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State of Minnesota HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 895

02/09/2017 Authored by Hamilton and Flanagan The bill was read for the first time and referred to the Committee on Agriculture Finance

1.1 A bill for an act
1.2 relating to agriculture; appropriating money for agriculture; making policy changes;
1.3 modifying fees; amending Minnesota Statutes 2016, sections 18B.01, by adding
1.4 a subdivision; 18B.05; 18B.065, subdivisions 8, 9; 18B.26, subdivision 3; 28A.081;
1.5 proposing coding for new law in Minnesota Statutes, chapter 18B.

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

1.7 ARTICLE 1
1.8 AGRICULTURE APPROPRIATIONS

1.9 Section 1. AGRICULTURE APPROPRIATIONS.

1.10 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
1.11 and for the purposes specified in this article. The appropriations are from the general fund,
1.12 or another named fund, and are available for the fiscal years indicated for each purpose.
1.13 The figures "2018" and "2019" used in this article mean that the appropriations listed under
1.14 them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively.
1.15 "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium"
1.16 is fiscal years 2018 and 2019.

Table with 2 columns: 2018, 2019. Header: APPROPRIATIONS Available for the Year Ending June 30

1.21 Sec. 2. DEPARTMENT OF AGRICULTURE

1.22 Subdivision 1. Total Appropriation \$ 51,543,000 \$ 52,132,000

Table with 2 columns: 2018, 2019. Header: Appropriations by Fund

2.1	<u>General</u>	<u>54,150,000</u>	<u>54,735,000</u>
2.2	<u>Remediation</u>	<u>393,000</u>	<u>397,000</u>

2.3 The amounts that may be spent for each
 2.4 purpose are specified in the following
 2.5 subdivisions.

2.6	<u>Subd. 2. Protection Services</u>	<u>18,046,000</u>	<u>18,050,000</u>
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2.7 Appropriations by Fund

2.8		<u>2018</u>	<u>2019</u>
2.9	<u>General</u>	<u>17,653,000</u>	<u>17,653,000</u>
2.10	<u>Remediation</u>	<u>393,000</u>	<u>397,000</u>

2.11 \$500,000 the first year and \$500,000 the
 2.12 second year are for transfer to the pollinator
 2.13 protection account in the agricultural fund.

2.14 \$300,000 the first year and \$300,000 the
 2.15 second year are for additional funding for the
 2.16 noxious weed, invasive plant, and pollinator
 2.17 protection program.

2.18 \$200,000 the first year and \$200,000 the
 2.19 second year are for the industrial hemp pilot
 2.20 program under Minnesota Statutes, section
 2.21 18K.09.

2.22 \$500,000 the first year and \$500,000 the
 2.23 second year are to expand current capabilities
 2.24 for rapid detection, identification, containment,
 2.25 control, and management of high priority plant
 2.26 pests and pathogens.

2.27 \$25,000 the first year and \$25,000 the second
 2.28 year are to develop and maintain cottage food
 2.29 license exemption outreach and training
 2.30 materials.

2.31 \$75,000 the first year and \$75,000 the second
 2.32 year are to coordinate the correctional facility
 2.33 vocational training pilot program.

3.1 \$393,000 the first year and \$397,000 the
3.2 second year are from the remediation fund for
3.3 administrative funding for the voluntary
3.4 cleanup program.

3.5 \$175,000 the first year and \$175,000 the
3.6 second year are for compensation for
3.7 destroyed or crippled animals under Minnesota
3.8 Statutes, section 3.737. This appropriation
3.9 may be spent to compensate for animals that
3.10 were destroyed or crippled during fiscal year
3.11 2017. If the amount in the first year is
3.12 insufficient, the amount in the second year is
3.13 available in the first year.

3.14 \$125,000 the first year and \$125,000 the
3.15 second year are for compensation for crop
3.16 damage under Minnesota Statutes, section
3.17 3.7371. If the amount in the first year is
3.18 insufficient, the amount in the second year is
3.19 available in the first year.

