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598

HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. **2678**

February 4, 2010

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

April 12, 2010

Committee Recommendation and Adoption of Report:

To Pass as Amended and re-referred to the Committee on Ways and Means

April 15, 2010

Committee Recommendation and Adoption of Report:

To Pass as Amended

Read Second Time

1.1 A bill for an act
1.2 relating to the operation of state government; changing certain provisions and
1.3 programs affecting agriculture and veterans affairs; authorizing and regulating
1.4 development and use of industrial hemp; clarifying certain terms and procedures;
1.5 changing certain record keeping provisions; requiring planning for additional
1.6 veterans cemeteries; appropriating money; amending Minnesota Statutes 2008,
1.7 sections 1.141, by adding subdivisions; 3.737, subdivision 4; 17.03, by adding a
1.8 subdivision; 18B.31, subdivision 5; 18B.36, subdivision 1; 18B.37, subdivision
1.9 4; 18J.01; 18J.02; 18J.03; 18J.04, subdivisions 1, 2, 3, 4; 18J.05, subdivisions
1.10 1, 2, 6; 18J.06; 18J.07, subdivisions 3, 4, 5; 18J.09; 18J.11, subdivision 1, by
1.11 adding a subdivision; 28A.082, subdivision 1; 35.244, subdivisions 1, 2; 152.01,
1.12 subdivision 9; 197.455, by adding a subdivision; 197.481, subdivisions 1, 2, 4;
1.13 197.60, subdivision 1; 197.601; 197.605; 197.606; 197.609, subdivisions 1,
1.14 2; 197.75, subdivision 1; 239.092; 239.093; 239.791, by adding subdivisions;
1.15 336.9-531; 336A.08, subdivisions 1, 4; 336A.14; 375.30, subdivision 2; 500.221,
1.16 subdivisions 2, 4; 500.24, subdivision 2; 514.965, subdivision 2; 514.966,
1.17 subdivisions 5, 6, by adding a subdivision; Minnesota Statutes 2009 Supplement,
1.18 sections 3.737, subdivision 1; 18B.316, subdivision 10; 190.19, subdivision 2a;
1.19 197.46; 239.791, subdivisions 1, 1a; Laws 2007, chapter 45, article 1, section
1.20 3, subdivision 5, as amended; Laws 2008, chapter 296, article 1, section 25;
1.21 Laws 2009, chapter 94, article 1, section 3, subdivision 5; proposing coding
1.22 for new law in Minnesota Statutes, chapter 38; proposing coding for new law
1.23 as Minnesota Statutes, chapter 18K; repealing Minnesota Statutes 2008, section
1.24 17.231; Laws 2009, chapter 94, article 1, section 106.

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

1.26 **ARTICLE 1**

1.27 **AGRICULTURE**

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

1.30 Subdivision 1. **Compensation required.** (a) Notwithstanding section 3.736,
1.31 subdivision 3, paragraph (e), or any other law, a livestock owner shall be compensated

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

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

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

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

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

2.34 ~~(c)~~ (b) If the commissioner denies compensation claimed by an owner under
 2.35 this section, the commissioner shall issue a written decision based upon the available

3.1 evidence. It shall include specification of the facts upon which the decision is based
3.2 and the conclusions on the material issues of the claim. A copy of the decision shall
3.3 be mailed to the owner.

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

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

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

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

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

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

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

4.3 (b) If an application for renewal of a pesticide dealer license is not filed before
4.4 ~~January 1 of the year for which the license is to be issued~~ expires, an additional fee of \$20
4.5 50 percent of the application fee must be paid by the applicant before the commissioner
4.6 may issue the license ~~is issued~~.

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

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

4.12 (b) If an application for renewal of an agricultural pesticide dealer license is not filed
4.13 before ~~January of the year for which the license is to be issued~~ expires, an additional fee of
4.14 50 percent of the application fee must be paid by the applicant before the commissioner
4.15 may issue the license.

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

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

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

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

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

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

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

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

5.1 on forms provided by the commissioner. The plan must be available for inspection by
5.2 the commissioner.

5.3 Sec. 8. Minnesota Statutes 2008, section 18J.01, is amended to read:

5.4 **18J.01 DEFINITIONS.**

5.5 (a) The definitions in sections 18G.02 ~~and~~, 18H.02, and 18K.03 apply to this chapter.

5.6 (b) For purposes of this chapter, "associated rules" means rules adopted under this
5.7 chapter, chapter 18G ~~or~~, 18H, or 18K, or sections 21.80 to 21.92.

5.8 Sec. 9. Minnesota Statutes 2008, section 18J.02, is amended to read:

5.9 **18J.02 DUTIES OF COMMISSIONER.**

5.10 The commissioner shall administer and enforce this chapter, chapters 18G ~~and~~,
5.11 18H, and 18K, sections 21.80 to 21.92, and associated rules.

5.12 Sec. 10. Minnesota Statutes 2008, section 18J.03, is amended to read:

5.13 **18J.03 CIVIL LIABILITY.**

5.14 A person regulated by this chapter, chapter 18G ~~or~~, 18H, or 18K, or sections 21.80
5.15 to 21.92, is civilly liable for any violation of one of those statutes or associated rules by
5.16 the person's employee or agent.

5.17 Sec. 11. Minnesota Statutes 2008, section 18J.04, subdivision 1, is amended to read:

5.18 Subdivision 1. **Access and entry.** The commissioner, upon presentation of official
5.19 department credentials, must be granted immediate access at reasonable times to sites
5.20 where a person manufactures, distributes, uses, handles, disposes of, stores, or transports
5.21 seeds, plants, or other living or nonliving products or other objects regulated under chapter
5.22 18G ~~or~~, 18H, or 18K, sections 21.80 to 21.92, or associated rules.

5.23 Sec. 12. Minnesota Statutes 2008, section 18J.04, subdivision 2, is amended to read:

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

5.25 (1) inspection of inventory and equipment for the manufacture, storage, handling,
5.26 distribution, disposal, or any other process regulated under chapter 18G ~~or~~, 18H, or 18K,
5.27 sections 21.80 to 21.92, or associated rules;

5.28 (2) sampling of sites, seeds, plants, products, or other living or nonliving objects that
5.29 are manufactured, stored, distributed, handled, or disposed of at those sites and regulated
5.30 under chapter 18G ~~or~~, 18H, or 18K, sections 21.80 to 21.92, or associated rules;

6.1 (3) inspection of records related to the manufacture, distribution, storage, handling,
6.2 or disposal of seeds, plants, products, or other living or nonliving objects regulated under
6.3 chapter 18G ~~or~~, 18H, or 18K, sections 21.80 to 21.92, or associated rules;

6.4 (4) investigating compliance with chapter 18G ~~or~~, 18H, or 18K, sections 21.80
6.5 to 21.92, or associated rules; or

6.6 (5) other purposes necessary to implement chapter 18G ~~or~~, 18H, or 18K, sections
6.7 21.80 to 21.92, or associated rules.

6.8 (b) The commissioner may enter any public or private premises during or after
6.9 regular business hours without notice of inspection when a suspected violation of chapter
6.10 18G ~~or~~, 18H, or 18K, sections 21.80 to 21.92, or associated rules may threaten public
6.11 health or the environment.

6.12 Sec. 13. Minnesota Statutes 2008, section 18J.04, subdivision 3, is amended to read:

6.13 Subd. 3. **Notice of inspection samples and analyses.** (a) The commissioner shall
6.14 provide the owner, operator, or agent in charge with a receipt describing any samples
6.15 obtained. If requested, the commissioner shall split any samples obtained and provide
6.16 them to the owner, operator, or agent in charge. If an analysis is made of the samples,
6.17 a copy of the results of the analysis must be furnished to the owner, operator, or agent
6.18 in charge within 30 days after an analysis has been performed. If an analysis is not
6.19 performed, the commissioner must notify the owner, operator, or agent in charge within 30
6.20 days of the decision not to perform the analysis.

6.21 (b) The sampling and analysis must be done according to methods provided for
6.22 under applicable provisions of chapter 18G ~~or~~, 18H, or 18K, sections 21.80 to 21.92,
6.23 or associated rules. In cases not covered by those sections and methods or in cases
6.24 where methods are available in which improved applicability has been demonstrated the
6.25 commissioner may adopt appropriate methods from other sources.

6.26 Sec. 14. Minnesota Statutes 2008, section 18J.04, subdivision 4, is amended to read:

6.27 Subd. 4. **Inspection requests by others.** (a) A person who believes that a violation
6.28 of chapter 18G ~~or~~, 18H, or 18K, sections 21.80 to 21.92, or associated rules has occurred
6.29 may request an inspection by giving notice to the commissioner of the violation. The
6.30 notice must be in writing, state with reasonable particularity the grounds for the notice,
6.31 and be signed by the person making the request.

6.32 (b) If after receiving a notice of violation the commissioner reasonably believes that
6.33 a violation has occurred, the commissioner shall make a special inspection in accordance

7.1 with the provisions of this section as soon as practicable, to determine if a violation has
7.2 occurred.

