.32 percentage of farmers are actively engaged in livestock production;

17.33 (6) it does not, directly or indirectly, own or otherwise have an interest in any title to
17.34 more than 1,500 acres of agricultural land; and

18.1 (7) none of its shareholders are shareholders in other authorized farm corporations
18.2 that directly or indirectly in combination with the corporation own more than 1,500 acres
18.3 of agricultural land.

18.4 (g) "Agricultural land" means real estate used for farming or capable of being used
18.5 for farming in this state.

18.6 (h) "Pension or investment fund" means a pension or employee welfare benefit fund,
18.7 however organized, a mutual fund, a life insurance company separate account, a common
18.8 trust of a bank or other trustee established for the investment and reinvestment of money
18.9 contributed to it, a real estate investment trust, or an investment company as defined in
18.10 United States Code, title 15, section 80a-3.

18.11 (i) "Farm homestead" means a house including adjoining buildings that has been
18.12 used as part of a farming operation or is part of the agricultural land used for a farming
18.13 operation.

18.14 (j) "Family farm partnership" means a limited partnership formed for the purpose of
18.15 farming and the ownership of agricultural land in which the majority of the interests in
18.16 the partnership is held by and the majority of the partners are natural persons or current
18.17 beneficiaries of one or more family farm trusts in which the trustee holds an interest in a
18.18 family farm partnership related to each other within the third degree of kindred according
18.19 to the rules of the civil law, and at least one of the related persons is residing on the farm,
18.20 actively operating the farm, or the agricultural land was owned by one or more of the
18.21 related persons for a period of five years before its transfer to the limited partnership, and
18.22 none of the partners is a corporation. A family farm partnership does not cease to qualify
18.23 as a family farm partnership because of a:

18.24 (1) transfer of a partnership interest to a person or spouse of a person related within
18.25 the third degree of kindred according to the rules of civil law to the person making the
18.26 transfer or to a family farm trust of which the partner, spouse, or related person is a current
18.27 beneficiary; or

18.28 (2) distribution from a family farm trust of a partnership interest to a beneficiary
18.29 related within the third degree of kindred according to the rules of civil law to a majority
18.30 of the current beneficiaries of the trust, or to a family farm trust of which the partner,
18.31 spouse, or related person is a current beneficiary.

18.32 For the purposes of this section, a transfer may be made with or without
18.33 consideration, either directly or indirectly, during life or at death, whether or not in trust,
18.34 of a partnership interest in the family farm partnership, and interest owned by a family
18.35 farm trust is considered to be owned in equal shares by the current beneficiaries.

19.1 (k) "Authorized farm partnership" means a limited partnership meeting the following
19.2 standards:

19.3 (1) it has been issued a certificate from the secretary of state or is registered with the
19.4 county recorder and farming and ownership of agricultural land is stated as a purpose or
19.5 character of the business;

19.6 (2) it has no more than five partners;

19.7 (3) all its partners, other than any estate, are natural persons or family farm trusts;

19.8 (4) its revenue from rent, royalties, dividends, interest, and annuities does not exceed
19.9 20 percent of its gross receipts;

19.10 (5) its general partners hold at least 51 percent of the interest in the land assets of the
19.11 partnership and reside on the farm or are actively engaging in farming not more than 1,500
19.12 acres as a general partner in an authorized limited partnership;

19.13 (6) its limited partners do not participate in the business of the limited partnership
19.14 including operating, managing, or directing management of farming operations;

19.15 (7) it does not, directly or indirectly, own or otherwise have an interest in any title to
19.16 more than 1,500 acres of agricultural land; and

19.17 (8) none of its limited partners are limited partners in other authorized farm
19.18 partnerships that directly or indirectly in combination with the partnership own more than
19.19 1,500 acres of agricultural land.

19.20 (l) "Family farm limited liability company" means a limited liability company
19.21 founded for the purpose of farming and the ownership of agricultural land in which the
19.22 majority of the membership interests is held by and the majority of the members are
19.23 natural persons, or current beneficiaries of one or more family farm trusts in which the
19.24 trustee holds an interest in a family farm limited liability company related to each other
19.25 within the third degree of kindred according to the rules of the civil law, and at least one of
19.26 the related persons is residing on the farm, actively operating the farm, or the agricultural
19.27 land was owned by one or more of the related persons for a period of five years before
19.28 its transfer to the limited liability company, and none of the members is a corporation or
19.29 a limited liability company. A family farm limited liability company does not cease to
19.30 qualify as a family farm limited liability company because of:

19.31 (1) a transfer of a membership interest to a person or spouse of a person related
19.32 within the third degree of kindred according to the rules of civil law to the person making
19.33 the transfer or to a family farm trust of which the member, spouse, or related person is
19.34 a current beneficiary; or

19.35 (2) distribution from a family farm trust of a membership interest to a beneficiary
19.36 related within the third degree of kindred according to the rules of civil law to a majority

20.1 of the current beneficiaries of the trust, or to a family farm trust of which the member,
20.2 spouse, or related person is a current beneficiary.

20.3 For the purposes of this section, a transfer may be made with or without
20.4 consideration, either directly or indirectly, during life or at death, whether or not in trust, of
20.5 a membership interest in the family farm limited liability company, and interest owned by
20.6 a family farm trust is considered to be owned in equal shares by the current beneficiaries.
20.7 Except for a state or federally chartered financial institution acquiring an encumbrance
20.8 for the purpose of security or an interest under paragraph (x), a member of a family farm
20.9 limited liability company may not transfer a membership interest, including a financial
20.10 interest, to a person who is not otherwise eligible to be a member under this paragraph.

20.11 (m) "Authorized farm limited liability company" means a limited liability company
20.12 meeting the following standards:

20.13 (1) it has no more than five members;

20.14 (2) all its members, other than any estate, are natural persons or family farm trusts;

20.15 (3) it does not have more than one class of membership interests;

20.16 (4) its revenue from rent, royalties, dividends, interest, and annuities does not exceed
20.17 20 percent of its gross receipts;

20.18 (5) members holding 51 percent or more of both the governance rights and financial
20.19 rights in the limited liability company reside on the farm or are actively engaged in
20.20 farming;

20.21 (6) it does not, directly or indirectly, own or otherwise have an interest in any title to
20.22 more than 1,500 acres of agricultural land; and

20.23 (7) none of its members are members in other authorized farm limited liability
20.24 companies that directly or indirectly in combination with the authorized farm limited
20.25 liability company own more than 1,500 acres of agricultural land.

20.26 Except for a state or federally chartered financial institution acquiring an
20.27 encumbrance for the purpose of security or an interest under paragraph (x), a member of
20.28 an authorized farm limited liability company may not transfer a membership interest,
20.29 including a financial interest, to a person who is not otherwise eligible to be a member
20.30 under this paragraph.

20.31 (n) "Farmer" means a natural person who regularly participates in physical labor or
20.32 operations management in the person's farming operation and files "Schedule F" as part of
20.33 the person's annual Form 1040 filing with the United States Internal Revenue Service.

20.34 (o) "Actively engaged in livestock production" means performing day-to-day
20.35 physical labor or day-to-day operations management that significantly contributes to
20.36 livestock production and the functioning of a livestock operation.

21.1 (p) "Research or experimental farm" means a corporation, limited partnership,
21.2 pension, investment fund, or limited liability company that owns or operates agricultural
21.3 land for research or experimental purposes, provided that any commercial sales from the
21.4 operation are incidental to the research or experimental objectives of the corporation. A
21.5 corporation, limited partnership, limited liability company, or pension or investment fund
21.6 seeking initial approval by the commissioner to operate agricultural land for research or
21.7 experimental purposes must first submit to the commissioner a prospectus or proposal of
21.8 the intended method of operation containing information required by the commissioner
21.9 including a copy of any operational contract with individual participants.

