

## STATE OF MINNESOTA

## EIGHTY-SIXTH SESSION — 2010

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 NINETY-THIRD DAY

SAINT PAUL, MINNESOTA, TUESDAY, APRIL 27, 2010

The House of Representatives convened at 12:00 noon and was called to order by Margaret Anderson Kelliher, Speaker of the House.

Prayer was offered by Reverend Cassie Nault, St. Stephen's Lutheran Church, West St. Paul, Minnesota.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

|              |            |            |            |             |               |
|--------------|------------|------------|------------|-------------|---------------|
| Abeler       | Dittrich   | Hilty      | Lesch      | Nornes      | Shimanski     |
| Anderson, B. | Doepke     | Holberg    | Liebling   | Norton      | Simon         |
| Anderson, P. | Doty       | Hoppe      | Lieder     | Obermueller | Slawik        |
| Anderson, S. | Downey     | Hornstein  | Lillie     | Olin        | Slocum        |
| Anzelc       | Drazkowski | Hortman    | Loeffler   | Otremba     | Smith         |
| Atkins       | Eastlund   | Hosch      | Loon       | Paymar      | Solberg       |
| Beard        | Eken       | Howes      | Mack       | Pelowski    | Sterner       |
| Benson       | Falk       | Huntley    | Magnus     | Peppin      | Swails        |
| Bigham       | Faust      | Jackson    | Mahoney    | Persell     | Thao          |
| Bly          | Fritz      | Johnson    | Mariani    | Peterson    | Thissen       |
| Brod         | Gardner    | Juhnke     | Marquart   | Poppe       | Tillberry     |
| Brown        | Garofalo   | Kahn       | Masin      | Reinert     | Torkelson     |
| Brynaert     | Gottwalt   | Kalin      | McFarlane  | Rosenthal   | Urdahl        |
| Buesgens     | Greiling   | Kath       | McNamara   | Rukavina    | Wagenius      |
| Bunn         | Gunther    | Kelly      | Morgan     | Ruud        | Ward          |
| Carlson      | Hackbarth  | Kiffmeyer  | Morrow     | Sailer      | Welti         |
| Clark        | Hamilton   | Knuth      | Mullery    | Sanders     | Westrom       |
| Cornish      | Hansen     | Koenen     | Murdock    | Scalze      | Winkler       |
| Davids       | Hausman    | Kohls      | Murphy, E. | Scott       | Zellers       |
| Dean         | Haws       | Laine      | Murphy, M. | Seifert     | Spk. Kelliher |
| Dettmer      | Hayden     | Lanning    | Nelson     | Sertich     |               |
| Dill         | Hilstrom   | Lenczewski | Newton     | Severson    |               |

A quorum was present.

Champion, Demmer and Emmer were excused.

Davnie was excused until 1:30 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Eastlund moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

## INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Howes, Ward, Sailer, Seifert and Severson introduced:

H. F. No. 3810, A bill for an act relating to education; requiring crossing control arms on school buses; amending Minnesota Statutes 2008, section 169.4503, by adding a subdivision.

The bill was read for the first time and referred to the Transportation and Transit Policy and Oversight Division.

Drazkowski introduced:

H. F. No. 3811, A bill for an act relating to education; reducing mandates on school districts; creating a moratorium on unfunded mandates; amending Minnesota Statutes 2009 Supplement, section 126C.44; Laws 2009, chapter 96, article 2, section 64; repealing Minnesota Statutes 2008, section 123B.05.

The bill was read for the first time and referred to the Committee on K-12 Education Policy and Oversight.

Downey introduced:

H. F. No. 3812, A bill for an act relating to education finance; waiving the contract deadline aid payment for certain school districts.

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

Simon introduced:

H. F. No. 3813, A bill for an act relating to elections; eliminating the requirement that ballots designate certain judicial candidates as incumbents; repealing Minnesota Statutes 2008, section 204B.36, subdivision 5.

The bill was read for the first time and referred to the Committee on State and Local Government Operations Reform, Technology and Elections.

## MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 653, A bill for an act relating to elections; changing certain municipal precinct and ward boundary procedures and requirements; amending Minnesota Statutes 2008, sections 204B.135, subdivisions 1, 3; 204B.14, subdivisions 3, 4; 205.84, subdivisions 1, 2.

The Senate has appointed as such committee:

Senators Pappas, Sieben and Gerlach.