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

7.8 Sec. 15. Minnesota Statutes 2008, section 18J.05, subdivision 1, is amended to read:

7.9 Subdivision 1. **Enforcement required.** (a) A violation of chapter 18G ~~or~~, 18H, or
7.10 18K, sections 21.80 to 21.92, or an associated rule is a violation of this chapter.

7.11 (b) Upon the request of the commissioner, county attorneys, sheriffs, and other
7.12 officers having authority in the enforcement of the general criminal laws must take action
7.13 to the extent of their authority necessary or proper for the enforcement of chapter 18G
7.14 ~~or~~, 18H, or 18K, sections 21.80 to 21.92, or associated rules or valid orders, standards,
7.15 stipulations, and agreements of the commissioner.

7.16 Sec. 16. Minnesota Statutes 2008, section 18J.05, subdivision 2, is amended to read:

7.17 Subd. 2. **Commissioner's discretion.** If minor violations of chapter 18G ~~or~~, 18H,
7.18 or 18K, sections 21.80 to 21.92, or associated rules occur or the commissioner believes
7.19 the public interest will be best served by a suitable notice of warning in writing, this
7.20 section does not require the commissioner to:

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

7.24 Sec. 17. Minnesota Statutes 2008, section 18J.05, subdivision 6, is amended to read:

7.25 Subd. 6. **Agent for service of process.** All persons licensed, permitted, registered,
7.26 or certified under chapter 18G ~~or~~, 18H, or 18K, sections 21.80 to 21.92, or associated rules
7.27 must appoint the commissioner as the agent upon whom all legal process may be served
7.28 and service upon the commissioner is deemed to be service on the licensee, permittee,
7.29 registrant, or certified person.

7.30 Sec. 18. Minnesota Statutes 2008, section 18J.06, is amended to read:

7.31 **18J.06 FALSE STATEMENT OR RECORD.**

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

8.3 (1) an application for registration, license, certification, or permit under chapter 18G
8.4 ~~or~~, 18H, or 18K, sections 21.80 to 21.92, or associated rules;

8.5 (2) records or reports required under chapter 18G ~~or~~, 18H, or 18K, sections 21.80
8.6 to 21.92, or associated rules; or

8.7 (3) an investigation of a violation of chapter 18G ~~or~~, 18H, or 18K, sections 21.80 to
8.8 21.92, or associated rules.

8.9 Sec. 19. Minnesota Statutes 2008, section 18J.07, subdivision 3, is amended to read:

8.10 Subd. 3. **Cancellation of registration, permit, license, certification.** The
8.11 commissioner may cancel or revoke a registration, permit, license, or certification
8.12 provided for under chapter 18G ~~or~~, 18H, or 18K, sections 21.80 to 21.92, or associated
8.13 rules or refuse to register, permit, license, or certify under provisions of chapter 18G ~~or~~,
8.14 18H, or 18K, sections 21.80 to 21.92, or associated rules if the registrant, permittee,
8.15 licensee, or certified person has used fraudulent or deceptive practices in the evasion or
8.16 attempted evasion of a provision of chapter 18G ~~or~~, 18H, or 18K, sections 21.80 to 21.92,
8.17 or associated rules.

8.18 Sec. 20. Minnesota Statutes 2008, section 18J.07, subdivision 4, is amended to read:

8.19 Subd. 4. **Service of order or notice.** (a) If a person is not available for service
8.20 of an order, the commissioner may attach the order to the facility, site, seed or seed
8.21 container, plant or other living or nonliving object regulated under chapter 18G ~~or~~, 18H, or
8.22 18K, sections 21.80 to 21.92, or associated rules and notify the owner, custodian, other
8.23 responsible party, or registrant.

8.24 (b) The seed, seed container, plant, or other living or nonliving object regulated
8.25 under chapter 18G ~~or~~, 18H, or 18K, sections 21.80 to 21.92, or associated rules may not
8.26 be sold, used, tampered with, or removed until released under conditions specified by the
8.27 commissioner, by an administrative law judge, or by a court.

8.28 Sec. 21. Minnesota Statutes 2008, section 18J.07, subdivision 5, is amended to read:

8.29 Subd. 5. **Unsatisfied judgments.** (a) An applicant for a license, permit, registration,
8.30 or certification under provisions of this chapter, chapter 18G ~~or~~, 18H, or 18K, sections
8.31 21.80 to 21.92, or associated rules may not allow a final judgment against the applicant
8.32 for damages arising from a violation of those statutes or rules to remain unsatisfied for
8.33 a period of more than 30 days.

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

9.4 Sec. 22. Minnesota Statutes 2008, section 18J.09, is amended to read:

9.5 **18J.09 CREDITING OF PENALTIES, FEES, AND COSTS.**

9.6 Penalties, cost reimbursements, fees, and other money collected under this chapter
9.7 must be deposited into the state treasury and credited to the appropriate nursery and
9.8 phytosanitary, industrial hemp, or seed account.

9.9 Sec. 23. Minnesota Statutes 2008, section 18J.11, subdivision 1, is amended to read:

9.10 Subdivision 1. **General violation.** Except as provided in subdivisions 2 and 3, and
9.11 4, a person is guilty of a misdemeanor if the person violates this chapter or an order,
9.12 standard, stipulation, agreement, or schedule of compliance of the commissioner.

9.13 Sec. 24. Minnesota Statutes 2008, section 18J.11, is amended by adding a subdivision
9.14 to read:

9.15 Subd. 4. **Controlled substance offenses.** Prosecution under this section does not
9.16 preclude prosecution under chapter 152.

9.17 Sec. 25. **[18K.01] SHORT TITLE.**

9.18 This chapter may be referred to as the "Industrial Hemp Development Act."

9.19 Sec. 26. **[18K.02] PURPOSE.**

9.20 The legislature finds that the development and use of industrial hemp can improve
9.21 the state's economy and agricultural vitality and the production of industrial hemp can
9.22 be regulated so as not to interfere with the strict regulation of controlled substances in
9.23 this state. The purpose of the Industrial Hemp Development Act is to promote the state
9.24 economy and agriculture industry by permitting the development of a regulated industrial
9.25 hemp industry while maintaining strict control of marijuana.

9.26 Sec. 27. **[18K.03] DEFINITIONS.**

9.27 Subdivision 1. **Scope.** The definitions in this section apply to this chapter.

9.28 Subd. 2. **Commissioner.** "Commissioner" means the commissioner of agriculture.

10.1 Subd. 3. **Industrial hemp.** "Industrial hemp" means all parts and varieties of
10.2 the plant Cannabis sativa L. containing no greater than three-tenths of one percent
10.3 tetrahydrocannabinol.

10.4 Subd. 4. **Marijuana.** "Marijuana" has the meaning given in section 152.01,
10.5 subdivision 9.

10.6 Sec. 28. **[18K.04] INDUSTRIAL HEMP AUTHORIZED AS AGRICULTURAL**
10.7 **CROP.**

10.8 Industrial hemp is considered an agricultural crop in this state if grown in
10.9 compliance with this chapter. A person may possess, process, sell, or buy industrial
10.10 hemp that is planted, grown, and harvested in accordance with the provisions of sections
10.11 18K.05 and 18K.06.

10.12 Sec. 29. **[18K.05] LICENSING.**

10.13 (a) A person growing or seeking to grow industrial hemp for commercial purposes
10.14 must apply to the commissioner for license on a form prescribed by the commissioner.

10.15 (b) The application for a license must include the name and address of the applicant
10.16 and the legal description of the land area to be used for the production of industrial hemp.

10.17 (c) The commissioner must require each first-time applicant for a license to submit
10.18 to a background investigation conducted by the Bureau of Criminal Apprehension as a
10.19 condition of licensure. As part of the background investigation, the Bureau of Criminal
10.20 Apprehension must conduct criminal history checks of Minnesota records and is authorized
10.21 to exchange fingerprints with the Federal Bureau of Investigation for the purpose of a
10.22 criminal background check of the national files. The cost of the investigation must be paid
10.23 by the applicant. Criminal history records provided to the department under this section
10.24 must be treated as private data on individuals, as defined in section 13.02, subdivision 12.

10.25 (d) Prior to issuing a license under the provisions of this chapter, the commissioner
10.26 must determine that the applicant has complied with all applicable requirements of
10.27 the United States Department of Justice, Drug Enforcement Administration, for the
10.28 production, distribution, and sale of industrial hemp.

10.29 (e) If the applicant has completed the application process to the satisfaction of the
10.30 commissioner, the commissioner must issue a license which is valid until December 31
10.31 of the year of application. An individual licensed under this section is presumed to be
10.32 growing industrial hemp for commercial purposes.

10.33 Sec. 30. **[18K.06] INDUSTRIAL HEMP PRODUCTION; NOTIFICATION.**

- 11.1 (a) Annually, a licensee must file with the commissioner:
- 11.2 (1) documentation showing that the seeds planted are of a type and variety certified
- 11.3 to contain no more than three-tenths of one percent tetrahydrocannabinol; and
- 11.4 (2) a copy of any contract to grow industrial hemp.
- 11.5 (b) A licensee must notify the commissioner of the sale or distribution of any
- 11.6 industrial hemp grown by the licensee, including, but not limited to, the name and address
- 11.7 of the person or entity receiving the industrial hemp and the amount of industrial hemp
- 11.8 sold.