3.20 If the commissioner determines that claims
3.21 made under Minnesota Statutes, section 3.737
3.22 or 3.7371, are unusually high, amounts
3.23 appropriated for either program may be
3.24 transferred to the appropriation for the other
3.25 program.

3.26 \$70,000 the first year and \$70,000 the second
3.27 year are for additional cannery inspections.

3.28 \$100,000 the first year and \$100,000 the
3.29 second year are for increased oversight of
3.30 delegated local health boards.

3.31 \$100,000 the first year and \$100,000 the
3.32 second year are to decrease the turnaround
3.33 time for retail food handler plan reviews.

4.1 \$1,024,000 the first year and \$1,024,000 the
 4.2 second year are to streamline the retail food
 4.3 safety regulatory and licensing experience for
 4.4 regulated businesses and to decrease the
 4.5 inspection delinquency rate.

4.6 **Subd. 3. Agricultural Marketing and**
 4.7 **Development**

3,996,000

3,996,000

4.8 The commissioner must provide outreach to
 4.9 urban farmers regarding the department's
 4.10 financial and technical assistance programs
 4.11 and must assist urban farmers in applying for
 4.12 assistance.

4.13 \$186,000 the first year and \$186,000 the
 4.14 second year are for transfer to the Minnesota
 4.15 grown account and may be used as grants for
 4.16 Minnesota grown promotion under Minnesota
 4.17 Statutes, section 17.102. Grants may be made
 4.18 for one year. Notwithstanding Minnesota
 4.19 Statutes, section 16A.28, the appropriations
 4.20 encumbered under contract on or before June
 4.21 30, 2019, for Minnesota grown grants in this
 4.22 paragraph are available until June 30, 2021.

4.23 \$634,000 the first year and \$634,000 the
 4.24 second year are for continuation of the dairy
 4.25 development and profitability enhancement
 4.26 and dairy business planning grant programs
 4.27 established under Laws 1997, chapter 216,
 4.28 section 7, subdivision 2, and Laws 2001, First
 4.29 Special Session chapter 2, section 9,
 4.30 subdivision 2. The commissioner may allocate
 4.31 the available sums among permissible
 4.32 activities, including efforts to improve the
 4.33 quality of milk produced in the state, in the
 4.34 proportions that the commissioner deems most
 4.35 beneficial to Minnesota's dairy farmers. The

5.1 commissioner must submit a detailed
 5.2 accomplishment report and a work plan
 5.3 detailing future plans for, and anticipated
 5.4 accomplishments from, expenditures under
 5.5 this program to the chairs and ranking minority
 5.6 members of the legislative committees with
 5.7 jurisdiction over agriculture policy and finance
 5.8 on or before the start of each fiscal year. If
 5.9 significant changes are made to the plans in
 5.10 the course of the year, the commissioner must
 5.11 notify the chairs and ranking minority
 5.12 members.

5.13 The commissioner may use funds appropriated
 5.14 in this subdivision for annual cost-share
 5.15 payments to resident farmers or entities that
 5.16 sell, process, or package agricultural products
 5.17 in this state for the costs of organic
 5.18 certification. The commissioner may allocate
 5.19 these funds for assistance for persons
 5.20 transitioning from conventional to organic
 5.21 agriculture.

5.22 **Subd. 4. Agriculture, Bioenergy, and Bioproduct**
 5.23 **Advancement**

22,560,000

22,560,000

5.24 \$8,500,000 the first year and \$8,500,000 the
 5.25 second year are for transfer to the agriculture
 5.26 research, education, extension, and technology
 5.27 transfer account under Minnesota Statutes,
 5.28 section 41A.14, subdivision 3. The transfer in
 5.29 this paragraph includes money for plant
 5.30 breeders at the University of Minnesota for
 5.31 wild rice, potatoes, and grapes. Of these
 5.32 amounts, at least \$600,000 each year is for
 5.33 agriculture rapid response under Minnesota
 5.34 Statutes, section 41A.14, subdivision 1, clause
 5.35 (2). Of the amount appropriated in this
 5.36 paragraph, \$1,000,000 each year is for transfer

6.1 to the Board of Regents of the University of
6.2 Minnesota for research to determine (1) what
6.3 is causing avian influenza, (2) why some fowl
6.4 are more susceptible, and (3) prevention
6.5 measures that can be taken. Of the amount
6.6 appropriated in this paragraph, \$2,000,000
6.7 each year is for grants to the Minnesota
6.8 Agriculture Education Leadership Council to
6.9 enhance agricultural education with priority
6.10 given to Farm Business Management
6.11 challenge grants.