21.10 (q) "Breeding stock farm" means a corporation, limited partnership, or limited
21.11 liability company, that owns or operates agricultural land for the purpose of raising
21.12 breeding stock, including embryos, for resale to farmers or for the purpose of growing
21.13 seed, wild rice, nursery plants, or sod. An entity that is organized to raise livestock
21.14 other than dairy cattle under this paragraph that does not qualify as an authorized farm
21.15 corporation must:

21.16 (1) sell all castrated animals to be fed out or finished to farming operations that are
21.17 neither directly nor indirectly owned by the business entity operating the breeding stock
21.18 operation; and

21.19 (2) report its total production and sales annually to the commissioner.

21.20 (r) "Aquatic farm" means a corporation, limited partnership, or limited liability
21.21 company, that owns or leases agricultural land as a necessary part of an aquatic farm
21.22 as defined in section 17.47, subdivision 3.

21.23 (s) "Religious farm" means a corporation formed primarily for religious purposes
21.24 whose sole income is derived from agriculture.

21.25 (t) "Utility corporation" means a corporation regulated under Minnesota Statutes
21.26 1974, chapter 216B, that owns agricultural land for purposes described in that chapter, or
21.27 an electric generation or transmission cooperative that owns agricultural land for use in
21.28 its business if the land is not used for farming except under lease to a family farm unit,
21.29 a family farm corporation, a family farm trust, a family farm partnership, or a family
21.30 farm limited liability company.

21.31 (u) "Development organization" means a corporation, limited partnership, limited
21.32 liability company, or pension or investment fund that has an interest in agricultural land
21.33 for which the corporation, limited partnership, limited liability company, or pension or
21.34 investment fund has documented plans to use and subsequently uses the land within
21.35 six years from the date of purchase for a specific nonfarming purpose, or if the land is
21.36 zoned nonagricultural, or if the land is located within an incorporated area. A corporation,

22.1 limited partnership, limited liability company, or pension or investment fund may hold
22.2 agricultural land in the amount necessary for its nonfarm business operation; provided,
22.3 however, that pending the development of agricultural land for nonfarm purposes, the land
22.4 may not be used for farming except under lease to a family farm unit, a family farm
22.5 corporation, a family farm trust, an authorized farm corporation, an authorized livestock
22.6 farm corporation, a family farm partnership, an authorized farm partnership, a family farm
22.7 limited liability company, or an authorized farm limited liability company, or except when
22.8 controlled through ownership, options, leaseholds, or other agreements by a corporation
22.9 that has entered into an agreement with the United States under the New Community Act
22.10 of 1968 (Title IV of the Housing and Urban Development Act of 1968, United States Code,
22.11 title 42, sections 3901 to 3914) as amended, or a subsidiary or assign of such a corporation.

22.12 (v) "Exempt land" means agricultural land owned or leased by a corporation as of
22.13 May 20, 1973, agricultural land owned or leased by a pension or investment fund as of
22.14 May 12, 1981, agricultural land owned or leased by a limited partnership as of May 1,
22.15 1988, or agricultural land owned or leased by a trust as of the effective date of Laws 2000,
22.16 chapter 477, including the normal expansion of that ownership at a rate not to exceed 20
22.17 percent of the amount of land owned as of May 20, 1973, for a corporation; May 12, 1981,
22.18 for a pension or investment fund; May 1, 1988, for a limited partnership, or the effective
22.19 date of Laws 2000, chapter 477, for a trust, measured in acres, in any five-year period,
22.20 and including additional ownership reasonably necessary to meet the requirements of
22.21 pollution control rules. A corporation, limited partnership, or pension or investment fund
22.22 that is eligible to own or lease agricultural land under this section prior to May 1997, or a
22.23 corporation that is eligible to own or lease agricultural land as a benevolent trust under this
22.24 section prior to the effective date of Laws 2000, chapter 477, may continue to own or lease
22.25 agricultural land subject to the same conditions and limitations as previously allowed.

22.26 (w) "Gifted land" means agricultural land acquired as a gift, either by grant or devise,
22.27 by an educational, religious, or charitable nonprofit corporation, limited partnership,
22.28 limited liability company, or pension or investment fund if all land so acquired is disposed
22.29 of within ten years after acquiring the title.

22.30 (x) "Repossessed land" means agricultural land acquired by a corporation, limited
22.31 partnership, limited liability company, or pension or investment fund by process of law
22.32 in the collection of debts, or by any procedure for the enforcement of a lien or claim on
22.33 the land, whether created by mortgage or otherwise if all land so acquired is disposed of
22.34 within five years after acquiring the title. The five-year limitation is a covenant running
22.35 with the title to the land against any grantee, assignee, or successor of the pension or
22.36 investment fund, corporation, limited partnership, or limited liability company. The land

23.1 so acquired must not be used for farming during the five-year period, except under a
23.2 lease to a family farm unit, a family farm corporation, a family farm trust, an authorized
23.3 farm corporation, an authorized livestock farm corporation, a family farm partnership, an
23.4 authorized farm partnership, a family farm limited liability company, or an authorized
23.5 farm limited liability company. Notwithstanding the five-year divestiture requirement
23.6 under this paragraph, a financial institution may continue to own the agricultural land if the
23.7 agricultural land is leased to the immediately preceding former owner, but must dispose
23.8 of the agricultural land within ten years of acquiring the title. Livestock acquired by a
23.9 pension or investment fund, corporation, limited partnership, or limited liability company
23.10 in the collection of debts, or by a procedure for the enforcement of lien or claim on the
23.11 livestock whether created by security agreement or otherwise after August 1, 1994, must
23.12 be sold or disposed of within one full production cycle for the type of livestock acquired
23.13 or 18 months after the livestock is acquired, whichever is earlier.

23.14 (y) "Commissioner" means the commissioner of agriculture.

23.15 (z) "Nonprofit corporation" means a nonprofit corporation organized under state
23.16 nonprofit corporation or trust law or qualified for tax-exempt status under federal tax
23.17 law that uses the land for a specific nonfarming purpose ~~or~~, leases the agricultural land
23.18 to a family farm unit, a family farm corporation, an authorized farm corporation, an
23.19 authorized livestock farm corporation, a family farm limited liability company, a family
23.20 farm trust, an authorized farm limited liability company, a family farm partnership, or an
23.21 authorized farm partnership, or actively farms less than 40 acres and uses all profits from
23.22 the agricultural land for educational purposes.

23.23 (aa) "Current beneficiary" means a person who at any time during a year is entitled
23.24 to, or at the discretion of any person may, receive a distribution from the income or
23.25 principal of the trust. It does not include a distributee trust, other than a trust described in
23.26 section 170(c) of the Internal Revenue Code, as amended, but does include the current
23.27 beneficiaries of the distributee trust. It does not include a person in whose favor a power
23.28 of appointment could be exercised until the holder of the power of appointment actually
23.29 exercises the power of appointment in that person's favor. It does not include a person who
23.30 is entitled to receive a distribution only after a specified time or upon the occurrence of a
23.31 specified event until the time or occurrence of the event. For the purposes of this section, a
23.32 distributee trust is a current beneficiary of a family farm trust.

23.33 (bb) "De minimis" means that any corporation, pension or investment fund, limited
23.34 liability company, or limited partnership that directly or indirectly owns, acquires, or
23.35 otherwise obtains any interest in 40 acres or less of agricultural land and annually receives
23.36 less than \$150 per acre in gross revenue from rental or agricultural production.

24.1 Sec. 26. Minnesota Statutes 2008, section 514.965, subdivision 2, is amended to read:

24.2 Subd. 2. **Agricultural lien.** "Agricultural lien" means an agricultural lien as defined
24.3 in section 336.9-102(a)(5) and includes a veterinarian's lien, breeder's lien, livestock
24.4 production input lien, temporary livestock production input lien, and feeder's lien under
24.5 this section and section 514.966.