11.9 **Sec. 31. [18K.07] RULEMAKING.**

- 11.10 (a) The commissioner shall promulgate rules dealing with, but not limited to:
- 11.11 (1) supervising and inspecting industrial hemp during its growth and harvest;
- 11.12 (2) testing industrial hemp during growth to determine tetrahydrocannabinol levels;
- 11.13 (3) assessing a fee commensurate with the costs of the commissioner's activities in
- 11.14 initial startup, licensing, testing, and supervising industrial hemp production;
- 11.15 (4) using the results of the background checks authorized in section 18K.05 as
- 11.16 criteria for approving or denying an application for industrial hemp licensure; and
- 11.17 (5) any other rule or procedure necessary to carry out the purposes of this chapter.
- 11.18 (b) Rules promulgated under this section must be consistent with the rules of the
- 11.19 United States Department of Justice, Drug Enforcement Administration, regarding the
- 11.20 production, distribution, and sale of industrial hemp.

11.21 **Sec. 32. [18K.08] FEES.**

- 11.22 Any fee collected under this chapter must be credited to the industrial hemp account,
- 11.23 which is hereby established in the agricultural fund in the state treasury. Interest earned in
- 11.24 the account accrues to the account. Funds in the industrial hemp account are continuously
- 11.25 appropriated to the commissioner to implement and enforce this chapter. Program startup
- 11.26 costs shall be paid from the agricultural fund and shall be repaid with funds in the
- 11.27 industrial hemp account.

11.28 **Sec. 33. [18K.09] DEFENSE FOR POSSESSION OF MARIJUANA.**

- 11.29 It is an affirmative defense to a prosecution for the possession of marijuana under
- 11.30 chapter 152 if:
- 11.31 (1) the defendant was growing industrial hemp pursuant to the provisions of this
- 11.32 chapter;

- 12.1 (2) the defendant has a valid applicable controlled substances registration from the
- 12.2 United States Department of Justice, Drug Enforcement Administration;
- 12.3 (3) the defendant fully complied with all of the conditions of the controlled
- 12.4 substances registration; and
- 12.5 (4) the substance in possession is industrial hemp, as defined in section 18K.03.

12.6 Sec. 34. Minnesota Statutes 2008, section 28A.082, subdivision 1, is amended to read:

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

square footage	review fee
12.11 0 - 4,999	\$ 200.00
12.12 5,000 - 24,999	\$ 275.00
12.13 25,000 plus	\$ 425.00

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

12.20 Sec. 35. Minnesota Statutes 2008, section 35.244, subdivision 1, is amended to read:

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

12.28 Sec. 36. Minnesota Statutes 2008, section 35.244, subdivision 2, is amended to read:

12.29 Subd. 2. **Requirements within a tuberculosis control** ~~within modified accredited~~
12.30 **zone.** In a ~~modified accredited~~ tuberculosis control zone, the board ~~has the authority to~~
12.31 may:

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

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

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

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

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

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

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

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

13.19 **Sec. 37. [38.345] APPROPRIATIONS BY MUNICIPALITIES.**

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

13.22 Sec. 38. Minnesota Statutes 2008, section 152.01, subdivision 9, is amended to read:

13.23 Subd. 9. **Marijuana.** "Marijuana" means all parts of the plant of any species of
13.24 the genus Cannabis, including all agronomical varieties, whether growing or not; the
13.25 seeds thereof; the resin extracted from any part of such plant; and every compound,
13.26 manufacture, salt, derivative, mixture, or preparation of such plant, its seeds or resin, but
13.27 shall not include the mature stalks of such plant, fiber from such stalks, oil or cake made
13.28 from the seeds of such plant, any other compound, manufacture, salt, derivative, mixture,
13.29 or preparation of such mature stalks, except the resin extracted therefrom, fiber, oil, or
13.30 cake, or the sterilized seed of such plant which is incapable of germination. Marijuana
13.31 does not include industrial hemp as defined in section 18K.03.

13.32 Sec. 39. Minnesota Statutes 2008, section 239.092, is amended to read:

13.33 **239.092 SALE FROM BULK.**

- 14.1 (a) Bulk sales of commodities, when the buyer and seller are not both present to
14.2 witness the measurement, must be accompanied by a delivery ticket containing the
14.3 following information:
- 14.4 (1) the name and address of the person who weighed or measured the commodity;
14.5 (2) the date delivered;
14.6 (3) the quantity delivered;
14.7 (4) the count of individually wrapped packages delivered, if more than one is
14.8 included in the quantity delivered;
14.9 (5) the quantity on which the price is based, if different than the quantity delivered;
14.10 and
14.11 (6) the identity of the commodity in the most descriptive terms commercially
14.12 practicable, including representations of quality made in connection with the sale.
- 14.13 (b) This section is not intended to conflict with the bulk sale requirements of the
14.14 Department of Agriculture. If a conflict occurs, the law and rules of the Department of
14.15 Agriculture govern.
- 14.16 (c) Firewood sold or distributed across state boundaries or more than 100 miles
14.17 from its origin must include delivery ticket information regarding the harvest locations
14.18 of the wood by county and state.
- 14.19 (d) Paragraph (c) may be enforced using the authority granted in this chapter or
14.20 section 18J.05 or 84D.13.

14.21 Sec. 40. Minnesota Statutes 2008, section 239.093, is amended to read:

14.22 **239.093 INFORMATION REQUIRED WITH PACKAGE.**

- 14.23 (a) A package offered, exposed, or held for sale must bear a clear and conspicuous
14.24 declaration of:
- 14.25 (1) the identity of the commodity in the package, unless the commodity can be easily
14.26 identified through the wrapper or container;
14.27 (2) the net quantity in terms of weight, measure, or count;
14.28 (3) the name and address of the manufacturer, packer, or distributor, if the packages
14.29 were not produced on the premises where they are offered, exposed, or held for sale; and
14.30 (4) the unit price, if the packages are part of a lot containing random weight
14.31 packages of the same commodity.
- 14.32 (b) This section is not intended to conflict with the packaging requirements of the
14.33 Department of Agriculture. If a conflict occurs, the laws and rules of the Department of
14.34 Agriculture govern.

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

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

15.6 Sec. 41. Minnesota Statutes 2009 Supplement, section 239.791, subdivision 1, is
15.7 amended to read:

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

15.12 (1) 10.0 percent denatured ethanol by volume; or

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

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

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

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

15.25 Sec. 42. Minnesota Statutes 2009 Supplement, section 239.791, subdivision 1a,
15.26 is amended to read:

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

15.31 (1) 20 percent denatured ethanol by volume; or

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

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

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

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

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

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

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

16.26 Sec. 43. Minnesota Statutes 2008, section 239.791, is amended by adding a subdivision
 16.27 to read:

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

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

17.1 (2) allow for special regulatory treatment of Reid vapor pressure under Code of
17.2 Federal Regulations, title 40, section 80.27(d), for blends of gasoline and ethanol up to the
17.3 maximum percent of denatured ethanol by volume authorized under the waiver.

17.4 (b) The minimum ethanol requirement in subdivision 1, paragraph (a), clause (2),
17.5 or subdivision 1a, paragraph (a), clause (2), shall, upon the grant of the federal waiver,
17.6 be effective on a date determined by the commissioner of commerce. In making this
17.7 determination, the commissioner shall consider the amount of time required by refiners,
17.8 retailers, pipeline and distribution terminal companies, and other fuel suppliers, acting
17.9 expeditiously, to make the operational and logistical changes required to supply fuel in
17.10 compliance with the minimum ethanol requirement.

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

17.12 Sec. 44. Minnesota Statutes 2008, section 239.791, is amended by adding a subdivision
17.13 to read:

17.14 Subd. 2b. **Limited liability waiver.** No motor fuel shall be deemed to be a defective
17.15 product by virtue of the fact that the motor fuel is formulated or blended pursuant to
17.16 the requirements of subdivision 1, paragraph (a), clause (2), or subdivision 1a, under
17.17 any theory of liability except for simple or willful negligence or fraud. This subdivision
17.18 does not preclude an action for negligent, fraudulent, or willful acts. This subdivision
17.19 does not affect a person whose liability arises under chapter 115, water pollution control;
17.20 115A, waste management; 115B, environmental response and liability; 115C, leaking
17.21 underground storage tanks; or 299J, pipeline safety; under public nuisance law for damage
17.22 to the environment or the public health; under any other environmental or public health
17.23 law; or under any environmental or public health ordinance or program of a municipality
17.24 as defined in section 466.01.

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

17.26 Sec. 45. Minnesota Statutes 2008, section 239.791, is amended by adding a subdivision
17.27 to read:

17.28 Subd. 2c. **Fuel dispensing equipment; blends over ten percent ethanol.**
17.29 Notwithstanding any other law or rule, fuel dispensing equipment authorized to dispense
17.30 fuel under subdivision 1, paragraph (a), clause (1), is authorized to dispense fuel under
17.31 subdivision 1, paragraph (a), clause (2), or subdivision 1a.