6.12 To the extent practicable, funds expended
6.13 under Minnesota Statutes, section 41A.14,
6.14 subdivision 1, clauses (1) and (2), must
6.15 supplement and not supplant existing sources
6.16 and levels of funding. The commissioner may
6.17 use up to 4.5 percent of this appropriation for
6.18 costs incurred to administer the program.

6.19 \$350,000 the first year and \$350,000 the
6.20 second year are for grants to the Board of
6.21 Regents of the University of Minnesota for
6.22 potato breeding.

6.23 \$450,000 the first year and \$450,000 the
6.24 second year are for grants to the Board of
6.25 Regents of the University of Minnesota for
6.26 the cultivated wild rice breeding project at the
6.27 North Central Research and Outreach Center
6.28 to include a tenure track/research associate
6.29 plant breeder.

6.30 \$10,235,000 the first year and \$10,235,000
6.31 the second year are for the agricultural growth,
6.32 research, and innovation program in
6.33 Minnesota Statutes, section 41A.12. No later
6.34 than February 1, 2018, and February 1, 2019,
6.35 the commissioner must report to the legislative

7.1 committees with jurisdiction over agriculture
7.2 policy and finance regarding the
7.3 commissioner's accomplishments and
7.4 anticipated accomplishments in the following
7.5 areas: facilitating the start-up, modernization,
7.6 or expansion of livestock operations including
7.7 beginning and transitioning livestock
7.8 operations; developing new markets for
7.9 Minnesota farmers by providing more fruits,
7.10 vegetables, meat, grain, and dairy for
7.11 Minnesota school children; assisting
7.12 value-added agricultural businesses to begin
7.13 or expand, access new markets, or diversify
7.14 products; developing urban agriculture;
7.15 facilitating the start-up, modernization, or
7.16 expansion of other beginning and transitioning
7.17 farms including loans under Minnesota
7.18 Statutes, section 41B.056; sustainable
7.19 agriculture on farm research and
7.20 demonstration; development or expansion of
7.21 food hubs and other alternative
7.22 community-based food distribution systems;
7.23 and research on bioenergy, biobased content,
7.24 or biobased formulated products and other
7.25 renewable energy development. The
7.26 commissioner may use up to 6.5 percent of
7.27 this appropriation for costs incurred to
7.28 administer the program. Any unencumbered
7.29 balance does not cancel at the end of the first
7.30 year and is available for the second year.
7.31 Notwithstanding Minnesota Statutes, section
7.32 16A.28, the appropriations encumbered under
7.33 contract on or before June 30, 2019, for
7.34 agricultural growth, research, and innovation
7.35 grants are available until June 30, 2022.

8.1 Of the amount appropriated for the agricultural
 8.2 growth, research, and innovation program in
 8.3 this subdivision, \$1,000,000 the first year and
 8.4 \$1,000,000 the second year are for distribution
 8.5 in equal amounts to each of the state's county
 8.6 fairs to preserve and promote Minnesota
 8.7 agriculture.

8.8 Of the amount appropriated for the agricultural
 8.9 growth, research, and innovation program in
 8.10 this subdivision, \$1,500,000 in fiscal year
 8.11 2018 and \$1,500,000 in fiscal year 2019 are
 8.12 for incentive payments under Minnesota
 8.13 Statutes, sections 41A.16, 41A.17, and
 8.14 41A.18. If the appropriation exceeds the total
 8.15 amount for which all producers are eligible in
 8.16 a fiscal year, the balance of the appropriation
 8.17 is available to the commissioner for the
 8.18 agricultural growth, research, and innovation
 8.19 program. Notwithstanding Minnesota Statutes,
 8.20 section 16A.28, the first year appropriation is
 8.21 available until June 30, 2019, and the second
 8.22 year appropriation is available until June 30,
 8.23 2020.