Said House File is herewith returned to the House.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 655, A bill for an act relating to elections; requiring an affidavit of candidacy to state the candidate's residence address and telephone number; prohibiting placement of a candidate on the ballot if residency requirements are not met; amending Minnesota Statutes 2008, section 204B.06, subdivision 1.

The Senate has appointed as such committee:

Senators Pappas, Sieben and Gerlach.

Said House File is herewith returned to the House.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 3164, A bill for an act relating to higher education; regulating the transfer of credits within institutions belonging to the Minnesota State Colleges and Universities system; requiring a report; proposing coding for new law in Minnesota Statutes, chapter 136F.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2511, A bill for an act relating to state government; establishing a collaborative governance council; requiring reports; proposing coding for new law in Minnesota Statutes, chapter 6.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Rest, Robling and Rummel.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Swails moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2511. The motion prevailed.

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 184, 1060, 3134, 345, 3131, 3251, 560, 2471, 2493, 2874, 2880, 1761, 1905, 2756, 2510, 2541, 2629 and 3046.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

### **FIRST READING OF SENATE BILLS**

S. F. No. 184, A bill for an act relating to higher education; authorizing data matching; modifying institution eligibility; establishing award procedures; establishing scholarship priorities; establishing powers and duties; modifying security requirements; regulating the use of certain revenues; providing for refunds; defining terms; making technical corrections; amending Minnesota Statutes 2008, sections 136A.101, subdivision 10; 136A.126, subdivision 1, by adding a subdivision; 136A.127, subdivision 6, by adding subdivisions; 136A.15, subdivision 6; 136A.16, subdivision 14; 136A.62, subdivision 3; 136A.645; 136A.646; 136A.65, by adding a subdivision; 136F.581, by adding a subdivision; 141.25, subdivisions 7, 13, by adding a subdivision; 141.251, subdivision 2; 141.28, subdivision 2; Minnesota Statutes 2009 Supplement, sections 136A.01, subdivision 2; 136A.101, subdivision 4; 136A.127, subdivisions 2, 4; 299A.45, subdivision 1; 340A.404, subdivision 4a; Laws 2009, chapter 95, article 2, section 40; Laws 2010, chapter 215, article 2, sections 4, subdivision 3; 6; proposing coding for new law in Minnesota Statutes, chapters 136A; 137.

The bill was read for the first time.

Rukavina moved that S. F. No. 184 and H. F. No. 3448, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1060, A bill for an act relating to transportation; modifying management, priorities, research, and planning provisions related to Department of Transportation; requiring reports; amending Minnesota Statutes 2008, sections 161.53; 165.03, by adding a subdivision; 174.02, subdivision 1a; 174.03, subdivision 1a, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 167.

The bill was read for the first time.

Hortman moved that S. F. No. 1060 and H. F. No. 605, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3134, A bill for an act relating to government operations; describing how to fold the state flag; defining certain powers of the Council on Black Minnesotans; requiring fiscal notes to include information about job creation; limiting requirements for approval by individual legislators in the disposal process for certain state-owned buildings; increasing threshold requirements for deposit of agency receipts; imposing requirements on agencies for contracts over a certain amount; requiring state chief information officer to develop standards for enhanced public access to state electronic records; clarifying use of fees in the combined charities campaign; transferring membership in the Workers' Compensation Reinsurance Association from the commissioner of management and budget to the commissioner of administration; eliminating and modifying fees for certain filings with the secretary of state; authorizing grants to counties for voting equipment and vote-counting equipment; establishing the Commission on Service Innovation; allowing contiguous counties to establish a home rule charter commission; requiring reports; appropriating money; amending Minnesota Statutes 2008, sections 1.141, by adding subdivisions; 3.9225, subdivision 5; 3.98, subdivision 2; 16A.275; 16B.24, subdivision 3; 16E.04, subdivision 2; 16E.05, by adding a subdivision; 43A.50, subdivision 2; 79.34, subdivision 1; 318.02, subdivision 1; 557.01; proposing coding for new law in Minnesota Statutes, chapters 3; 16C; proposing coding for new law as Minnesota Statutes, chapter 372A; repealing Laws 2005, chapter 162, section 34, subdivision 2, as amended.