18.1 Sec. 46. Minnesota Statutes 2008, section 336.9-531, is amended to read:

18.2 **336.9-531 ELECTRONIC ACCESS; LIABILITY; RETENTION.**

18.3 (a) **Electronic access.** The secretary of state may allow private parties to have
18.4 electronic access to the central filing system and to other computerized records maintained
18.5 by the secretary of state on a fee basis, except that: (1) visual access to electronic display
18.6 terminals at the public counters at the Secretary of State's Office must be without charge
18.7 and must be available during public counter hours; and (2) access by law enforcement
18.8 personnel, acting in an official capacity, must be without charge. If the central filing system
18.9 allows a form of electronic access to information regarding the obligations of debtors, the
18.10 access must be available 24 hours a day, every day of the year. ~~Notwithstanding section~~
18.11 ~~13.355, private parties who have electronic access to computerized records may view the~~
18.12 ~~Social Security number information about a debtor that is of record.~~

18.13 ~~Notwithstanding section 13.355, a filing office may include Social Security number~~
18.14 ~~information in an information request response under section 336.9-523 or a search of~~
18.15 ~~other liens in the central filing system. A filing office may also include Social Security~~
18.16 ~~number information on a photocopy or electronic copy of a record whether provided in~~
18.17 ~~an information request response or in response to a request made under section 13.03.~~
18.18 Any Social Security number information or tax identification number information in the
18.19 possession of the secretary of state is private data on individuals.

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

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

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

18.31 **EFFECTIVE DATE.** This section is effective for financing statements filed in the
18.32 central filing system after November 30, 2010.

18.33 Sec. 47. Minnesota Statutes 2008, section 336A.08, subdivision 1, is amended to read:

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

19.3 (1) organized according to farm product;

19.4 (2) arranged within each product:

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

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

19.12 (iii) geographically by county; and

19.13 (iv) by crop year;

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

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

19.16 (b) The secretary of state shall compile information from lien notices recorded in the
19.17 computerized filing system into a statutory lien master list in alphabetical order according
19.18 to the last name of the individual debtor or, in the case of debtors doing business other
19.19 than as individuals, the first word in the name of the debtors. The secretary of state may
19.20 also organize the statutory lien master list according to one or more of the categories of
19.21 information established in paragraph (a). Any terminations of lien notices must be noted.

19.22 **EFFECTIVE DATE.** This section is effective for lists compiled pursuant to this
19.23 section after October 31, 2010.

19.24 Sec. 48. Minnesota Statutes 2008, section 336A.08, subdivision 4, is amended to read:

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

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

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

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

20.1 (c) The secretary of state shall distribute or make available the requested master and
20.2 partial master lists on a monthly basis to farm product dealers registered under section
20.3 336A.11. Lists will be distributed or made available on or before the tenth day of each
20.4 month or on the next business day thereafter if the tenth day is not a business day.

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

20.8 (1) any electronically transmitted medium; or

20.9 (2) any form of digital media.

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

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

20.16 (g) If a registered farm products dealer receives a monthly list that cannot be read or
20.17 is incomplete, the farm products dealer must immediately inform the secretary of state by
20.18 telephone or e-mail of the problem. The registered farm products dealer shall confirm the
20.19 existence of the problem by writing to the secretary of state. The secretary of state shall
20.20 provide the registered farm products dealer with new monthly lists in the medium chosen
20.21 by the registered farm products dealer no later than five business days after receipt of the
20.22 oral notice from the registered farm products dealer. A registered farm products dealer is
20.23 not considered to have received notice of the information on the monthly lists until the
20.24 duplicate list is received from the secretary of state or until five days have passed since the
20.25 duplicate lists were deposited in the mail by the secretary of state, whichever comes first.

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

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

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

20.35 (k) Registered farm products dealers choosing to obtain monthly lists via an
20.36 electronically transmitted medium or in any form of digital media may choose to receive

21.1 all of the information for the monthly lists requested the first month and then only
21.2 additions and deletions to the database for the remaining 11 months of the year. Following
21.3 the first year of registration, the registered farm products dealer may choose to continue to
21.4 receive one copy of the full monthly list at the beginning of each year or may choose to
21.5 receive only additions and deletions.

21.6 **EFFECTIVE DATE.** This section is effective for lists distributed pursuant to this
21.7 section after October 31, 2010.

21.8 Sec. 49. Minnesota Statutes 2008, section 336A.14, is amended to read:

21.9 **336A.14 RESTRICTED USE OF INFORMATION.**

21.10 Any Social Security number information or tax identification number information
21.11 in the possession of the secretary of state is private data on individuals. Information
21.12 obtained from the seller of a farm product relative to the Social Security number or tax
21.13 identification number of the true owner of the farm product and all information obtained
21.14 from the master or limited list may not be used for purposes that are not related to: (1)
21.15 purchase of a farm product; (2) taking a security interest against a farm product; or (3)
21.16 perfecting a farm product statutory lien.

21.17 **EFFECTIVE DATE.** This section is effective October 31, 2010.

21.18 Sec. 50. Minnesota Statutes 2008, section 375.30, subdivision 2, is amended to read:

21.19 Subd. 2. **Wild hemp.** A county board, by resolution, may appropriate and spend
21.20 money as necessary to spray and otherwise eradicate wild hemp, commonly known as
21.21 marijuana, on private property within the county. The county board may authorize the
21.22 use of county equipment, personnel and supplies and materials to spray or otherwise
21.23 eradicate wild hemp on private property, and may pro rate the expenses involved between
21.24 the county and owner or occupant of the property. Wild hemp does not include industrial
21.25 hemp grown by a person licensed under chapter 18K.

21.26 Sec. 51. Minnesota Statutes 2008, section 500.221, subdivision 2, is amended to read:

21.27 Subd. 2. **Aliens and non-American corporations.** Except as hereinafter provided,
21.28 no natural person shall acquire directly or indirectly any interest in agricultural land unless
21.29 the person is a citizen of the United States or a permanent resident alien of the United
21.30 States. In addition to the restrictions in section 500.24, no corporation, partnership,
21.31 limited partnership, trustee, or other business entity shall directly or indirectly, acquire
21.32 or otherwise obtain any interest, whether legal, beneficial or otherwise, in any title to

22.1 agricultural land unless at least 80 percent of each class of stock issued and outstanding or
22.2 80 percent of the ultimate beneficial interest of the entity is held directly or indirectly by
22.3 citizens of the United States or permanent resident aliens. This section shall not apply:

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

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

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

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

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

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

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

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

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

22.32 (ii) becomes a permanent resident alien of the United States or a United States
22.33 citizen; or

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

23.1 Sec. 52. Minnesota Statutes 2008, section 500.221, subdivision 4, is amended to read:

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

23.9 (b) An individual or entity that qualifies for an exemption under subdivision 2,
23.10 clause (2) or (9), and owns an interest in agricultural land shall file a report with the
23.11 commissioner of agriculture within 30 days of acquisition containing a description of all
23.12 interests in agricultural land held within this state.

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

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

23.16 Sec. 53. Minnesota Statutes 2008, section 500.24, subdivision 2, is amended to read:

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

23.18 (a) "Farming" means the production of (1) agricultural products; (2) livestock or
23.19 livestock products; (3) milk or milk products; or (4) fruit or other horticultural products. It
23.20 does not include the processing, refining, or packaging of said products, nor the provision
23.21 of spraying or harvesting services by a processor or distributor of farm products. It does
23.22 not include the production of timber or forest products, the production of poultry or
23.23 poultry products, or the feeding and caring for livestock that are delivered to a corporation
23.24 for slaughter or processing for up to 20 days before slaughter or processing.

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

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

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

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

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

24.13 (d) "Family farm trust" means:

24.14 (1) a trust in which:

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

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

24.20 (iii) one of the family member current beneficiaries is residing on or actively
24.21 operating the farm; or the trust leases the agricultural land to a family farm unit, a
24.22 family farm corporation, an authorized farm corporation, an authorized livestock farm
24.23 corporation, a family farm limited liability company, a family farm trust, an authorized
24.24 farm limited liability company, a family farm partnership, or an authorized farm
24.25 partnership; or

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

24.29 (e) "Authorized farm corporation" means a corporation meeting the following
24.30 standards:

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

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

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

25.1 (4) its revenue from rent, royalties, dividends, interest, and annuities does not exceed
25.2 20 percent of its gross receipts;

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

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

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

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

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

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

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

25.16 (4) its revenue from rent, royalties, dividends, interest, and annuities does not exceed
25.17 20 percent of its gross receipts;

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

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

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

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

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

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

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

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

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

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

26.23 (k) "Authorized farm partnership" means a limited partnership meeting the following
26.24 standards:

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

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

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

26.30 (4) its revenue from rent, royalties, dividends, interest, and annuities does not exceed
26.31 20 percent of its gross receipts;

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

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

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

27.3 (8) none of its limited partners are limited partners in other authorized farm
27.4 partnerships that directly or indirectly in combination with the partnership own more than
27.5 1,500 acres of agricultural land.