8.24 \$25,000 the first year and \$25,000 the second
 8.25 year are for grants to the Southern Minnesota
 8.26 Initiative Foundation to promote local foods
 8.27 through an annual event that raises public
 8.28 awareness of local foods and connects local
 8.29 food producers and processors with potential
 8.30 buyers.

8.31	<u>Subd. 5. Administration and Financial Assistance</u>	<u>9,941,000</u>	<u>10,526,000</u>
8.32	<u>\$474,000 the first year and \$474,000 the</u>		
8.33	<u>second year are for payments to county and</u>		
8.34	<u>district agricultural societies and associations</u>		
8.35	<u>under Minnesota Statutes, section 38.02,</u>		

9.1 subdivision 1. Aid payments to county and
9.2 district agricultural societies and associations
9.3 shall be disbursed no later than July 15 of each
9.4 year. These payments are the amount of aid
9.5 from the state for an annual fair held in the
9.6 previous calendar year.

9.7 \$1,000 the first year and \$1,000 the second
9.8 year are for grants to the Minnesota State
9.9 Poultry Association.

9.10 \$18,000 the first year and \$18,000 the second
9.11 year are for grants to the Minnesota Livestock
9.12 Breeders Association.

9.13 \$47,000 the first year and \$47,000 the second
9.14 year are for the Northern Crops Institute.
9.15 These appropriations may be spent to purchase
9.16 equipment.

9.17 \$17,000 the first year and \$17,000 the second
9.18 year are for grants to the Minnesota
9.19 Horticultural Society.

9.20 \$108,000 the first year and \$108,000 the
9.21 second year are for annual grants to the
9.22 Minnesota Turf Seed Council for basic and
9.23 applied research on: (1) the improved
9.24 production of forage and turf seed related to
9.25 new and improved varieties; and (2) native
9.26 plants, including plant breeding, nutrient
9.27 management, pest management, disease
9.28 management, yield, and viability. The grant
9.29 recipient may subcontract with a qualified
9.30 third party for some or all of the basic or
9.31 applied research. Any unencumbered balance
9.32 does not cancel at the end of the first year and
9.33 is available for the second year.

10.1 \$113,000 the first year and \$113,000 the
10.2 second year are for transfer to the Board of
10.3 Trustees of the Minnesota State Colleges and
10.4 Universities for statewide mental health
10.5 counseling support to farm families and
10.6 business operators. South Central College shall
10.7 serve as the fiscal agent.

10.8 \$550,000 the first year and \$550,000 the
10.9 second year are for grants to Second Harvest
10.10 Heartland on behalf of Minnesota's six
10.11 Feeding America food banks for the purchase
10.12 of milk for distribution to Minnesota's food
10.13 shelves and other charitable organizations that
10.14 are eligible to receive food from the food
10.15 banks. Milk purchased under the grants must
10.16 be acquired from Minnesota milk processors
10.17 and based on low-cost bids. The milk must be
10.18 allocated to each Feeding America food bank
10.19 serving Minnesota according to the formula
10.20 used in the distribution of United States
10.21 Department of Agriculture commodities under
10.22 The Emergency Food Assistance Program
10.23 (TEFAP). Second Harvest Heartland must
10.24 submit quarterly reports to the commissioner
10.25 on forms prescribed by the commissioner. The
10.26 reports must include, but are not limited to,
10.27 information on the expenditure of funds, the
10.28 amount of milk purchased, and the
10.29 organizations to which the milk was
10.30 distributed. Second Harvest Heartland may
10.31 enter into contracts or agreements with food
10.32 banks for shared funding or reimbursement of
10.33 the direct purchase of milk. Each food bank
10.34 receiving money from this appropriation may
10.35 use up to two percent of the grant for
10.36 administrative expenses. Any unencumbered

11.1 balance does not cancel at the end of the first
11.2 year and is available for the second year.