24.6 Sec. 27. Minnesota Statutes 2008, section 514.966, is amended by adding a subdivision
24.7 to read:

24.8 Subd. 3a. **Temporary livestock production input lien; debtor in mediation.** (a)
24.9 A supplier furnishing livestock production inputs in the ordinary course of business to a
24.10 debtor who has filed a mediation request under chapter 583 has a livestock production
24.11 input lien for the unpaid retail cost of the livestock production input. A perfected livestock
24.12 production input lien that attaches to livestock may not exceed the amount, if any, that the
24.13 sales price of the livestock for which the inputs were received exceeds the greater of the
24.14 fair market value of the livestock at the time the lien attaches or the acquisition price of
24.15 the livestock. A livestock production input lien becomes effective when the agricultural
24.16 production inputs are furnished by the supplier to the purchaser.

24.17 (b) A livestock production input lien under this subdivision applies to livestock
24.18 production inputs provided to the debtor during the 45 days following a mediation request
24.19 under chapter 583.

24.20 (c) A person who supplies livestock production inputs under this subdivision shall
24.21 provide a lien-notification statement as required under subdivision 3, paragraphs (b)
24.22 and (c), but is not subject to subdivision 3, paragraphs (d) to (f). A perfected temporary
24.23 livestock production input lien corresponding to the lien-notification statement has priority
24.24 over any security interest of the lender in the same livestock or their proceeds for the
24.25 lesser of:

24.26 (1) the amount stated in the lien-notification statement; or

24.27 (2) the unpaid retail cost of the livestock production input identified in the
24.28 lien-notification statement, subject to any limitation in paragraph (a).

24.29 Sec. 28. Minnesota Statutes 2008, section 514.966, subdivision 5, is amended to read:

24.30 Subd. 5. **Scope.** A veterinarian's lien, breeder's lien, livestock production input lien,
24.31 temporary livestock production lien, or feeder's lien attaches to the livestock serviced by
24.32 the agricultural lienholder, and products and proceeds thereof to the extent of the price
24.33 or value of the service provided.

25.1 Sec. 29. Minnesota Statutes 2008, section 514.966, subdivision 6, is amended to read:

25.2 Subd. 6. **Perfection.** (a) An agricultural lien under this section is perfected if a
25.3 financing statement is filed pursuant to sections 336.9-501 to 336.9-530 and within the
25.4 time periods set forth in paragraphs (b) to ~~(e)~~ (f).

25.5 (b) A veterinarian's lien must be perfected on or before 180 days after the last item
25.6 of the veterinary service is performed.

25.7 (c) A breeder's lien must be perfected by six months after the last date that breeding
25.8 services are provided the obligor.

25.9 (d) Except as provided in paragraph (f), a livestock production input lien must be
25.10 perfected by six months after the last date that livestock production inputs are furnished
25.11 the obligor.

25.12 (e) A feeder's lien must be perfected on or before 60 days after the last date that
25.13 feeding services are furnished the obligor.

25.14 (f) A temporary livestock production input lien, under subdivision 3a, must be
25.15 perfected on or before 60 days after the last date that livestock production inputs are
25.16 furnished the obligor.

25.17 Sec. 30. Laws 2007, chapter 45, article 1, section 3, subdivision 4, as amended by
25.18 Laws 2008, chapter 297, article 1, section 64; and Laws 2008, chapter 363, article 7,
25.19 section 6, is amended to read:

25.20 Subd. 4. **Bioenergy and Value-Added**
25.21 **Agricultural Products** 19,918,000 15,168,000

25.22 \$15,168,000 the first year and \$15,168,000
25.23 the second year are for ethanol producer
25.24 payments under Minnesota Statutes, section
25.25 41A.09. If the total amount for which all
25.26 producers are eligible in a quarter exceeds
25.27 the amount available for payments, the
25.28 commissioner shall make payments on a
25.29 pro rata basis. If the appropriation exceeds
25.30 the total amount for which all producers
25.31 are eligible in a fiscal year for scheduled
25.32 payments and for deficiencies in payments
25.33 during previous fiscal years, the balance
25.34 in the appropriation is available to the
25.35 commissioner for value-added agricultural

26.1 programs including the value-added
26.2 agricultural product processing and
26.3 marketing grant program under Minnesota
26.4 Statutes, section 17.101, subdivision 5. The
26.5 appropriation remains available until spent.
26.6 \$3,000,000 the first year is for grants to
26.7 bioenergy projects. The NextGen Energy
26.8 Board shall make recommendations to
26.9 the commissioner on grants for owners of
26.10 Minnesota facilities producing bioenergy,
26.11 organizations that provide for on-station,
26.12 on-farm field scale research and outreach to
26.13 develop and test the agronomic and economic
26.14 requirements of diverse stands of prairie
26.15 plants and other perennials for bioenergy
26.16 systems, or certain nongovernmental
26.17 entities. For the purposes of this paragraph,
26.18 "bioenergy" includes transportation fuels
26.19 derived from cellulosic material as well as
26.20 the generation of energy for commercial heat,
26.21 industrial process heat, or electrical power
26.22 from cellulosic material via gasification
26.23 or other processes. The board must give
26.24 priority to a bioenergy facility that is at
26.25 least 60 percent owned and controlled by
26.26 farmers, as defined in Minnesota Statutes,
26.27 section 500.24, subdivision 2, paragraph
26.28 (n), or natural persons residing in the
26.29 county or counties contiguous to where the
26.30 facility is located. Grants are limited to 50
26.31 percent of the cost of research, technical
26.32 assistance, or equipment related to bioenergy
26.33 production or \$1,000,000, whichever is
26.34 less. Grants to nongovernmental entities
26.35 for the development of business plans and
26.36 structures related to community ownership

27.1 of eligible bioenergy facilities together may
27.2 not exceed \$150,000. The board shall make
27.3 a good faith effort to select projects that have
27.4 merit and when taken together represent a
27.5 variety of bioenergy technologies, biomass
27.6 feedstocks, and geographic regions of the
27.7 state. Projects must have a qualified engineer
27.8 certification on the technology and fuel
27.9 source. Grantees shall provide reports at
27.10 the request of the commissioner and must
27.11 actively participate in the Agricultural
27.12 Utilization Research Institute's Renewable
27.13 Energy Roundtable. No later than February
27.14 1, 2009, the commissioner shall report on
27.15 the projects funded under this appropriation
27.16 to the house and senate committees with
27.17 jurisdiction over agriculture finance. The
27.18 commissioner's costs in administering the
27.19 program may be paid from the appropriation.
27.20 ~~Any unencumbered balance does not cancel~~
27.21 ~~at the end of the first year and is available~~
27.22 ~~in the second year~~ This appropriation is
27.23 available until June 30, 2011.
27.24 \$200,000 the first year is for a grant to the
27.25 Minnesota Turf Seed Council for basic
27.26 and applied agronomic research on native
27.27 plants, including plant breeding, nutrient
27.28 management, pest management, disease
27.29 management, yield, and viability. The grant
27.30 recipient may subcontract with a qualified
27.31 third party for some or all of the basic
27.32 or applied research. The grant recipient
27.33 must actively participate in the Agricultural
27.34 Utilization Research Institute's Renewable
27.35 Energy Roundtable and no later than
27.36 February 1, 2009, must report to the house

28.1 and senate committees with jurisdiction
28.2 over agriculture finance. This is a onetime
28.3 appropriation and is available until spent.
28.4 \$200,000 the first year is for a grant to a joint
28.5 venture combined heat and power energy
28.6 facility located in Scott or LeSueur County
28.7 for the creation of a centrally located biomass
28.8 fuel supply depot with the capability of
28.9 unloading, processing, testing, scaling, and
28.10 storing renewable biomass fuels. The grant
28.11 must be matched by at least \$3 of nonstate
28.12 funds for every \$1 of state funds. The grant
28.13 recipient must actively participate in the
28.14 Agricultural Utilization Research Institute's
28.15 Renewable Energy Roundtable and no
28.16 later than February 1, 2009, must report
28.17 to the house and senate committees with
28.18 jurisdiction over agriculture finance. This is
28.19 a onetime appropriation and is available until
28.20 spent.
28.21 \$300,000 the first year is for a grant to the
28.22 Bois Forte Band of Chippewa for a feasibility
28.23 study of a renewable energy biofuels
28.24 demonstration facility on the Bois Forte
28.25 Reservation in St. Louis and Koochiching
28.26 Counties. The grant shall be used by the Bois
28.27 Forte Band to conduct a detailed feasibility
28.28 study of the economic and technical viability
28.29 of developing a multistream renewable
28.30 energy biofuels demonstration facility
28.31 on Bois Forte Reservation land to utilize
28.32 existing forest resources, woody biomass,
28.33 and cellulosic material to produce biofuels or
28.34 bioenergy. The grant recipient must actively
28.35 participate in the Agricultural Utilization
28.36 Research Institute's Renewable Energy

29.1 Roundtable and no later than February 1,
29.2 2009, must report to the house and senate
29.3 committees with jurisdiction over agriculture
29.4 finance. This is a onetime appropriation and
29.5 is available until spent.