27.6 (l) "Family farm limited liability company" means a limited liability company
27.7 founded for the purpose of farming and the ownership of agricultural land in which the
27.8 majority of the membership interests is held by and the majority of the members are
27.9 natural persons, or current beneficiaries of one or more family farm trusts in which the
27.10 trustee holds an interest in a family farm limited liability company related to each other
27.11 within the third degree of kindred according to the rules of the civil law, and at least one of
27.12 the related persons is residing on the farm, actively operating the farm, or the agricultural
27.13 land was owned by one or more of the related persons for a period of five years before
27.14 its transfer to the limited liability company, and none of the members is a corporation or
27.15 a limited liability company. A family farm limited liability company does not cease to
27.16 qualify as a family farm limited liability company because of:

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

27.21 (2) distribution from a family farm trust of a membership interest to a beneficiary
27.22 related within the third degree of kindred according to the rules of civil law to a majority
27.23 of the current beneficiaries of the trust, or to a family farm trust of which the member,
27.24 spouse, or related person is a current beneficiary.

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

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

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

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

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

28.2 (4) its revenue from rent, royalties, dividends, interest, and annuities does not exceed
28.3 20 percent of its gross receipts;

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

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

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

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

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

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

28.23 (p) "Research or experimental farm" means a corporation, limited partnership,
28.24 pension, investment fund, or limited liability company that owns or operates agricultural
28.25 land for research or experimental purposes, provided that any commercial sales from the
28.26 operation are incidental to the research or experimental objectives of the corporation. A
28.27 corporation, limited partnership, limited liability company, or pension or investment fund
28.28 seeking initial approval by the commissioner to operate agricultural land for research or
28.29 experimental purposes must first submit to the commissioner a prospectus or proposal of
28.30 the intended method of operation containing information required by the commissioner
28.31 including a copy of any operational contract with individual participants.

28.32 (q) "Breeding stock farm" means a corporation, limited partnership, or limited
28.33 liability company, that owns or operates agricultural land for the purpose of raising
28.34 breeding stock, including embryos, for resale to farmers or for the purpose of growing
28.35 seed, wild rice, nursery plants, or sod. An entity that is organized to raise livestock

29.1 other than dairy cattle under this paragraph that does not qualify as an authorized farm
29.2 corporation must:

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

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

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

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

29.12 (t) "Utility corporation" means a corporation regulated under Minnesota Statutes
29.13 1974, chapter 216B, that owns agricultural land for purposes described in that chapter, or
29.14 an electric generation or transmission cooperative that owns agricultural land for use in
29.15 its business if the land is not used for farming except under lease to a family farm unit,
29.16 a family farm corporation, a family farm trust, a family farm partnership, or a family
29.17 farm limited liability company.

29.18 (u) "Development organization" means a corporation, limited partnership, limited
29.19 liability company, or pension or investment fund that has an interest in agricultural land
29.20 for which the corporation, limited partnership, limited liability company, or pension or
29.21 investment fund has documented plans to use and subsequently uses the land within
29.22 six years from the date of purchase for a specific nonfarming purpose, or if the land is
29.23 zoned nonagricultural, or if the land is located within an incorporated area. A corporation,
29.24 limited partnership, limited liability company, or pension or investment fund may hold
29.25 agricultural land in the amount necessary for its nonfarm business operation; provided,
29.26 however, that pending the development of agricultural land for nonfarm purposes, the land
29.27 may not be used for farming except under lease to a family farm unit, a family farm
29.28 corporation, a family farm trust, an authorized farm corporation, an authorized livestock
29.29 farm corporation, a family farm partnership, an authorized farm partnership, a family farm
29.30 limited liability company, or an authorized farm limited liability company, or except when
29.31 controlled through ownership, options, leaseholds, or other agreements by a corporation
29.32 that has entered into an agreement with the United States under the New Community Act
29.33 of 1968 (Title IV of the Housing and Urban Development Act of 1968, United States Code,
29.34 title 42, sections 3901 to 3914) as amended, or a subsidiary or assign of such a corporation.

29.35 (v) "Exempt land" means agricultural land owned or leased by a corporation as of
29.36 May 20, 1973, agricultural land owned or leased by a pension or investment fund as of

30.1 May 12, 1981, agricultural land owned or leased by a limited partnership as of May 1,
30.2 1988, or agricultural land owned or leased by a trust as of the effective date of Laws 2000,
30.3 chapter 477, including the normal expansion of that ownership at a rate not to exceed 20
30.4 percent of the amount of land owned as of May 20, 1973, for a corporation; May 12, 1981,
30.5 for a pension or investment fund; May 1, 1988, for a limited partnership, or the effective
30.6 date of Laws 2000, chapter 477, for a trust, measured in acres, in any five-year period,
30.7 and including additional ownership reasonably necessary to meet the requirements of
30.8 pollution control rules. A corporation, limited partnership, or pension or investment fund
30.9 that is eligible to own or lease agricultural land under this section prior to May 1997, or a
30.10 corporation that is eligible to own or lease agricultural land as a benevolent trust under this
30.11 section prior to the effective date of Laws 2000, chapter 477, may continue to own or lease
30.12 agricultural land subject to the same conditions and limitations as previously allowed.

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

30.17 (x) "Repossessed land" means agricultural land acquired by a corporation, limited
30.18 partnership, limited liability company, or pension or investment fund by process of law
30.19 in the collection of debts, or by any procedure for the enforcement of a lien or claim on
30.20 the land, whether created by mortgage or otherwise if all land so acquired is disposed of
30.21 within five years after acquiring the title. The five-year limitation is a covenant running
30.22 with the title to the land against any grantee, assignee, or successor of the pension or
30.23 investment fund, corporation, limited partnership, or limited liability company. The land
30.24 so acquired must not be used for farming during the five-year period, except under a
30.25 lease to a family farm unit, a family farm corporation, a family farm trust, an authorized
30.26 farm corporation, an authorized livestock farm corporation, a family farm partnership, an
30.27 authorized farm partnership, a family farm limited liability company, or an authorized
30.28 farm limited liability company. Notwithstanding the five-year divestiture requirement
30.29 under this paragraph, a financial institution may continue to own the agricultural land if the
30.30 agricultural land is leased to the immediately preceding former owner, but must dispose
30.31 of the agricultural land within ten years of acquiring the title. Livestock acquired by a
30.32 pension or investment fund, corporation, limited partnership, or limited liability company
30.33 in the collection of debts, or by a procedure for the enforcement of lien or claim on the
30.34 livestock whether created by security agreement or otherwise after August 1, 1994, must
30.35 be sold or disposed of within one full production cycle for the type of livestock acquired
30.36 or 18 months after the livestock is acquired, whichever is earlier.

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

31.2 (z) "Nonprofit corporation" means a nonprofit corporation organized under state
31.3 nonprofit corporation or trust law or qualified for tax-exempt status under federal tax
31.4 law that uses the land for a specific nonfarming purpose ~~or~~, leases the agricultural land
31.5 to a family farm unit, a family farm corporation, an authorized farm corporation, an
31.6 authorized livestock farm corporation, a family farm limited liability company, a family
31.7 farm trust, an authorized farm limited liability company, a family farm partnership, or an
31.8 authorized farm partnership, or actively farms less than 40 acres and uses all profits from
31.9 the agricultural land for educational purposes.

31.10 (aa) "Current beneficiary" means a person who at any time during a year is entitled
31.11 to, or at the discretion of any person may, receive a distribution from the income or
31.12 principal of the trust. It does not include a distributee trust, other than a trust described in
31.13 section 170(c) of the Internal Revenue Code, as amended, but does include the current
31.14 beneficiaries of the distributee trust. It does not include a person in whose favor a power
31.15 of appointment could be exercised until the holder of the power of appointment actually
31.16 exercises the power of appointment in that person's favor. It does not include a person who
31.17 is entitled to receive a distribution only after a specified time or upon the occurrence of a
31.18 specified event until the time or occurrence of the event. For the purposes of this section, a
31.19 distributee trust is a current beneficiary of a family farm trust.

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

31.24 Sec. 54. Minnesota Statutes 2008, section 514.965, subdivision 2, is amended to read:

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

31.29 Sec. 55. Minnesota Statutes 2008, section 514.966, is amended by adding a subdivision
31.30 to read:

31.31 Subd. 3a. **Temporary livestock production input lien; debtor in mediation.** (a)
31.32 A supplier furnishing livestock production inputs in the ordinary course of business to a
31.33 debtor who has filed a mediation request under chapter 583 has a livestock production
31.34 input lien for the unpaid retail cost of the livestock production input. A perfected livestock

32.1 production input lien that attaches to livestock may not exceed the amount, if any, that the
 32.2 sales price of the livestock for which the inputs were received exceeds the greater of the
 32.3 fair market value of the livestock at the time the lien attaches or the acquisition price of
 32.4 the livestock. A livestock production input lien becomes effective when the agricultural
 32.5 production inputs are furnished by the supplier to the purchaser.