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

S. F. No. 345, A bill for an act relating to drivers' licenses; creating enhanced driver's license and enhanced identification card; providing for selective service system registration; providing for fees, eligibility requirements, employment use, application requirements, issuance, security, and appearance relating to drivers' licenses and identification cards; directing commissioner of public safety to seek approval of card by Homeland Security secretary for proof of identity and citizenship and for use in entering United States; amending Minnesota Statutes 2008, sections 171.01, by adding subdivisions; 171.04, by adding subdivisions; 171.06, subdivisions 1, 2, 6; 171.07, subdivision 3, by adding subdivisions; 171.071, by adding a subdivision; 171.12, by adding a subdivision; Minnesota Statutes 2009 Supplement, section 171.06, subdivision 3.

The bill was read for the first time.

Reinert moved that S. F. No. 345 and H. F. No. 1005, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3131, A bill for an act relating to early childhood education; modifying the duties of the State Advisory Council on Early Childhood Education and Care; amending Minnesota Statutes 2008, section 124D.141, subdivision 2.

The bill was read for the first time and referred to the Early Childhood Finance and Policy Division.

S. F. No. 3251, A bill for an act relating to human services; modifying certain provisions regarding persons with sexual psychopathic personalities; amending Minnesota Statutes 2008, sections 253B.05, subdivision 1; 253B.10, subdivision 5; 253B.15, subdivision 1; 253B.18, subdivision 5a; 253B.185; 253B.19, subdivision 2; Minnesota Statutes 2009 Supplement, section 253B.14.

The bill was read for the first time and referred to the Committee on Public Safety Policy and Oversight.

S. F. No. 560, A bill for an act relating to public safety; authorizing the expungement of criminal records for certain individuals who have received stays of adjudication or diversion; authorizing expungements without petitions in certain cases where charges were dismissed against a person upon prosecutorial approval and with victim notification; requiring persons petitioning for an expungement to provide a copy of the criminal complaint or police report; authorizing the opening of certain expunged records without a court hearing; amending Minnesota Statutes 2008, sections 609A.02, subdivision 3; 609A.03, subdivisions 2, 7; proposing coding for new law in Minnesota Statutes, chapter 609A.

The bill was read for the first time.

Champion moved that S. F. No. 560 and H. F. No. 891, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2471, A bill for an act relating to commerce; regulating certain filings with the secretary of state; amending Minnesota Statutes 2008, sections 318.02, subdivision 1; 557.01.

The bill was read for the first time and referred to the Committee on Ways and Means.

S. F. No. 2493, A bill for an act relating to crime; including use of scanning device and reencoder to acquire information from payment cards as identity theft; amending Minnesota Statutes 2008, section 609.527, subdivisions 1, 6, by adding a subdivision; Minnesota Statutes 2009 Supplement, section 388.23, subdivision 1.

The bill was read for the first time.

Hilstrom moved that S. F. No. 2493 and H. F. No. 2470, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2874, A bill for an act relating to state government operations; streamlining state government; abolishing the Department of Employment and Economic Development and the Department of Labor and Industry; establishing a process to reorganize delivery of their services and performance of their functions; requiring establishment of an employee participation committee before agency restructuring; requiring reports.

The bill was read for the first time and referred to the Committee on State and Local Government Operations Reform, Technology and Elections.

S. F. No. 2880, A bill for an act relating to guardians ad litem; establishing the State Guardian Ad Litem Board; appropriating money; amending Minnesota Statutes 2008, sections 257.69, subdivision 2; 260B.331, subdivision 6; 260C.331, subdivisions 3, 6; 518.165, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 480.

The bill was read for the first time.

Hilstrom moved that S. F. No. 2880 and H. F. No. 2990, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1761, A bill for an act relating to insurance; requiring health plans to limit out-of-pocket costs for oral anticancer medication; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

S. F. No. 1905, A bill for an act relating to insurance; establishing a small group market working group; requiring a report.

The bill was read for the first time.

Loeffler moved that S. F. No. 1905 and H. F. No. 2163, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2756, A bill for an act relating to transportation; allowing escort drivers of overdimensional loads to control traffic; directing commissioner of public safety to establish escort driver training and certification program; amending Minnesota Statutes 2008, sections 169.06, subdivision 4; 169.86, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 299D.

The bill was read for the first time.