11.3 \$1,100,000 the first year and \$1,100,000 the
11.4 second year are for grants to Second Harvest
11.5 Heartland on behalf of the six Feeding
11.6 America food banks that serve Minnesota to
11.7 compensate agricultural producers and
11.8 processors for costs incurred to harvest and
11.9 package for transfer surplus fruits, vegetables,
11.10 and other agricultural commodities that would
11.11 otherwise go unharvested, be discarded, or
11.12 sold in a secondary market. Surplus
11.13 commodities must be distributed statewide to
11.14 food shelves and other charitable organizations
11.15 that are eligible to receive food from the food
11.16 banks. Surplus food acquired under this
11.17 appropriation must be from Minnesota
11.18 producers and processors. Second Harvest
11.19 Heartland must report when required by, and
11.20 in the form prescribed by, the commissioner.

11.21 Second Harvest Heartland may use up to 11
11.22 percent of any grant received for
11.23 administrative expenses, and up to four percent
11.24 of the grant for transportation expenses. Any
11.25 unencumbered balance does not cancel at the
11.26 end of the first year and is available for the
11.27 second year.

11.28 \$150,000 the first year and \$150,000 the
11.29 second year are for grants to the Center for
11.30 Rural Policy and Development.

11.31 \$235,000 the first year and \$235,000 the
11.32 second year are for grants to the Minnesota
11.33 Agricultural Education and Leadership
11.34 Council for programs of the council under
11.35 Minnesota Statutes, chapter 41D.

12.1 \$1,000,000 the first year and \$1,000,000 the
 12.2 second year are for grants to the Board of
 12.3 Regents of the University of Minnesota to
 12.4 fund the Forever Green Agriculture initiative
 12.5 to protect the state's natural resources while
 12.6 increasing the efficiency, profitability, and
 12.7 productivity of Minnesota farmers by
 12.8 incorporating perennial and winter annual
 12.9 crops into existing agricultural practices.
 12.10 These are onetime appropriations and are
 12.11 available until June 30, 2022.

12.12 \$750,000 the first year and \$750,000 the
 12.13 second year are to improve business processes
 12.14 and customer experience with the department
 12.15 through continuous improvement operations
 12.16 and strategic information technology
 12.17 investments.

12.18 \$600,000 the first year and \$600,000 the
 12.19 second year are for grants to the Board of
 12.20 Regents of the University of Minnesota to
 12.21 develop, in consultation with the
 12.22 commissioner of agriculture and the Board of
 12.23 Animal Health, a software tool or application
 12.24 through the Veterinary Diagnostic Laboratory
 12.25 that empowers veterinarians and producers to
 12.26 understand the movement of unique pathogen
 12.27 strains in livestock and poultry production
 12.28 systems, monitor antibiotic resistance, and
 12.29 implement effective biosecurity measures that
 12.30 promote animal health and limit production
 12.31 losses. The base for fiscal year 2020 is \$0.

12.32 Sec. 3. **BOARD OF ANIMAL HEALTH** **\$** **5,443,000** **\$** **5,491,000**

12.33 Sec. 4. **AGRICULTURAL UTILIZATION**
 12.34 **RESEARCH INSTITUTE** **\$** **3,823,000** **\$** **3,803,000**

13.1 **Base Adjustment.** The base is \$3,743,000 in
 13.2 fiscal year 2020 and \$3,753,000 in fiscal year
 13.3 2021.

13.4 ARTICLE 2

13.5 AGRICULTURAL POLICY

13.6 Section 1. Minnesota Statutes 2016, section 18B.01, is amended by adding a subdivision
 13.7 to read:

13.8 Subd. 1d. **Bee-toxic pesticide.** "Bee-toxic pesticide" means any pesticide active ingredient
 13.9 categorized as moderately or highly toxic based on acute toxicity assessments considered
 13.10 acceptable by the Environmental Protection Agency (EPA) for Apis mellifera L. under the
 13.11 EPA's OCSPP 850.3020: Honey Bee Acute Contact Toxicity Test, protocol.