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

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

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

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

32.18 Sec. 56. Minnesota Statutes 2008, section 514.966, subdivision 5, is amended to read:

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

32.23 Sec. 57. Minnesota Statutes 2008, section 514.966, subdivision 6, is amended to read:

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

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

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

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

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

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

33.6 Sec. 58. Laws 2007, chapter 45, article 1, section 3, subdivision 5, as amended by
33.7 Laws 2008, chapter 297, article 1, section 65, is amended to read:

33.8 **Subd. 5. Administration and Financial**
33.9 **Assistance** 7,338,000 6,751,000

33.10 \$1,005,000 the first year and \$1,005,000
33.11 the second year are for continuation of
33.12 the dairy development and profitability
33.13 enhancement and dairy business planning
33.14 grant programs established under Laws 1997,
33.15 chapter 216, section 7, subdivision 2, and
33.16 Laws 2001, First Special Session chapter 2,
33.17 section 9, subdivision 2 . The commissioner
33.18 may allocate the available sums among
33.19 permissible activities, including efforts to
33.20 improve the quality of milk produced in the
33.21 state in the proportions that the commissioner
33.22 deems most beneficial to Minnesota's dairy
33.23 farmers. The commissioner must submit a
33.24 work plan detailing plans for expenditures
33.25 under this program to the chairs of the
33.26 house and senate committees dealing with
33.27 agricultural policy and budget on or before
33.28 the start of each fiscal year. If significant
33.29 changes are made to the plans in the course
33.30 of the year, the commissioner must notify the
33.31 chairs.

33.32 \$50,000 the first year and \$50,000 the
33.33 second year are for the Northern Crops
33.34 Institute. These appropriations may be spent
33.35 to purchase equipment.

34.1 \$19,000 the first year and \$19,000 the
34.2 second year are for a grant to the Minnesota
34.3 Livestock Breeders Association.

34.4 \$250,000 the first year and \$250,000 the
34.5 second year are for grants to the Minnesota
34.6 Agricultural Education Leadership Council
34.7 for programs of the council under Minnesota
34.8 Statutes, chapter 41D.

34.9 \$600,000 the first year is for grants for
34.10 fertilizer research as awarded by the
34.11 Minnesota Agricultural Fertilizer Research
34.12 and Education Council under Minnesota
34.13 Statutes, section 18C.71. The amount
34.14 available to the commissioner pursuant
34.15 to Minnesota Statutes, section 18C.70,
34.16 subdivision 2, for administration of this
34.17 activity is available until February 1, 2009,
34.18 by which time the commissioner shall
34.19 report to the house and senate committees
34.20 with jurisdiction over agriculture finance.
34.21 The report must include the progress and
34.22 outcome of funded projects as well as the
34.23 sentiment of the council concerning the need
34.24 for additional research funded through an
34.25 industry checkoff fee. The amount available
34.26 for grants is available until June 30, 2011.

34.27 \$465,000 the first year and \$465,000 the
34.28 second year are for payments to county and
34.29 district agricultural societies and associations
34.30 under Minnesota Statutes, section 38.02,
34.31 subdivision 1. Aid payments to county and
34.32 district agricultural societies and associations
34.33 shall be disbursed not later than July 15 of
34.34 each year. These payments are the amount of

35.1 aid owed by the state for an annual fair held
35.2 in the previous calendar year.
35.3 \$65,000 the first year and \$65,000 the second
35.4 year are for annual grants to the Minnesota
35.5 Turf Seed Council for basic and applied
35.6 research on the improved production of
35.7 forage and turf seed related to new and
35.8 improved varieties. The grant recipient may
35.9 subcontract with a qualified third party for
35.10 some or all of the basic and applied research.
35.11 \$500,000 the first year and \$500,000 the
35.12 second year are for grants to Second Harvest
35.13 Heartland on behalf of Minnesota's six
35.14 Second Harvest food banks for the purchase
35.15 of milk for distribution to Minnesota's food
35.16 shelves and other charitable organizations
35.17 that are eligible to receive food from the food
35.18 banks. Milk purchased under the grants must
35.19 be acquired from Minnesota milk processors
35.20 and based on low-cost bids. The milk must be
35.21 allocated to each Second Harvest food bank
35.22 serving Minnesota according to the formula
35.23 used in the distribution of United States
35.24 Department of Agriculture commodities
35.25 under The Emergency Food Assistance
35.26 Program (TEFAP). Second Harvest
35.27 Heartland must submit quarterly reports
35.28 to the commissioner on forms prescribed
35.29 by the commissioner. The reports must
35.30 include, but are not limited to, information
35.31 on the expenditure of funds, the amount
35.32 of milk purchased, and the organizations
35.33 to which the milk was distributed. Second
35.34 Harvest Heartland may enter into contracts
35.35 or agreements with food banks for shared
35.36 funding or reimbursement of the direct

36.1 purchase of milk. Each food bank receiving
 36.2 money from this appropriation may use up to
 36.3 two percent of the grant for administrative
 36.4 expenses.

36.5 \$100,000 the first year and \$100,000 the
 36.6 second year are for transfer to the Board of
 36.7 Trustees of the Minnesota State Colleges and
 36.8 Universities for mental health counseling
 36.9 support to farm families and business
 36.10 operators through farm business management
 36.11 programs at Central Lakes College and
 36.12 Ridgewater College.

36.13 \$18,000 the first year and \$18,000 the
 36.14 second year are for grants to the Minnesota
 36.15 Horticultural Society.

36.16 \$50,000 is for a grant to the University of
 36.17 Minnesota, Department of Horticultural
 36.18 Science, Enology Laboratory, to upgrade
 36.19 and purchase instrumentation to allow
 36.20 rapid and accurate measurement of enology
 36.21 components. This is a onetime appropriation
 36.22 and is available until expended.

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

36.24 Sec. 59. Laws 2008, chapter 296, article 1, section 25, the effective date, is amended to
 36.25 read:

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

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

36.28 Sec. 60. Laws 2009, chapter 94, article 1, section 3, subdivision 5, is amended to read:

36.29 Subd. 5. **Administration and Financial**
 36.30 **Assistance** 8,177,000 7,037,000

36.31 Appropriations by Fund
 36.32 2010 2011

37.1	General	7,377,000	6,237,000
37.2	Agricultural	800,000	800,000

37.3 \$780,000 the first year and \$755,000 the
 37.4 second year are for continuation of the dairy
 37.5 development and profitability enhancement
 37.6 and dairy business planning grant programs
 37.7 established under Laws 1997, chapter
 37.8 216, section 7, subdivision 2, and Laws
 37.9 2001, First Special Session chapter 2,
 37.10 section 9, subdivision 2. The commissioner
 37.11 may allocate the available sums among
 37.12 permissible activities, including efforts to
 37.13 improve the quality of milk produced in the
 37.14 state in the proportions that the commissioner
 37.15 deems most beneficial to Minnesota's dairy
 37.16 farmers. The commissioner must submit a
 37.17 work plan detailing plans for expenditures
 37.18 under this program to the chairs of the house
 37.19 of representatives and senate committees
 37.20 dealing with agricultural policy and budget
 37.21 on or before the start of each fiscal year. If
 37.22 significant changes are made to the plans
 37.23 in the course of the year, the commissioner
 37.24 must notify the chairs.

37.25 \$50,000 the first year and \$50,000 the
 37.26 second year are for the Northern Crops
 37.27 Institute. These appropriations may be spent
 37.28 to purchase equipment.

37.29 \$19,000 the first year and \$19,000 the
 37.30 second year are for a grant to the Minnesota
 37.31 Livestock Breeders Association.

37.32 \$250,000 the first year and \$250,000 the
 37.33 second year are for grants to the Minnesota
 37.34 Agricultural Education and Leadership

38.1 Council for programs of the council under
38.2 Minnesota Statutes, chapter 41D.
38.3 \$474,000 the first year and \$474,000 the
38.4 second year are for payments to county and
38.5 district agricultural societies and associations
38.6 under Minnesota Statutes, section 38.02,
38.7 subdivision 1. Aid payments to county and
38.8 district agricultural societies and associations
38.9 shall be disbursed no later than July 15 of
38.10 each year. These payments are the amount of
38.11 aid from the state for an annual fair held in
38.12 the previous calendar year.
38.13 \$1,000 the first year and \$1,000 the second
38.14 year are for grants to the Minnesota State
38.15 Poultry Association.
38.16 \$65,000 the first year and \$65,000 the second
38.17 year are for annual grants to the Minnesota
38.18 Turf Seed Council for basic and applied
38.19 research on the improved production of
38.20 forage and turf seed related to new and
38.21 improved varieties. The grant recipient may
38.22 subcontract with a qualified third party for
38.23 some or all of the basic and applied research.
38.24 \$50,000 the first year and \$50,000 the
38.25 second year are for annual grants to the
38.26 Minnesota Turf Seed Council for basic
38.27 and applied agronomic research on native
38.28 plants, including plant breeding, nutrient
38.29 management, pest management, disease
38.30 management, yield, and viability. The grant
38.31 recipient may subcontract with a qualified
38.32 third party for some or all of the basic
38.33 or applied research. The grant recipient
38.34 must actively participate in the Agricultural
38.35 Utilization Research Institute's Renewable