Nelson moved that S. F. No. 2756 and H. F. No. 3168, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2510, A bill for an act relating to economic development; amending the definition of green economy to include the concept of green chemistry; creating a fast-action economic response team; expanding the Minnesota investment fund; removing a grant program restriction; expanding loan program to veteran-owned small businesses; creating the Minnesota Science and Technology Authority; providing for a comparative study of state laws affecting small business start-ups; modifying certain unemployment insurance administrative, benefit, and tax provisions; protecting customers from injuries resulting from use of inflatable play equipment; modifying labor and industry licensing and certain license fee provisions; modifying enforcement requirements of the State Building Code; modifying the requirements of the Manufactured Home Building Code; allowing expedited rulemaking; providing for licensing and regulation of individuals engaged in mortgage loan origination or mortgage loan business; providing for licensing and regulation of appraisal management companies; providing for property acquisition from petroleum tank fund proceeds; clarifying requirements for granting additional cable franchises; regulating cadmium in children's jewelry; regulating the sale and termination of portable electronics insurance; authorizing amendments to a municipal comprehensive plan for affordable housing; amending Iron Range resources provisions; requiring certain reports; appropriating money; amending Minnesota Statutes 2008, sections 58.04, subdivision 1; 58.08, by adding a subdivision; 58.09; 58.10, subdivision 1; 58.11; 60K.36, subdivision 2; 60K.38, subdivision 1; 82B.05, subdivision 5, by adding a subdivision; 82B.06; 115C.08, subdivision 1; 116J.437, subdivision 1; 116J.8731, subdivisions 1, 4; 116J.996; 181.723, subdivision 5; 238.08, subdivision 1; 268.035, subdivision 20; 268.046, subdivision 1; 268.051, subdivisions 2, 5, 7; 268.07, as amended; 268.085, subdivision 9; 326B.106, subdivision 9; 326B.133, subdivisions 1, 3, 8, 11, by adding subdivisions; 326B.16; 326B.197; 326B.33, subdivisions 18, 20, 21; 326B.42, by adding subdivisions; 326B.44; 326B.46, as amended; 326B.47; 326B.475, subdivision 2; 326B.50, by adding subdivisions; 326B.54; 326B.55, as amended if enacted; 326B.56, as amended; 326B.805, subdivision 6; 326B.83, subdivisions 1, 3, 6; 326B.865; 326B.921, subdivisions 2, 4, 7; 326B.922; 326B.978, subdivision 2, by adding a subdivision; 327.31, subdivision 17, by adding subdivisions; 327.32, subdivision 1, by adding subdivisions; 327B.04, subdivision 2; 462.355, subdivision 3; Minnesota Statutes 2009 Supplement, sections 58.06, subdivision 2; 60K.55, subdivision 2; 82B.05, subdivision 1; 115C.08, subdivision 4; 116J.8731, subdivision 3; 116L.20,

subdivision 1; 268.035, subdivision 19a; 268.052, subdivision 2; 268.053, subdivision 1; 268.085, subdivision 1; 268.136, subdivision 1; 326B.33, subdivision 19; 326B.475, subdivision 4; 326B.49, subdivision 1; 326B.58; 326B.815, subdivision 1; 326B.86, subdivision 1; 326B.94, subdivision 4; 326B.986, subdivision 5; 327B.04, subdivisions 7, 7a, 8; 327B.041; Laws 2009, chapter 78, article 1, section 3, subdivision 2; Laws 2010, chapter 216, section 58; proposing coding for new law in Minnesota Statutes, chapters 60K; 116J; 184B; 325E; 326B; proposing coding for new law as Minnesota Statutes, chapters 58A; 82C; 116W; repealing Minnesota Statutes 2008, sections 116J.657; 326B.133, subdivisions 9, 10; 326B.37, subdivision 13; 326B.475, subdivisions 5, 6; 326B.56, subdivision 3; 326B.885, subdivisions 3, 4; 326B.976; 327.32, subdivision 4; 327C.07, subdivisions 3, 3a, 8; Minnesota Statutes 2009 Supplement, sections 58.126; 326B.56, subdivision 4; Laws 2010, chapter 215, article 9, section 3; Minnesota Rules, parts 1301.0500; 1301.0900; 1301.1100, subparts 2, 3, 4; 1350.7200, subpart 3; 1350.8000, subpart 2.

The bill was read for the first time.