13.12 Sec. 2. Minnesota Statutes 2016, section 18B.05, is amended to read:

13.13 **18B.05 PESTICIDE REGULATORY ACCOUNT.**

13.14 Subdivision 1. **Establishment.** A pesticide regulatory account is established in the
 13.15 agricultural fund. Fees, assessments, and penalties collected under this chapter, except for
 13.16 fees collected under section 18B.26, subdivision 3, paragraphs (m) and (n), must be deposited
 13.17 in the agricultural fund and credited to the pesticide regulatory account. Money in the
 13.18 account, including interest, is appropriated to the commissioner for the administration and
 13.19 enforcement of this chapter and up to \$20,000 per fiscal year may also be used by the
 13.20 commissioner for purposes of section 18H.14, paragraph (e).

13.21 Sec. 3. **[18B.051] POLLINATOR PROTECTION ACCOUNT.**

13.22 A pollinator protection account is established in the agricultural fund. Fees collected
 13.23 under section 18B.26, subdivision 3, paragraphs (m) and (n), must be deposited in the
 13.24 agricultural fund and credited to the pollinator protection account. Money in the account,
 13.25 including interest, is appropriated to the commissioner for the administration of pollinator
 13.26 protection from potential negative impacts from pesticides and may include supporting
 13.27 research, education campaigns, and development of economic thresholds or stewardship
 13.28 materials, and for grants for research, implementation, and educational activities.

13.29 Sec. 4. Minnesota Statutes 2016, section 18B.065, subdivision 8, is amended to read:

13.30 Subd. 8. **Waste pesticide program surcharge.** The commissioner shall annually collect
 13.31 a waste pesticide program surcharge of ~~\$50~~ \$125 on each nonagricultural waste pesticide

14.1 product and \$75 on each agricultural waste pesticide product registered in the state as part
 14.2 of a pesticide product registration application under section 18B.26, subdivision 3.

14.3 Sec. 5. Minnesota Statutes 2016, section 18B.065, subdivision 9, is amended to read:

14.4 Subd. 9. **Waste pesticide cooperative agreement account.** (a) A waste pesticide
 14.5 cooperative agreement account is created in the agricultural fund. Notwithstanding section
 14.6 18B.05, the proceeds of surcharges imposed under subdivision 8 must be deposited in the
 14.7 agricultural fund and credited to the waste pesticide cooperative agreement account.

14.8 (b) Money in the waste pesticide cooperative agreement account, including interest, is
 14.9 appropriated to the commissioner and may only be used for costs incurred under a cooperative
 14.10 agreement pursuant to this section and for costs incurred by the commissioner to perform
 14.11 waste pesticide collections mandated under this section.

14.12 (c) ~~Notwithstanding paragraph (b), if the amount available in the waste pesticide~~
 14.13 ~~cooperative agreement account in any fiscal year exceeds the amount obligated to local~~
 14.14 ~~units of government under subdivision 7, the excess is appropriated to the commissioner to~~
 14.15 ~~perform waste pesticide collections under this section.~~ If the total annual revenue from waste
 14.16 pesticide surcharge collected in a fiscal year by the commissioner from the registration of
 14.17 pesticides is less than the amount needed to cover collection costs described under paragraph
 14.18 (b), the commissioner, after a public hearing, may increase proportionally the waste pesticide
 14.19 surcharge under this chapter by the amount necessary to ensure the needed level of revenue
 14.20 is achieved. The commissioner shall report any fee increases under this paragraph 60 days
 14.21 before the fee change is effective to the chairs and ranking minority members of the
 14.22 legislative committees with jurisdiction over agriculture policy and finance.

14.23 (d) The commissioner shall determine the waste pesticide surcharge so that the total
 14.24 balance in the cooperative agreement account does not exceed \$1,000,000 more than the
 14.25 projected annual expenditure from the account.

14.26 Sec. 6. Minnesota Statutes 2016, section 18B.26, subdivision 3, is amended to read:

14.27 Subd. 3. **Registration application and gross sales fee.** (a) For an agricultural pesticide,
 14.28 a registrant shall pay an annual registration application fee for each agricultural pesticide
 14.29 of \$350. The fee is due by December 31 preceding the year for which the application for
 14.30 registration is made. The fee is nonrefundable.