39.1 Energy Roundtable and no later than
39.2 February 1, 2011, must report to the house of
39.3 representatives and senate committees with
39.4 jurisdiction over agriculture finance.
39.5 \$500,000 the first year and \$500,000 the
39.6 second year are for grants to Second Harvest
39.7 Heartland on behalf of Minnesota's six
39.8 Second Harvest food banks for the purchase
39.9 of milk for distribution to Minnesota's food
39.10 shelves and other charitable organizations
39.11 that are eligible to receive food from the food
39.12 banks. Milk purchased under the grants must
39.13 be acquired from Minnesota milk processors
39.14 and based on low-cost bids. The milk must be
39.15 allocated to each Second Harvest food bank
39.16 serving Minnesota according to the formula
39.17 used in the distribution of United States
39.18 Department of Agriculture commodities
39.19 under The Emergency Food Assistance
39.20 Program (TEFAP). Second Harvest
39.21 Heartland must submit quarterly reports
39.22 to the commissioner on forms prescribed
39.23 by the commissioner. The reports must
39.24 include, but are not limited to, information
39.25 on the expenditure of funds, the amount
39.26 of milk purchased, and the organizations
39.27 to which the milk was distributed. Second
39.28 Harvest Heartland may enter into contracts
39.29 or agreements with food banks for shared
39.30 funding or reimbursement of the direct
39.31 purchase of milk. Each food bank receiving
39.32 money from this appropriation may use up to
39.33 two percent of the grant for administrative
39.34 expenses.
39.35 \$1,000,000 the first year is for the agricultural
39.36 growth, research, and innovation program

40.1 in Minnesota Statutes, section 41A.12.
40.2 Priority must be given to livestock programs
40.3 under Minnesota Statutes, section 17.118.
40.4 Priority for livestock grants shall be given
40.5 to persons who are beginning livestock
40.6 producers and livestock producers who are
40.7 rebuilding after a disaster that was due to
40.8 natural or other unintended conditions. The
40.9 commissioner may use up to 4.5 percent
40.10 of this appropriation for costs incurred to
40.11 administer the program. Any unencumbered
40.12 balance does not cancel at the end of the first
40.13 year and is available in the second year.
40.14 \$100,000 the first year and \$100,000 the
40.15 second year are for transfer to the Board of
40.16 Trustees of the Minnesota State Colleges and
40.17 Universities for mental health counseling
40.18 support to farm families and business
40.19 operators through farm business management
40.20 programs at Central Lakes College and
40.21 Ridgewater College.
40.22 \$18,000 the first year and \$18,000 the
40.23 second year are for grants to the Minnesota
40.24 Horticultural Society.
40.25 Notwithstanding Minnesota Statutes,
40.26 section 18C.131, \$800,000 the first year
40.27 and \$800,000 the second year are from the
40.28 fertilizer account in the agricultural fund
40.29 for grants for fertilizer research as awarded
40.30 by the Minnesota Agricultural Fertilizer
40.31 Research and Education Council under
40.32 Minnesota Statutes, section 18C.71. The
40.33 amount appropriated in either fiscal year must
40.34 not exceed 57 percent of the inspection fee
40.35 revenue collected under Minnesota Statutes,

41.1 section 18C.425, subdivision 6, during the
41.2 previous fiscal year. No later than February
41.3 1, 2011, the commissioner shall report to
41.4 the legislative committees with jurisdiction
41.5 over agriculture finance. The report must
41.6 include the progress and outcome of funded
41.7 projects as well as the sentiment of the
41.8 council concerning the need for additional
41.9 research funds. The appropriation for the
41.10 first year is available until June 30, 2013,
41.11 and the appropriation for the second year is
41.12 available until June 30, 2014.

41.13 \$60,000 the first year is for a transfer to the
41.14 University of Minnesota Extension Service
41.15 for farm-to-school grants to school districts
41.16 in Minneapolis, Moorhead, White Earth, and
41.17 Willmar.

41.18 *\$30,000 is for star farms program*
41.19 *development. The commissioner, in*
41.20 *consultation with other state and local*
41.21 *agencies, farm groups, conservation*
41.22 *groups, legislators, and other interested*
41.23 *persons, shall develop a proposal for a star*
41.24 *farms program. By January 15, 2010, the*
41.25 *commissioner shall submit the proposal to*
41.26 *the legislative committees and divisions*
41.27 *with jurisdiction over agriculture and*
41.28 *environmental policy and finance. This is a*
41.29 *onetime appropriation. * (The preceding*
41.30 **paragraph beginning "\$30,000 is for star**
41.31 **farms program" was indicated as vetoed**
41.32 **by the governor.)**

41.33 \$25,000 the first year is for the administration
41.34 of the Feeding Minnesota Task Force, under

42.1 new Minnesota Statutes, section 31.97. This
42.2 is a onetime appropriation.

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

42.4 Sec. 61. **APPROPRIATION; TERMINAL CAPACITY REPORT.**

42.5 \$40,000 is appropriated in fiscal year 2011 from the liquefied petroleum gas account
42.6 in the special revenue fund under Minnesota Statutes, section 239.785, subdivision 6
42.7 to the commissioner of agriculture for a terminal capacity report. This is a onetime
42.8 appropriation. The commissioner of agriculture, with assistance from the Office of Energy
42.9 Security, shall determine the total propane and anhydrous ammonia terminal capacity
42.10 located in the state and within 100 miles of the state's borders. The commissioner shall
42.11 also use projected grain yields and other relevant factors to estimate total agricultural
42.12 demand for propane and anhydrous ammonia in this state in the year 2020 and shall
42.13 develop a detailed plan for fully and economically satisfying this anticipated demand. No
42.14 later than January 15, 2011, the commissioner shall present the report to the legislative
42.15 committees with jurisdiction over agriculture finance.

42.16 Sec. 62. **DAIRY RESEARCH AND EDUCATION FACILITY;**
42.17 **COLLABORATION.**

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

42.25 Sec. 63. **BIOENERGY DEVELOPMENT; REPORT.**

42.26 The commissioner of agriculture shall actively pursue federal and other resources
42.27 available to promote and achieve greater production and use of biofuels in this state,
42.28 including but not limited to increasing the availability of retail fuel dispensers for E85 and
42.29 intermediate ethanol-gasoline blends. No later than February 15, 2011, the commissioner
42.30 shall report on activities and accomplishments under this section to the legislative
42.31 committees with jurisdiction over agriculture finance.

42.32 Sec. 64. **REPEALER.**

43.1 Minnesota Statutes 2008, section 17.231, and Laws 2009, chapter 94, article 1,
43.2 section 106, are repealed.

43.3 Sec. 65. **EFFECTIVE DATE.**

43.4 Sections 8 to 33, 38, and 50 are effective the day after the United States Department
43.5 of Justice, Drug Enforcement Administration, authorizes a person to commercially grow
43.6 industrial hemp in the United States.

43.7 **ARTICLE 2**

43.8 **VETERANS**

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

43.11 Subd. 6. **Folding of the state flag for presentation or display.** The following
43.12 procedures constitute the proper way to fold the Minnesota State Flag for presentation or
43.13 display. Fold the flag four times lengthwise so that one section displays the three stars
43.14 of the state crest and the text "L'Etoile du Nord." Fold each side behind the displayed
43.15 section at a 90-degree angle so that the display section forms a triangle. Take the section
43.16 ending with the hoist and fold it at a 90-degree angle across the bottom of the display
43.17 section and then fold the hoist back over so it is aligned with the middle of the display
43.18 section. Fold the other protruding section directly upwards so that its edge is flush with
43.19 the display section and then fold it upwards along a 45-degree angle so that a mirror
43.20 of the display section triangle is formed. Fold the mirror section in half from the point
43.21 upwards, then fold the remaining portion upwards, tucking it between the display section
43.22 and the remainder of the flag.

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

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

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

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

43.32 (1) grants to veterans service organizations;

44.1 (2) outreach to underserved veterans; ~~and~~
 44.2 (3) providing services and programs for veterans and their families; and
 44.3 ~~(3)~~ (4) transfers to the vehicle services account for Gold Star license plates under
 44.4 section 168.1253.

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

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

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

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

44.17 **197.46 VETERANS PREFERENCE ACT; REMOVAL FORBIDDEN; RIGHT**
 44.18 **OF MANDAMUS.**

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

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

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

45.1 In all governmental subdivisions having an established civil service board or
45.2 commission, or merit system authority, such hearing for removal or discharge shall be
45.3 held before such civil service board or commission or merit system authority. Where no
45.4 such civil service board or commission or merit system authority exists, such hearing
45.5 shall be held by a board of three persons appointed as follows: one by the governmental
45.6 subdivision, one by the veteran, and the third by the two so selected. In the event the two
45.7 persons so selected do not appoint the third person within ten days after the appointment
45.8 of the last of the two, then the judge of the district court of the county wherein the
45.9 proceeding is pending, or if there be more than one judge in said county then any judge in
45.10 chambers, shall have jurisdiction to appoint, and upon application of either or both of the
45.11 two so selected shall appoint, the third person to the board and the person so appointed
45.12 by the judge with the two first selected shall constitute the board. The veteran may
45.13 appeal from the decision of the board upon the charges to the district court by causing
45.14 written notice of appeal, stating the grounds thereof, to be served upon the governmental
45.15 subdivision or officer making the charges within 15 days after notice of the decision
45.16 and by filing the original notice of appeal with proof of service thereof in the office of
45.17 the court administrator of the district court within ten days after service thereof. Nothing
45.18 in section 197.455 or this section shall be construed to apply to the position of private
45.19 secretary, superintendent of schools, or one chief deputy of any elected official or head of
45.20 a department, or to any person holding a strictly confidential relation to the appointing
45.21 officer. Nothing in this section shall be construed to apply to the position of teacher.
45.22 The burden of establishing such relationship shall be upon the appointing officer in all
45.23 proceedings and actions relating thereto.