Obermueller moved that S. F. No. 2510 and H. F. No. 2781, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2541, A bill for an act relating to natural resources; exempting watercraft, off-highway vehicles, and snowmobiles that are owned by Indian tribal governments from registration or licensing; amending Minnesota Statutes 2008, sections 84.788, subdivision 2; 84.798, subdivision 2; 84.82, subdivision 6; 84.8205, subdivision 1; 86B.301, subdivision 2; Minnesota Statutes 2009 Supplement, section 84.922, subdivision 1a.

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

S. F. No. 2629, A bill for an act relating to elections; appropriating money for grants to counties for voting equipment and vote-counting equipment; specifying grant terms and procedures; repealing Laws 2005, chapter 162, section 34, subdivision 2, as amended.

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

S. F. No. 3046, A bill for an act relating to energy; providing for large solar energy electric generation demonstration conservation improvement project; amending Minnesota Statutes 2008, section 216B.241, by adding a subdivision.

The bill was read for the first time.

Welti moved that S. F. No. 3046 and H. F. No. 3429, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

## **FISCAL CALENDAR**

Pursuant to rule 1.22, Solberg requested immediate consideration of S. F. No. 2996.



S. F. No. 2996, A bill for an act relating to health; establishing school concession stands as a specific category of food and beverage service establishments; amending Minnesota Statutes 2008, section 157.15, by adding a subdivision; Minnesota Statutes 2009 Supplement, section 157.16, subdivision 3.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

|              |            |            |            |             |               |
|--------------|------------|------------|------------|-------------|---------------|
| Abeler       | Dittrich   | Hilty      | Lesch      | Nornes      | Shimanski     |
| Anderson, B. | Doepke     | Holberg    | Liebling   | Norton      | Simon         |
| Anderson, P. | Doty       | Hoppe      | Lieder     | Obermueller | Slawik        |
| Anderson, S. | Downey     | Hornstein  | Lillie     | Olin        | Slocum        |
| Anzelc       | Drazkowski | Hortman    | Loeffler   | Otremba     | Smith         |
| Atkins       | Eastlund   | Hosch      | Loon       | Paymar      | Solberg       |
| Beard        | Eken       | Howes      | Mack       | Pelowski    | Sterner       |
| Benson       | Falk       | Huntley    | Magnus     | Peppin      | Swails        |
| Bigham       | Faust      | Jackson    | Mahoney    | Persell     | Thao          |
| Bly          | Fritz      | Johnson    | Mariani    | Peterson    | Thissen       |
| Brod         | Gardner    | Juhnke     | Marquart   | Poppe       | Tillberry     |
| Brown        | Garofalo   | Kahn       | Masin      | Reinert     | Torkelson     |
| Brynaert     | Gottwalt   | Kalin      | McFarlane  | Rosenthal   | Urdahl        |
| Buesgens     | Greiling   | Kath       | McNamara   | Rukavina    | Wagenius      |
| Bunn         | Gunther    | Kelly      | Morgan     | Ruud        | Ward          |
| Carlson      | Hackbarth  | Kiffmeyer  | Morrow     | Sailer      | Walti         |
| Clark        | Hamilton   | Knuth      | Mullery    | Sanders     | Westrom       |
| Cornish      | Hansen     | Koenen     | Murdock    | Scalze      | Winkler       |
| Davids       | Hausman    | Kohls      | Murphy, E. | Scott       | Zellers       |
| Dean         | Haws       | Laine      | Murphy, M. | Seifert     | Spk. Kelliher |
| Dettmer      | Hayden     | Lanning    | Nelson     | Sertich     |               |
| Dill         | Hilstrom   | Lenczewski | Newton     | Severson    |               |

The bill was passed and its title agreed to.

The Speaker called Hortman to the Chair.

Pursuant to rule 1.22, Solberg requested immediate consideration of S. F. No. 2737.