29.6 \$300,000 the first year is for a grant to
29.7 the White Earth Band of Chippewa for a
29.8 feasibility study of a renewable energy
29.9 biofuels production, research, and production
29.10 facility on the White Earth Reservation in
29.11 Mahnomen County. The grant must be used
29.12 by the White Earth Band and the University
29.13 of Minnesota to conduct a detailed feasibility
29.14 study of the economic and technical viability
29.15 of (1) developing a multistream renewable
29.16 energy biofuels demonstration facility on
29.17 White Earth Reservation land to utilize
29.18 existing forest resources, woody biomass,
29.19 and cellulosic material to produce biofuels or
29.20 bioenergy, and (2) developing, harvesting,
29.21 and marketing native prairie plants and seeds
29.22 for bioenergy production. The grant recipient
29.23 must actively participate in the Agricultural
29.24 Utilization Research Institute's Renewable
29.25 Energy Roundtable and no later than
29.26 February 1, 2009, must report to the house
29.27 and senate committees with jurisdiction
29.28 over agriculture finance. This is a onetime
29.29 appropriation and is available until spent.

29.30 \$200,000 the first year is for a grant to the Elk
29.31 River Economic Development Authority for
29.32 upfront engineering and a feasibility study
29.33 of the Elk River renewable fuels facility.
29.34 The facility must use a plasma gasification
29.35 process to convert primarily cellulosic
29.36 material, but may also use plastics and other

30.1 components from municipal solid waste, as
30.2 feedstock for the production of methanol
30.3 for use in biodiesel production facilities.
30.4 Any unencumbered balance in fiscal year
30.5 2008 does not cancel but is available for
30.6 fiscal year 2009. Notwithstanding Minnesota
30.7 Statutes, section 16A.285, the agency must
30.8 not transfer this appropriation. The grant
30.9 recipient must actively participate in the
30.10 Agricultural Utilization Research Institute's
30.11 Renewable Energy Roundtable and no
30.12 later than February 1, 2009, must report
30.13 to the house and senate committees with
30.14 jurisdiction over agriculture finance. This is
30.15 a onetime appropriation and is available until
30.16 spent.

30.17 \$200,000 the first year is for a grant to
30.18 Chisago County to conduct a detailed
30.19 feasibility study of the economic and
30.20 technical viability of developing a
30.21 multistream renewable energy biofuels
30.22 demonstration facility in Chisago, Isanti,
30.23 or Pine County to utilize existing forest
30.24 resources, woody biomass, and cellulosic
30.25 material to produce biofuels or bioenergy.
30.26 Chisago County may expend funds to Isanti
30.27 and Pine Counties and the University of
30.28 Minnesota for any costs incurred as part
30.29 of the study. The feasibility study must
30.30 consider the capacity of: (1) the seed bank
30.31 at Wild River State Park to expand the
30.32 existing prairie grass, woody biomass, and
30.33 cellulosic material resources in Chisago,
30.34 Isanti, and Pine Counties; (2) willing and
30.35 interested landowners in Chisago, Isanti, and
30.36 Pine Counties to grow cellulosic materials;

31.1 and (3) the Minnesota Conservation Corps,
 31.2 the sentence to serve program, and other
 31.3 existing workforce programs in east central
 31.4 Minnesota to contribute labor to these efforts.
 31.5 The grant recipient must actively participate
 31.6 in the Agricultural Utilization Research
 31.7 Institute's Renewable Energy Roundtable and
 31.8 no later than February 1, 2009, must report
 31.9 to the house and senate committees with
 31.10 jurisdiction over agriculture finance. This is
 31.11 a onetime appropriation and is available until
 31.12 spent.

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

31.14 Sec. 31. Laws 2007, chapter 45, article 1, section 3, subdivision 5, as amended by
 31.15 Laws 2008, chapter 297, article 1, section 65, is amended to read:

31.16	Subd. 5. Administration and Financial		
31.17	Assistance	7,338,000	6,751,000

31.18 \$1,005,000 the first year and \$1,005,000
 31.19 the second year are for continuation of
 31.20 the dairy development and profitability
 31.21 enhancement and dairy business planning
 31.22 grant programs established under Laws 1997,
 31.23 chapter 216, section 7, subdivision 2, and
 31.24 Laws 2001, First Special Session chapter 2,
 31.25 section 9, subdivision 2 . The commissioner
 31.26 may allocate the available sums among
 31.27 permissible activities, including efforts to
 31.28 improve the quality of milk produced in the
 31.29 state in the proportions that the commissioner
 31.30 deems most beneficial to Minnesota's dairy
 31.31 farmers. The commissioner must submit a
 31.32 work plan detailing plans for expenditures
 31.33 under this program to the chairs of the
 31.34 house and senate committees dealing with
 31.35 agricultural policy and budget on or before

32.1 the start of each fiscal year. If significant
32.2 changes are made to the plans in the course
32.3 of the year, the commissioner must notify the
32.4 chairs.

32.5 \$50,000 the first year and \$50,000 the
32.6 second year are for the Northern Crops
32.7 Institute. These appropriations may be spent
32.8 to purchase equipment.

32.9 \$19,000 the first year and \$19,000 the
32.10 second year are for a grant to the Minnesota
32.11 Livestock Breeders Association.

32.12 \$250,000 the first year and \$250,000 the
32.13 second year are for grants to the Minnesota
32.14 Agricultural Education Leadership Council
32.15 for programs of the council under Minnesota
32.16 Statutes, chapter 41D.

32.17 \$600,000 the first year is for grants for
32.18 fertilizer research as awarded by the
32.19 Minnesota Agricultural Fertilizer Research
32.20 and Education Council under Minnesota
32.21 Statutes, section 18C.71. The amount
32.22 available to the commissioner pursuant
32.23 to Minnesota Statutes, section 18C.70,
32.24 subdivision 2, for administration of this
32.25 activity is available until February 1, 2009,
32.26 by which time the commissioner shall
32.27 report to the house and senate committees
32.28 with jurisdiction over agriculture finance.
32.29 The report must include the progress and
32.30 outcome of funded projects as well as the
32.31 sentiment of the council concerning the need
32.32 for additional research funded through an
32.33 industry checkoff fee. The amount available
32.34 for grants is available until June 30, 2011.

33.1 \$465,000 the first year and \$465,000 the
33.2 second year are for payments to county and
33.3 district agricultural societies and associations
33.4 under Minnesota Statutes, section 38.02,
33.5 subdivision 1. Aid payments to county and
33.6 district agricultural societies and associations
33.7 shall be disbursed not later than July 15 of
33.8 each year. These payments are the amount of
33.9 aid owed by the state for an annual fair held
33.10 in the previous calendar year.

33.11 \$65,000 the first year and \$65,000 the second
33.12 year are for annual grants to the Minnesota
33.13 Turf Seed Council for basic and applied
33.14 research on the improved production of
33.15 forage and turf seed related to new and
33.16 improved varieties. The grant recipient may
33.17 subcontract with a qualified third party for
33.18 some or all of the basic and applied research.