14.31 (b) For a nonagricultural pesticide, a registrant shall pay a minimum annual registration
 14.32 application fee for each nonagricultural pesticide of \$350. The fee is due by December 31

15.1 preceding the year for which the application for registration is made. The fee is
15.2 nonrefundable. If the registrant's annual gross sales of the nonagricultural pesticide exceeded
15.3 \$70,000 in the previous calendar year, the registrant shall pay, in addition to the \$350
15.4 minimum fee, a fee equal to 0.5 percent of that portion of the annual gross sales over \$70,000.
15.5 For purposes of this subdivision, gross sales includes both nonagricultural pesticide sold in
15.6 the state and nonagricultural pesticide sold into the state for use in this state. No additional
15.7 fee is required if the fee due amount based on percent of annual gross sales of a
15.8 nonagricultural pesticide is less than \$10. The registrant shall secure sufficient sales
15.9 information of nonagricultural pesticides distributed into this state from distributors and
15.10 dealers, regardless of distributor location, to make a determination. Sales of nonagricultural
15.11 pesticides in this state and sales of nonagricultural pesticides for use in this state by
15.12 out-of-state distributors are not exempt and must be included in the registrant's annual report,
15.13 as required under paragraph (g), and fees shall be paid by the registrant based upon those
15.14 reported sales. Sales of nonagricultural pesticides in the state for use outside of the state are
15.15 exempt from the gross sales fee in this paragraph if the registrant properly documents the
15.16 sale location and distributors. A registrant paying more than the minimum fee shall pay the
15.17 balance due by March 1 based on the gross sales of the nonagricultural pesticide by the
15.18 registrant for the preceding calendar year. A pesticide determined by the commissioner to
15.19 be a sanitizer or disinfectant is exempt from the gross sales fee.

15.20 (c) For agricultural pesticides, a licensed agricultural pesticide dealer or licensed pesticide
15.21 dealer shall pay a gross sales fee of 0.55 percent of annual gross sales of the agricultural
15.22 pesticide in the state and the annual gross sales of the agricultural pesticide sold into the
15.23 state for use in this state.

15.24 (d) In those cases where a registrant first sells an agricultural pesticide in or into the
15.25 state to a pesticide end user, the registrant must first obtain an agricultural pesticide dealer
15.26 license and is responsible for payment of the annual gross sales fee under paragraph (c),
15.27 record keeping under paragraph (i), and all other requirements of section 18B.316.

15.28 (e) If the total annual revenue from fees collected in fiscal year 2011, 2012, or 2013, by
15.29 the commissioner on the registration and sale of pesticides is less than \$6,600,000, the
15.30 commissioner, after a public hearing, may increase proportionally the pesticide sales and
15.31 product registration fees under this chapter by the amount necessary to ensure this level of
15.32 revenue is achieved. The authority under this section expires on June 30, 2014. The
15.33 commissioner shall report any fee increases under this paragraph 60 days before the fee
15.34 change is effective to the senate and house of representatives agriculture budget divisions.

16.1 (f) An additional fee of 50 percent of the registration application fee must be paid by
16.2 the applicant for each pesticide to be registered if the application is a renewal application
16.3 that is submitted after December 31.

16.4 (g) A registrant must annually report to the commissioner the amount, type and annual
16.5 gross sales of each registered nonagricultural pesticide sold, offered for sale, or otherwise
16.6 distributed in the state. The report shall be filed by March 1 for the previous year's
16.7 registration. The commissioner shall specify the form of the report or approve the method
16.8 for submittal of the report and may require additional information deemed necessary to
16.9 determine the amount and type of nonagricultural pesticide annually distributed in the state.
16.10 The information required shall include the brand name, United States Environmental
16.11 Protection Agency registration number, and amount of each nonagricultural pesticide sold,
16.12 offered for sale, or otherwise distributed in the state, but the information collected, if made
16.13 public, shall be reported in a manner which does not identify a specific brand name in the
16.14 report.