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

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

45.29 Subdivision 1. **Petition.** A veteran, as defined by section 197.447, who has been
45.30 denied rights by the state or any political subdivision, municipality, or other public agency
45.31 of the state as authorized by the Veterans Preference Act under section 43A.11, 197.46,
45.32 197.48, or 197.455 may petition the commissioner of veterans affairs for an order directing
45.33 the agency to grant the veteran such relief the commissioner finds justified by said statutes.

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

- 46.1 (1) the name, address, telephone number, and ~~acknowledged~~ notarized original
46.2 signature of the veteran;
- 46.3 (2) the names, telephone numbers, and addresses of all agencies and persons that
46.4 will be directly affected if the petition is granted;
- 46.5 (3) a concise statement of the facts giving rise to the veteran's rights and a concise
46.6 statement showing the manner in which rights were denied;
- 46.7 (4) a statement of the relief requested; and
- 46.8 (5) a copy of the veteran's Form DD214 (Separation or Discharge from Active Duty).

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

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

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

46.16 Subd. 4. **Hearing.** The commissioner shall ~~hold~~ schedule a hearing on the petition
46.17 of any party to be held or conducted within ~~20~~ 120 days of serving, or being served with
46.18 the authorized and complete petition. ~~The veteran may demand an opportunity to be heard~~
46.19 ~~at a time set by the commissioner. A party who fails to demand such hearing within 20~~
46.20 ~~days shall be heard only by permission of the commissioner, except that if any party~~
46.21 ~~demands to be heard~~ At the hearing, all parties shall have the right to be heard. A hearing
46.22 hereunder shall be conducted and orders issued in accord with sections 14.57 to 14.60
46.23 and 14.62, at the office of the commissioner or at a place the commissioner designates.
46.24 The commissioner shall notify all parties, by certified mail, of the date, time, and place
46.25 of the hearing.

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

46.27 Subdivision 1. **Appointment; administrative support.** The county board of any
46.28 county ~~except Clay County~~, or the county boards of any two or more counties acting
46.29 pursuant to ~~the provisions of~~ section 197.602, shall appoint a veterans service officer
46.30 ~~and shall provide necessary clerical help, office space, equipment, and supplies for the~~
46.31 ~~officer, together with reimbursement for mileage and other traveling expenses necessarily~~
46.32 ~~incurred in the performance of duties~~; and may appoint one or more assistant veterans
46.33 service officers who ~~shall have the qualifications prescribed in~~ are qualified under section

47.1 197.601. ~~The county board of Clay County may appoint a veterans service officer and~~
 47.2 ~~assistant veterans service officers as provided in this subdivision.~~ The county board or
 47.3 boards shall provide necessary clerical help, office space, equipment, and supplies for the
 47.4 officer, and reimbursement for mileage and other traveling expenses necessarily incurred
 47.5 in the performance of duties. Subject to the direction and control of the veterans service
 47.6 officer, the assistant veterans service officer may exercise all the powers, and shall perform
 47.7 the duties, of the veterans service officer, and ~~shall be~~ is subject to all the provisions of
 47.8 sections 197.60 to 197.606 relating to a veterans service officer. Every county officer and
 47.9 agency shall cooperate with the veterans service officer and shall provide the officer with
 47.10 information necessary in connection with the performance of duties.

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

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

47.13 **197.601 QUALIFICATIONS OF VETERANS SERVICE OFFICERS.**

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

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

47.23 In addition, a person accepting appointment to the position of county veterans
 47.24 service officer or assistant county veterans service officer or other equivalent assistant
 47.25 position must agree to receive, within six months of the appointment, training and
 47.26 education for the duties of the position, including development of an effective working
 47.27 knowledge of relevant laws, rules, and regulations pertaining to the United States
 47.28 Department of Veterans Affairs, as applicable to veterans cases before the department and
 47.29 the administration of those cases.

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

47.31 **197.605 ~~SUPERVISION~~ DEPARTMENT AS A RESOURCE TO COUNTIES.**

47.32 Subdivision 1. ~~Methods of operation~~ **Resources available.** Every veterans service
 47.33 officer appointed under sections 197.60 to 197.606 shall be under the general supervision

48.1 ~~of the commissioner of veterans affairs as to methods of operation.~~ The commissioner of
48.2 veterans affairs shall make resources available within the Department of Veterans Affairs
48.3 to every county that operates a county veterans service office, to assist the county with
48.4 maintaining efficient and effective services to veterans. To receive available resources
48.5 from the department, a county must formally request them from the commissioner and
48.6 invite the commissioner or the commissioner's designee or designees into the county
48.7 as necessary to provide those resources. The commissioner shall consult with the
48.8 Association of Minnesota Counties and the Minnesota Association of County Veterans
48.9 Service Officers in developing a list of resources available to counties in support of their
48.10 county veterans service offices.

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

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

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

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

48.26 **197.606 CLASSED AS COUNTY EMPLOYEES.**

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

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

48.32 Subdivision 1. **Establishment and administration.** An education program for
48.33 county veterans service officers is established to be administered by the commissioner of

49.1 veterans affairs, with assistance and advice from the Minnesota Association of County
49.2 Veterans Service Officers.

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

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

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

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

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

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

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

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

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

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

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

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

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

49.32 (2) had Minnesota as the person's state of residence at the time of the person's
49.33 enlistment or any reenlistment into the United States armed forces, as shown by the

50.1 person's federal form DD-214 or other official documentation to the satisfaction of the
50.2 commissioner;

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

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

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

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

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

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

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

50.14 The commissioner of veterans affairs shall determine a suitable site and plan for
50.15 three new state veterans cemeteries, one to be located in northeastern Minnesota, one to
50.16 be located in southeastern Minnesota, and one to be located in southwestern Minnesota.
50.17 In determining the site for a cemetery, the commissioner shall consider available public
50.18 land options and shall seek proposals for donated land from interested counties, local
50.19 communities, civic organizations, veterans service organizations, and individuals. For
50.20 the veterans cemetery in southwestern Minnesota, the commissioner must work with the
50.21 commissioner of natural resources to secure a cemetery site at Fort Ridgely State Park, if
50.22 feasible, or on other public land in that immediate vicinity.

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

50.25 (1) determining the need for the cemetery;

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

50.27 (3) assessment of impacts of the cemetery;

50.28 (4) encouragement of support from veteran service organizations and local
50.29 governments; and

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

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

51.1 Sec. 17. **NONCOMPLIANCE.**

51.2 A county that on July 1, 2010, is noncompliant with regard to the qualifications of
51.3 an assistant county veterans service officer, under Minnesota Statutes, section 197.601,
51.4 must comply with the requirements of that section no later than June 30, 2013, and must
51.5 remain in compliance after that date.

51.6 Sec. 18. **EFFECTIVE DATE.**

51.7 Sections 1, 2, 5, and 16 are effective the day following final enactment. All other
51.8 sections are effective July 1, 2010.

APPENDIX
Article locations in H2678-2

ARTICLE 1	AGRICULTURE	Page.Ln 1.26
ARTICLE 2	VETERANS	Page.Ln 43.7

**17.231 NATIVE GRASSES AND WILDFLOWER SEED PRODUCTION
INCENTIVE LOAN PROGRAM.**

(a) The commissioner shall prepare a plan to establish a seed production loan program to provide loans that enable people to begin or expand efforts to develop and produce new, local-origin, native grass, and native wildflower seed species.

(b) In the plan, the commissioner shall use the ecological regions identified by the commissioner of natural resources covering the entire state. In the plan, the commissioner shall design the loan program to produce at least ten local variety native grass species and 40 local variety native wildflower species for each region. In the plan, the commissioner shall look at the possibility of producing 100 acres of native grass seed production and ten acres of native wildflower seed production in each region.

APPENDIX
Repealed Minnesota Session Laws: H2678-2

Laws 2009, chapter 94, article 1, section 106

Sec. 106. **UNUSED OFFICE SPACE.**

The commissioner of agriculture, in consultation with the commissioner of administration, shall actively seek tenants to rent vacant or unused space in the Freeman Building. The commissioner of agriculture shall notify entities that receive state funding of the amount and type of space available, the rental rate, and other lease terms. No later than February 1, 2011, the commissioner of agriculture shall report actions taken and outcomes achieved under this section to the legislative committees with jurisdiction over agriculture finance. Any revenue raised under this section is appropriated to the commissioner of agriculture to award grants to livestock producers under Minnesota Statutes, section 41A.12.