33.19 \$500,000 the first year and \$500,000 the
33.20 second year are for grants to Second Harvest
33.21 Heartland on behalf of Minnesota's six
33.22 Second Harvest food banks for the purchase
33.23 of milk for distribution to Minnesota's food
33.24 shelves and other charitable organizations
33.25 that are eligible to receive food from the food
33.26 banks. Milk purchased under the grants must
33.27 be acquired from Minnesota milk processors
33.28 and based on low-cost bids. The milk must be
33.29 allocated to each Second Harvest food bank
33.30 serving Minnesota according to the formula
33.31 used in the distribution of United States
33.32 Department of Agriculture commodities
33.33 under The Emergency Food Assistance
33.34 Program (TEFAP). Second Harvest
33.35 Heartland must submit quarterly reports
33.36 to the commissioner on forms prescribed

34.1 by the commissioner. The reports must
34.2 include, but are not limited to, information
34.3 on the expenditure of funds, the amount
34.4 of milk purchased, and the organizations
34.5 to which the milk was distributed. Second
34.6 Harvest Heartland may enter into contracts
34.7 or agreements with food banks for shared
34.8 funding or reimbursement of the direct
34.9 purchase of milk. Each food bank receiving
34.10 money from this appropriation may use up to
34.11 two percent of the grant for administrative
34.12 expenses.

34.13 \$100,000 the first year and \$100,000 the
34.14 second year are for transfer to the Board of
34.15 Trustees of the Minnesota State Colleges and
34.16 Universities for mental health counseling
34.17 support to farm families and business
34.18 operators through farm business management
34.19 programs at Central Lakes College and
34.20 Ridgewater College.

34.21 \$18,000 the first year and \$18,000 the
34.22 second year are for grants to the Minnesota
34.23 Horticultural Society.

34.24 \$50,000 is for a grant to the University of
34.25 Minnesota, Department of Horticultural
34.26 Science, Enology Laboratory, to upgrade
34.27 and purchase instrumentation to allow
34.28 rapid and accurate measurement of enology
34.29 components. This is a onetime appropriation
34.30 and is available until expended.

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

34.32 Sec. 32. Laws 2008, chapter 296, article 1, section 25, the effective date, is amended to
34.33 read:

35.1 **EFFECTIVE DATE.** This section is effective June 1, ~~2010~~ 2011.

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

35.3 Sec. 33. Laws 2009, chapter 94, article 1, section 3, subdivision 5, is amended to read:

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

8,177,000 7,037,000

35.6 Appropriations by Fund

35.7		2010	2011
35.8	General	7,377,000	6,237,000
35.9	Agricultural	800,000	800,000

35.10 \$780,000 the first year and \$755,000 the
 35.11 second year are for continuation of the dairy
 35.12 development and profitability enhancement
 35.13 and dairy business planning grant programs
 35.14 established under Laws 1997, chapter
 35.15 216, section 7, subdivision 2, and Laws
 35.16 2001, First Special Session chapter 2,
 35.17 section 9, subdivision 2. The commissioner
 35.18 may allocate the available sums among
 35.19 permissible activities, including efforts to
 35.20 improve the quality of milk produced in the
 35.21 state in the proportions that the commissioner
 35.22 deems most beneficial to Minnesota's dairy
 35.23 farmers. The commissioner must submit a
 35.24 work plan detailing plans for expenditures
 35.25 under this program to the chairs of the house
 35.26 of representatives and senate committees
 35.27 dealing with agricultural policy and budget
 35.28 on or before the start of each fiscal year. If
 35.29 significant changes are made to the plans
 35.30 in the course of the year, the commissioner
 35.31 must notify the chairs.

35.32 \$50,000 the first year and \$50,000 the
 35.33 second year are for the Northern Crops

36.1 Institute. These appropriations may be spent
36.2 to purchase equipment.
36.3 \$19,000 the first year and \$19,000 the
36.4 second year are for a grant to the Minnesota
36.5 Livestock Breeders Association.
36.6 \$250,000 the first year and \$250,000 the
36.7 second year are for grants to the Minnesota
36.8 Agricultural Education and Leadership
36.9 Council for programs of the council under
36.10 Minnesota Statutes, chapter 41D.
36.11 \$474,000 the first year and \$474,000 the
36.12 second year are for payments to county and
36.13 district agricultural societies and associations
36.14 under Minnesota Statutes, section 38.02,
36.15 subdivision 1. Aid payments to county and
36.16 district agricultural societies and associations
36.17 shall be disbursed no later than July 15 of
36.18 each year. These payments are the amount of
36.19 aid from the state for an annual fair held in
36.20 the previous calendar year.
36.21 \$1,000 the first year and \$1,000 the second
36.22 year are for grants to the Minnesota State
36.23 Poultry Association.
36.24 \$65,000 the first year and \$65,000 the second
36.25 year are for annual grants to the Minnesota
36.26 Turf Seed Council for basic and applied
36.27 research on the improved production of
36.28 forage and turf seed related to new and
36.29 improved varieties. The grant recipient may
36.30 subcontract with a qualified third party for
36.31 some or all of the basic and applied research.
36.32 \$50,000 the first year and \$50,000 the
36.33 second year are for annual grants to the
36.34 Minnesota Turf Seed Council for basic
36.35 and applied agronomic research on native

37.1 plants, including plant breeding, nutrient
37.2 management, pest management, disease
37.3 management, yield, and viability. The grant
37.4 recipient may subcontract with a qualified
37.5 third party for some or all of the basic
37.6 or applied research. The grant recipient
37.7 must actively participate in the Agricultural
37.8 Utilization Research Institute's Renewable
37.9 Energy Roundtable and no later than
37.10 February 1, 2011, must report to the house of
37.11 representatives and senate committees with
37.12 jurisdiction over agriculture finance.
37.13 \$500,000 the first year and \$500,000 the
37.14 second year are for grants to Second Harvest
37.15 Heartland on behalf of Minnesota's six
37.16 Second Harvest food banks for the purchase
37.17 of milk for distribution to Minnesota's food
37.18 shelves and other charitable organizations
37.19 that are eligible to receive food from the food
37.20 banks. Milk purchased under the grants must
37.21 be acquired from Minnesota milk processors
37.22 and based on low-cost bids. The milk must be
37.23 allocated to each Second Harvest food bank
37.24 serving Minnesota according to the formula
37.25 used in the distribution of United States
37.26 Department of Agriculture commodities
37.27 under The Emergency Food Assistance
37.28 Program (TEFAP). Second Harvest
37.29 Heartland must submit quarterly reports
37.30 to the commissioner on forms prescribed
37.31 by the commissioner. The reports must
37.32 include, but are not limited to, information
37.33 on the expenditure of funds, the amount
37.34 of milk purchased, and the organizations
37.35 to which the milk was distributed. Second
37.36 Harvest Heartland may enter into contracts

38.1 or agreements with food banks for shared
38.2 funding or reimbursement of the direct
38.3 purchase of milk. Each food bank receiving
38.4 money from this appropriation may use up to
38.5 two percent of the grant for administrative
38.6 expenses.

38.7 \$1,000,000 the first year is for the agricultural
38.8 growth, research, and innovation program
38.9 in Minnesota Statutes, section 41A.12.

38.10 Priority must be given to livestock programs
38.11 under Minnesota Statutes, section 17.118.

38.12 Priority for livestock grants shall be given
38.13 to persons who are beginning livestock
38.14 producers and livestock producers who are
38.15 rebuilding after a disaster that was due to
38.16 natural or other unintended conditions. The
38.17 commissioner may use up to 4.5 percent
38.18 of this appropriation for costs incurred to
38.19 administer the program. Any unencumbered
38.20 balance does not cancel at the end of the first
38.21 year and is available in the second year.