16.15 (h) A licensed agricultural pesticide dealer or licensed pesticide dealer must annually
16.16 report to the commissioner the amount, type, and annual gross sales of each registered
16.17 agricultural pesticide sold, offered for sale, or otherwise distributed in the state or into the
16.18 state for use in the state. The report must be filed by January 31 for the previous year's sales.
16.19 The commissioner shall specify the form, contents, and approved electronic method for
16.20 submittal of the report and may require additional information deemed necessary to determine
16.21 the amount and type of agricultural pesticide annually distributed within the state or into
16.22 the state. The information required must include the brand name, United States Environmental
16.23 Protection Agency registration number, and amount of each agricultural pesticide sold,
16.24 offered for sale, or otherwise distributed in the state or into the state.

16.25 (i) A person who registers a pesticide with the commissioner under paragraph (b), or a
16.26 registrant under paragraph (d), shall keep accurate records for five years detailing all
16.27 distribution or sales transactions into the state or in the state and subject to a fee and surcharge
16.28 under this section.

16.29 (j) The records are subject to inspection, copying, and audit by the commissioner and
16.30 must clearly demonstrate proof of payment of all applicable fees and surcharges for each
16.31 registered pesticide product sold for use in this state. A person who is located outside of
16.32 this state must maintain and make available records required by this subdivision in this state
16.33 or pay all costs incurred by the commissioner in the inspecting, copying, or auditing of the
16.34 records.

17.1 (k) The commissioner may adopt by rule regulations that require persons subject to audit
 17.2 under this section to provide information determined by the commissioner to be necessary
 17.3 to enable the commissioner to perform the audit.

17.4 (l) A registrant who is required to pay more than the minimum fee for any pesticide
 17.5 under paragraph (b) must pay a late fee penalty of \$100 for each pesticide application fee
 17.6 paid after March 1 in the year for which the license is to be issued.

17.7 (m) For agricultural and nonagricultural pesticide products labeled for an outdoor use
 17.8 and containing a bee-toxic pesticide, registrants shall pay an additional annual pollinator
 17.9 protection registration application fee of \$150. The fee is due by December 31 preceding
 17.10 the year for which the application for registration is made. The fee is nonrefundable.

17.11 (n) An additional fee of 50 percent of the pollinator protection registration application
 17.12 fee must be paid by the applicant for each pesticide to be registered if the application is a
 17.13 renewal application that is submitted after December 31.

17.14 Sec. 7. Minnesota Statutes 2016, section 28A.081, is amended to read:

17.15 **28A.081 CERTIFICATE FEES.**

17.16 Subdivision 1. Fee. A fee of ~~\$75~~ \$125 for each certificate shall be charged to ~~all food~~
 17.17 ~~establishments that request certificates~~ any person who requests a certificate issued by the
 17.18 Minnesota Department of Agriculture to facilitate the movement of Minnesota processed
 17.19 and manufactured foods destined for export from the state of Minnesota. Certificates include,
 17.20 but are not limited to, a certificate of free sale, certificate of export, certificate of sanitation,
 17.21 sanitary certificate, certificate of origin and/or free sale, certificate of health and/or free
 17.22 sale, sanitation, and purity, certificate of free trade, certificate of free sale, sanitation, purity,
 17.23 and origin, certificate of health, sanitation, purity, and free sale, and letter of plant
 17.24 certification.

17.25 The commissioner shall bill ~~a food establishment~~ the requesting person within seven
 17.26 days after issuing a certificate to the ~~establishment person~~. ~~The operator of the food~~
 17.27 ~~establishment~~ requesting person must submit payment for a certificate within ten days of
 17.28 the billing date. If a certificate fee payment is not received within 15 days of the billing
 17.29 date, the commissioner may not issue any future certificates to the requesting person until
 17.30 previous fees due are paid in full. Fees paid under this section must be deposited in the food
 17.31 certificate account established under subdivision 2 or another account in the agricultural
 17.32 fund if the expenses for the certificate will be paid from that other account.

18.1 Subd. 2. Food certificate account; appropriation. A food certificate account is
18.2 established in the agricultural fund. Money in the account, including interest accrued, is
18.3 appropriated to the commissioner for expenses relating to certifying Minnesota processed
18.4 and manufactured foods under chapters 28 to 34A or rules adopted under one of those
18.5 chapters.

APPENDIX
Article locations in 17-2422

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