38.22 \$100,000 the first year and \$100,000 the
38.23 second year are for transfer to the Board of
38.24 Trustees of the Minnesota State Colleges and
38.25 Universities for mental health counseling
38.26 support to farm families and business
38.27 operators through farm business management
38.28 programs at Central Lakes College and
38.29 Ridgewater College.

38.30 \$18,000 the first year and \$18,000 the
38.31 second year are for grants to the Minnesota
38.32 Horticultural Society.

38.33 Notwithstanding Minnesota Statutes,
38.34 section 18C.131, \$800,000 the first year
38.35 and \$800,000 the second year are from the

39.1 fertilizer account in the agricultural fund
39.2 for grants for fertilizer research as awarded
39.3 by the Minnesota Agricultural Fertilizer
39.4 Research and Education Council under
39.5 Minnesota Statutes, section 18C.71. The
39.6 amount appropriated in either fiscal year must
39.7 not exceed 57 percent of the inspection fee
39.8 revenue collected under Minnesota Statutes,
39.9 section 18C.425, subdivision 6, during the
39.10 previous fiscal year. No later than February
39.11 1, 2011, the commissioner shall report to
39.12 the legislative committees with jurisdiction
39.13 over agriculture finance. The report must
39.14 include the progress and outcome of funded
39.15 projects as well as the sentiment of the
39.16 council concerning the need for additional
39.17 research funds. The appropriation for the
39.18 first year is available until June 30, 2013,
39.19 and the appropriation for the second year is
39.20 available until June 30, 2014.

39.21 \$60,000 the first year is for a transfer to the
39.22 University of Minnesota Extension Service
39.23 for farm-to-school grants to school districts
39.24 in Minneapolis, Moorhead, White Earth, and
39.25 Willmar.

39.26 *\$30,000 is for star farms program*
39.27 *development. The commissioner, in*
39.28 *consultation with other state and local*
39.29 *agencies, farm groups, conservation*
39.30 *groups, legislators, and other interested*
39.31 *persons, shall develop a proposal for a star*
39.32 *farms program. By January 15, 2010, the*
39.33 *commissioner shall submit the proposal to*
39.34 *the legislative committees and divisions*
39.35 *with jurisdiction over agriculture and*
39.36 *environmental policy and finance. This is a*

40.1 *onetime appropriation. * (The preceding*
40.2 **paragraph beginning "\$30,000 is for star**
40.3 **farms program" was indicated as vetoed**
40.4 **by the governor.)**

40.5 \$25,000 the first year is for the administration
40.6 of the Feeding Minnesota Task Force, under
40.7 new Minnesota Statutes, section 31.97. This
40.8 is a onetime appropriation.

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

40.10 Sec. 34. **TERMINAL CAPACITY; REPORT.**

40.11 The commissioner of agriculture, with assistance from the Office of Energy Security,
40.12 shall determine the total propane and anhydrous ammonia terminal capacity located in
40.13 the state and within 100 miles of the state's borders. The commissioner shall also use
40.14 projected grain yields and other relevant factors to estimate total agricultural demand
40.15 for propane and anhydrous ammonia in this state in the year 2020 and shall develop a
40.16 detailed plan for fully and economically satisfying this anticipated demand. No later than
40.17 January 15, 2011, the commissioner shall present the report to the legislative committees
40.18 with jurisdiction over agriculture finance.

40.19 Sec. 35. **DAIRY RESEARCH AND EDUCATION FACILITY;**
40.20 **COLLABORATION.**

40.21 The commissioner of agriculture shall convene one or more meetings with milk
40.22 producers, other industry stakeholders, and representatives of the University of Minnesota
40.23 and Minnesota State Colleges and Universities System whose work relates to the dairy
40.24 industry to consider the elements of a dairy research and education facility which would
40.25 represent a partnership between higher education institutions and the dairy industry. No
40.26 later than February 1, 2011, the commissioner shall provide a report on facility and
40.27 financing options to the legislative committees with jurisdiction over agriculture finance.

40.28 Sec. 36. **BIOENERGY DEVELOPMENT; REPORT.**

40.29 The commissioner of agriculture shall actively pursue federal and other resources
40.30 available to promote and achieve greater production and use of biofuels in this state,
40.31 including but not limited to increasing the availability of retail fuel dispensers for E85 and
40.32 intermediate ethanol-gasoline blends. No later than February 15, 2011, the commissioner

41.1 shall report on activities and accomplishments under this section to the legislative
41.2 committees with jurisdiction over agriculture finance.

41.3 Sec. 37. **REPEALER.**

41.4 Minnesota Statutes 2008, section 17.231, is repealed.

41.5 **ARTICLE 2**

41.6 **VETERANS**

41.7 Section 1. Minnesota Statutes 2008, section 1.141, is amended by adding a subdivision
41.8 to read:

41.9 Subd. 6. **Folding of the state flag for presentation or display.** The following
41.10 procedures constitute the proper way to fold the Minnesota State Flag for presentation or
41.11 display. Fold the flag four times lengthwise so that one section displays the three stars
41.12 of the state crest and the text "L'Etoile du Nord." Fold each side behind the displayed
41.13 section at a 90-degree angle so that the display section forms a triangle. Take the section
41.14 ending with the hoist and fold it at a 90-degree angle across the bottom of the display
41.15 section and then fold the hoist back over so it is aligned with the middle of the display
41.16 section. Fold the other protruding section directly upwards so that its edge is flush with
41.17 the display section and then fold it upwards along a 45-degree angle so that a mirror
41.18 of the display section triangle is formed. Fold the mirror section in half from the point
41.19 upwards, then fold the remaining portion upwards, tucking it between the display section
41.20 and the remainder of the flag.

41.21 Sec. 2. Minnesota Statutes 2008, section 1.141, is amended by adding a subdivision to
41.22 read:

41.23 Subd. 7. **Folding of the state flag for storage.** When folding the Minnesota State
41.24 Flag for storage, the proper procedure is to fold and store the flag in the same manner as
41.25 the national colors.

41.26 Sec. 3. Minnesota Statutes 2009 Supplement, section 190.19, subdivision 2a, is
41.27 amended to read:

41.28 Subd. 2a. **Uses; veterans.** Money appropriated to the Department of Veterans
41.29 Affairs from the Minnesota "Support Our Troops" account may be used for:

41.30 (1) grants to veterans service organizations;

41.31 (2) outreach to underserved veterans; ~~and~~

41.32 (3) providing services and programs for veterans and their families; and

42.1 ~~(3)~~ (4) transfers to the vehicle services account for Gold Star license plates under
42.2 section 168.1253.

42.3 Sec. 4. Minnesota Statutes 2008, section 197.455, is amended by adding a subdivision
42.4 to read:

42.5 Subd. 5a. **Teacher hiring.** (a) Any public school under the state's Education Code
42.6 that chooses at any time to use a 100-point hiring method to evaluate applicants for
42.7 teaching positions is subject to the requirements of subdivisions 4 and 5 for determining
42.8 veterans preference points.

42.9 (b) Any public school under the state's Education Code opting at any time not to use
42.10 a 100-point hiring method to evaluate applicants for teaching positions is exempt from
42.11 the requirements of subdivisions 4 and 5 for determining veterans preference points, but
42.12 must instead grant to any veteran who applies for a teaching position and who has proper
42.13 licensure for that position an interview for that position.

42.14 Sec. 5. Minnesota Statutes 2009 Supplement, section 197.46, is amended to read:

42.15 **197.46 VETERANS PREFERENCE ACT; REMOVAL FORBIDDEN; RIGHT**
42.16 **OF MANDAMUS.**

42.17 Any person whose rights may be in any way prejudiced contrary to any of the
42.18 provisions of this section, shall be entitled to a writ of mandamus to remedy the wrong.
42.19 No person holding a position by appointment or employment in the several counties,
42.20 cities, towns, school districts and all other political subdivisions in the state, who is a
42.21 veteran separated from the military service under honorable conditions, shall be removed
42.22 from such position or employment except for incompetency or misconduct shown after a
42.23 hearing, upon due notice, upon stated charges, in writing.

42.24 Any veteran who has been notified of the intent to discharge the veteran from an
42.25 appointed position or employment pursuant to this section shall be notified in writing of
42.26 such intent to discharge and of the veteran's right to request a hearing within 60 days of
42.27 receipt of the notice of intent to discharge. The failure of a veteran to request a hearing
42.28 within the provided 60-day period shall constitute a waiver of the right to a hearing. Such
42.29 failure shall also waive all other available legal remedies for reinstatement.

42.30 Request for a hearing concerning such a discharge shall be made in writing and
42.31 submitted by mail or personal service to the employment office of the concerned employer
42.32 or other appropriate office or person.

42.33 In all governmental subdivisions having an established civil service board or
42.34 commission, or merit system authority, such hearing for removal or discharge shall be

43.1 held before such civil service board or commission or merit system authority. Where no
43.2 such civil service board or commission or merit system authority exists, such hearing
43.3 shall be held by a board of three persons appointed as follows: one by the governmental
43.4 subdivision, one by the veteran, and the third by the two so selected. In the event the two
43.5 persons so selected do not appoint the third person within ten days after the appointment
43.6 of the last of the two, then the judge of the district court of the county wherein the
43.7 proceeding is pending, or if there be more than one judge in said county then any judge in
43.8 chambers, shall have jurisdiction to appoint, and upon application of either or both of the
43.9 two so selected shall appoint, the third person to the board and the person so appointed
43.10 by the judge with the two first selected shall constitute the board. The veteran may
43.11 appeal from the decision of the board upon the charges to the district court by causing
43.12 written notice of appeal, stating the grounds thereof, to be served upon the governmental
43.13 subdivision or officer making the charges within 15 days after notice of the decision
43.14 and by filing the original notice of appeal with proof of service thereof in the office of
43.15 the court administrator of the district court within ten days after service thereof. Nothing
43.16 in section 197.455 or this section shall be construed to apply to the position of private
43.17 secretary, superintendent of schools, or one chief deputy of any elected official or head of
43.18 a department, or to any person holding a strictly confidential relation to the appointing
43.19 officer. Nothing in this section shall be construed to apply to the position of teacher.
43.20 The burden of establishing such relationship shall be upon the appointing officer in all
43.21 proceedings and actions relating thereto.

43.22 All officers, boards, commissions, and employees shall conform to, comply with,
43.23 and aid in all proper ways in carrying into effect the provisions of section 197.455 and this
43.24 section notwithstanding any laws, charter provisions, ordinances or rules to the contrary.
43.25 Any willful violation of such sections by officers, officials, or employees is a misdemeanor.

43.26 Sec. 6. Minnesota Statutes 2008, section 197.481, subdivision 1, is amended to read:

43.27 Subdivision 1. **Petition.** A veteran, as defined by section 197.447, who has been
43.28 denied rights by the state or any political subdivision, municipality, or other public agency
43.29 of the state as authorized by the Veterans Preference Act under section 43A.11, 197.46,
43.30 197.48, or 197.455 may petition the commissioner of veterans affairs for an order directing
43.31 the agency to grant the veteran such relief the commissioner finds justified by said statutes.

43.32 The petition shall be submitted via United States mail and contain:

43.33 (1) the name, address, telephone number, and ~~acknowledged~~ notarized original
43.34 signature of the veteran;

44.1 (2) the names, telephone numbers, and addresses of all agencies and persons that
44.2 will be directly affected if the petition is granted;

44.3 (3) a concise statement of the facts giving rise to the veteran's rights and a concise
44.4 statement showing the manner in which rights were denied;

44.5 (4) a statement of the relief requested; and

44.6 (5) a copy of the veteran's Form DD214 (Separation or Discharge from Active Duty).

44.7 Sec. 7. Minnesota Statutes 2008, section 197.481, subdivision 2, is amended to read:

44.8 Subd. 2. **Service.** Upon receipt and authorization verification of a complete petition
44.9 herein, the commissioner shall serve a copy of same, by certified mail, on all agencies and
44.10 persons named therein and on such other agencies or persons as in the judgment of the
44.11 commissioner should in justice be parties to the proceeding. The veteran and all agencies
44.12 and persons served shall be parties to the proceeding.

44.13 Sec. 8. Minnesota Statutes 2008, section 197.481, subdivision 4, is amended to read:

44.14 Subd. 4. **Hearing.** The commissioner shall ~~hold~~ schedule a hearing on the petition
44.15 of any party to be held or conducted within ~~20~~ 120 days of serving, or being served with
44.16 the authorized and complete petition. ~~The veteran may demand an opportunity to be heard~~
44.17 ~~at a time set by the commissioner. A party who fails to demand such hearing within 20~~
44.18 ~~days shall be heard only by permission of the commissioner, except that if any party~~
44.19 ~~demands to be heard~~ At the hearing, all parties shall have the right to be heard. A hearing
44.20 hereunder shall be conducted and orders issued in accord with sections 14.57 to 14.60
44.21 and 14.62, at the office of the commissioner or at a place the commissioner designates.
44.22 The commissioner shall notify all parties, by certified mail, of the date, time, and place
44.23 of the hearing.

44.24 Sec. 9. Minnesota Statutes 2008, section 197.60, subdivision 1, is amended to read:

44.25 Subdivision 1. **Appointment; administrative support.** The county board of any
44.26 county ~~except Clay County~~, or the county boards of any two or more counties acting
44.27 pursuant to ~~the provisions of~~ section 197.602, shall appoint a veterans service officer
44.28 ~~and shall provide necessary clerical help, office space, equipment, and supplies for the~~
44.29 ~~officer, together with reimbursement for mileage and other traveling expenses necessarily~~
44.30 ~~incurred in the performance of duties;~~ and may appoint one or more assistant veterans
44.31 service officers who ~~shall have the qualifications prescribed in~~ are qualified under section
44.32 197.601. ~~The county board of Clay County may appoint a veterans service officer and~~
44.33 ~~assistant veterans service officers as provided in this subdivision.~~ The county board or

45.1 boards shall provide necessary clerical help, office space, equipment, and supplies for the
 45.2 officer, and reimbursement for mileage and other traveling expenses necessarily incurred
 45.3 in the performance of duties. Subject to the direction and control of the veterans service
 45.4 officer, the assistant veterans service officer may exercise all the powers, and shall perform
 45.5 the duties, of the veterans service officer, and ~~shall be~~ is subject to all the provisions of
 45.6 sections 197.60 to 197.606 relating to a veterans service officer. Every county officer and
 45.7 agency shall cooperate with the veterans service officer and shall provide the officer with
 45.8 information necessary in connection with the performance of duties.

45.9 **EFFECTIVE DATE.** This section is effective July 1, 2010.

45.10 Sec. 10. Minnesota Statutes 2008, section 197.601, is amended to read:

45.11 **197.601 QUALIFICATIONS OF VETERANS SERVICE OFFICERS.**

45.12 No person shall be appointed a veterans service officer or an assistant county
 45.13 veterans service officer under sections 197.60 to 197.606 ~~without the following~~
 45.14 ~~qualifications~~ unless the person is:

- 45.15 (1) ~~residence in~~ a resident of the state of Minnesota;
 45.16 (2) ~~citizenship in~~ a citizen of the United States; and
 45.17 (3) a veteran, as defined in section 197.447;
 45.18 ~~(4) education and training for the duties of veterans service officer;~~
 45.19 ~~(5) knowledge of the law and the regulations and rulings of the United States~~
 45.20 ~~Veterans Administration applicable to cases before it and the administration thereof.~~

45.21 In addition, a person accepting appointment to the position of county veterans
 45.22 service officer or assistant county veterans service officer or other equivalent assistant
 45.23 position must agree to receive, within six months of the appointment, training and
 45.24 education for the duties of the position, including development of an effective working
 45.25 knowledge of relevant laws, rules, and regulations pertaining to the United States
 45.26 Department of Veterans Affairs, as applicable to veterans cases before the department and
 45.27 the administration of those cases.

45.28 Sec. 11. Minnesota Statutes 2008, section 197.605, is amended to read:

45.29 **197.605 ~~SUPERVISION~~ DEPARTMENT AS A RESOURCE TO COUNTIES.**

45.30 Subdivision 1. ~~Methods of operation~~ **Resources available.** Every veterans service
 45.31 officer appointed under sections 197.60 to 197.606 shall be under the general supervision
 45.32 of the commissioner of veterans affairs as to methods of operation. The commissioner of
 45.33 veterans affairs shall make resources available within the Department of Veterans Affairs

46.1 to every county that operates a county veterans service office, to assist the county with
46.2 maintaining efficient and effective services to veterans. To receive available resources
46.3 from the department, a county must formally request them from the commissioner and
46.4 invite the commissioner or the commissioner's designee or designees into the county
46.5 as necessary to provide those resources. The commissioner shall consult with the
46.6 Association of Minnesota Counties and the Minnesota Association of County Veterans
46.7 Service Officers in developing a list of resources available to counties in support of their
46.8 county veterans service offices.

46.9 Subd. 2. **Use of agencies to present claims.** Every veterans service officer and
46.10 assistant veterans service officer appointed under sections 197.60 to 197.606 shall use
46.11 the Minnesota Department of Veterans Affairs or any organization recognized by the
46.12 United States Department of Veterans Administration Affairs, as may be designated by the
46.13 veteran by power of attorney, in the presentation of claims to the United States Department
46.14 of Veterans Administration Affairs for the benefits referred to in section 197.603.

46.15 ~~Subd. 3. **Rules.** The commissioner of veterans affairs shall have authority to~~
46.16 ~~prescribe such rules as are necessary for compliance with this section and the efficient~~
46.17 ~~uniform administration of sections 197.60 to 197.606. Such rules shall not apply to the~~
46.18 ~~appointment, tenure, compensation, or working conditions of a veterans service officer~~
46.19 ~~appointed under sections 197.60 to 197.606.~~

46.20 Subd. 4. **Certification.** The commissioner of veterans affairs shall establish a
46.21 certification process for veterans service officers. In doing so, the commissioner shall
46.22 consult with the Minnesota Association of County Veterans Service Officers.

46.23 Sec. 12. Minnesota Statutes 2008, section 197.606, is amended to read:

46.24 **197.606 CLASSED AS COUNTY EMPLOYEES.**

46.25 Veterans service officers and assistant veterans service officers appointed under
46.26 sections 197.60 to 197.606 are employees of the counties by which they are employed, and
46.27 are under the exclusive jurisdiction and control of such those counties ~~and the Department~~
46.28 ~~of Veterans Affairs as herein provided.~~

46.29 Sec. 13. Minnesota Statutes 2008, section 197.609, subdivision 1, is amended to read:

46.30 Subdivision 1. **Establishment and administration.** An education program for
46.31 county veterans service officers is established to be administered by the commissioner of
46.32 veterans affairs, with assistance and advice from the Minnesota Association of County
46.33 Veterans Service Officers.

47.1 Sec. 14. Minnesota Statutes 2008, section 197.609, subdivision 2, is amended to read:

47.2 Subd. 2. **Eligibility.** To be eligible for the program in this section, a person must
47.3 currently be employed as a county veterans service officer or assistant county veterans
47.4 service officer, as authorized by sections 197.60 to 197.606, and be certified to serve in
47.5 that position by the commissioner of veterans affairs or be serving a probationary period
47.6 as authorized by section 197.60, subdivision 2.

47.7 Sec. 15. Minnesota Statutes 2008, section 197.75, subdivision 1, is amended to read:

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

47.10 (b) "Commissioner" means the commissioner of veterans affairs.

47.11 (c) "Deceased veteran" means a veteran ~~who was a Minnesota resident within six~~
47.12 ~~months of the time of the person's entry into the United States armed forces and~~ who has
47.13 died as a result of ~~that~~ the person's military service, as determined by the United States
47.14 Veterans Administration, and who was a resident of this state: (1) within six months of
47.15 entering the United States armed forces, or (2) for the six months preceding the veteran's
47.16 date of death.

47.17 (d) "Eligible child" means a person who:

47.18 (1) is the natural or adopted ~~son or daughter~~ child or stepchild of a deceased veteran;
47.19 and

47.20 (2) is a student making satisfactory academic progress at an eligible institution
47.21 of higher education.

47.22 (e) "Eligible institution" means a postsecondary educational institution located in
47.23 this state that either (1) is operated by this state, or (2) is operated publicly or privately
47.24 and, as determined by the office, maintains academic standards substantially equivalent
47.25 to those of comparable institutions operated in this state.

47.26 (f) "Eligible spouse" means the surviving spouse of a deceased veteran.

47.27 (g) "Eligible veteran" means a veteran who:

47.28 (1) is a student making satisfactory academic progress at an eligible institution
47.29 of higher education;

47.30 (2) had Minnesota as the person's state of residence at the time of the person's
47.31 enlistment or any reenlistment into the United States armed forces, as shown by the
47.32 person's federal form DD-214 or other official documentation to the satisfaction of the
47.33 commissioner;

47.34 (3) except for benefits under this section, has no remaining military or veteran-related
47.35 educational assistance benefits for which the person may have been entitled; and

48.1 (4) while using the educational assistance authorized in this section, remains a
48.2 resident student as defined in section 136A.101, subdivision 8.

48.3 (h) "Satisfactory academic progress" has the meaning given in section 136A.101,
48.4 subdivision 10.

48.5 (i) "Student" has the meaning given in section 136A.101, subdivision 7.

48.6 (j) "Veteran" has the meaning given in section 197.447.

48.7 **EFFECTIVE DATE.** This section is effective July 1, 2010, for educational benefits
48.8 provided to an eligible child or eligible spouse on or after that date.

48.9 **Sec. 16. PLANNING NEW VETERANS CEMETERIES.**

48.10 The commissioner of veterans affairs shall determine a suitable site and plan for
48.11 three new state veterans cemeteries, one to be located in northeastern Minnesota, one to
48.12 be located in southeastern Minnesota, and one to be located in southwestern Minnesota.
48.13 In determining the site for a cemetery, the commissioner shall consider available public
48.14 land options and shall seek proposals for donated land from interested counties, local
48.15 communities, civic organizations, veterans service organizations, and individuals. For
48.16 the veterans cemetery in southwestern Minnesota, the commissioner must work with the
48.17 commissioner of natural resources to secure a cemetery site at Fort Ridgely State Park, if
48.18 feasible, or on other public land in that immediate vicinity.

48.19 The commissioner's planning process for a state veterans cemetery must include, at a
48.20 minimum, the following actions:

48.21 (1) determining the need for the cemetery;

48.22 (2) investigating the availability of suitable land for the cemetery;

48.23 (3) assessment of impacts of the cemetery;

48.24 (4) encouragement of support from veteran service organizations and local
48.25 governments; and

48.26 (5) preparation and submission of a preapplication for a grant from the United States
48.27 Department of Veterans Affairs for commitment of funding for establishing the cemetery.

48.28 By January 15, 2011, the commissioner shall report to the chair and ranking minority
48.29 member of the house of representatives and senate committees having responsibility for
48.30 veterans affairs with a report of the commissioner's progress in implementing this section.

48.31 **Sec. 17. NONCOMPLIANCE.**

48.32 A county that on July 1, 2010, is noncompliant with regard to the qualifications of
48.33 an assistant county veterans service officer, under Minnesota Statutes, section 197.601,

49.1 must comply with the requirements of that section no later than June 30, 2013, and must
49.2 remain in compliance after that date.

49.3 Sec. 18. **EFFECTIVE DATE.**

49.4 Sections 1, 2, and 16 are effective the day following final enactment. All other
49.5 sections are effective July 1, 2010.