S. F. No. 2737 was reported to the House.

Juhnke moved to amend S. F. No. 2737, the first engrossment, as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 2678, the second engrossment:

"ARTICLE 1

AGRICULTURE

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

Subdivision 1. **Compensation required.** (a) Notwithstanding section 3.736, subdivision 3, paragraph (e), or any other law, a livestock owner shall be compensated by the commissioner of agriculture for livestock that is destroyed by a gray wolf or is so crippled by a gray wolf that it must be destroyed. Except as provided in this section, the owner is entitled to the fair market value of the destroyed livestock as determined by the commissioner, upon recommendation of the fair market value by a university extension agent or a conservation officer. In any fiscal year, a livestock owner may not be compensated for a destroyed animal claim that is less than \$100 in value and may be compensated up to \$20,000, as determined under this section. In any fiscal year, the commissioner may provide compensation for claims filed under this section up to the amount expressly appropriated for this purpose.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **18J.01 DEFINITIONS.**

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

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

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

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

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

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

#### **18J.03 CIVIL LIABILITY.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) If after receiving a notice of violation the commissioner reasonably believes that a violation has occurred, the commissioner shall make a special inspection in accordance with the provisions of this section as soon as practicable, to determine if a violation has occurred.

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

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

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

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

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

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

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

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

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

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

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

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

- (1) an application for registration, license, certification, or permit under chapter 18G ~~or~~ 18H, or 18K, sections 21.80 to 21.92, or associated rules;
- (2) records or reports required under chapter 18G ~~or~~ 18H, or 18K, sections 21.80 to 21.92, or associated rules; or
- (3) an investigation of a violation of chapter 18G ~~or~~ 18H, or 18K, sections 21.80 to 21.92, or associated rules.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) Annually, a licensee must file with the commissioner:

(1) documentation showing that the seeds planted are of a type and variety certified to contain no more than three-tenths of one percent tetrahydrocannabinol; and

(2) a copy of any contract to grow industrial hemp.

(b) A licensee must notify the commissioner of the sale or distribution of any industrial hemp grown by the licensee, including, but not limited to, the name and address of the person or entity receiving the industrial hemp and the amount of industrial hemp sold.

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

(a) The commissioner shall promulgate rules dealing with, but not limited to:

(1) supervising and inspecting industrial hemp during its growth and harvest;

(2) testing industrial hemp during growth to determine tetrahydrocannabinol levels;



(3) assessing a fee commensurate with the costs of the commissioner's activities in initial startup, licensing, testing, and supervising industrial hemp production;

(4) using the results of the background checks authorized in section 18K.05 as criteria for approving or denying an application for industrial hemp licensure; and

(5) any other rule or procedure necessary to carry out the purposes of this chapter.

(b) Rules promulgated under this section must be consistent with the rules of the United States Department of Justice, Drug Enforcement Administration, regarding the production, distribution, and sale of industrial hemp.

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

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

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

It is an affirmative defense to a prosecution for the possession of marijuana under chapter 152 if:

(1) the defendant was growing industrial hemp pursuant to the provisions of this chapter;

(2) the defendant has a valid applicable controlled substances registration from the United States Department of Justice, Drug Enforcement Administration;

(3) the defendant fully complied with all of the conditions of the controlled substances registration; and

(4) the substance in possession is industrial hemp, as defined in section 18K.03.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**239.092 SALE FROM BULK.**

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

- (1) the name and address of the person who weighed or measured the commodity;
- (2) the date delivered;
- (3) the quantity delivered;
- (4) the count of individually wrapped packages delivered, if more than one is included in the quantity delivered;
- (5) the quantity on which the price is based, if different than the quantity delivered; and

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

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

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

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

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

**239.093 INFORMATION REQUIRED WITH PACKAGE.**

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

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

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

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

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

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

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

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

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

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

(1) 10.0 percent denatured ethanol by volume; or

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

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

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

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

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

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

(1) 20 percent denatured ethanol by volume; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) organized according to farm product;

(2) arranged within each product:

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

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

(iii) geographically by county; and

(iv) by crop year;

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

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

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

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

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

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

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

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

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

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

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

(1) any electronically transmitted medium; or

(2) any form of digital media.

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

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

(g) If a registered farm products dealer receives a monthly list that cannot be read or is incomplete, the farm products dealer must immediately inform the secretary of state by telephone or e-mail of the problem. The registered farm products dealer shall confirm the existence of the problem by writing to the secretary of state. The secretary of state shall provide the registered farm products dealer with new monthly lists in the medium chosen by

the registered farm products dealer no later than five business days after receipt of the oral notice from the registered farm products dealer. A registered farm products dealer is not considered to have received notice of the information on the monthly lists until the duplicate list is received from the secretary of state or until five days have passed since the duplicate lists were deposited in the mail by the secretary of state, whichever comes first.

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

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

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

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

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

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

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

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

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

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

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

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

Subd. 2. **Aliens and non-American corporations.** Except as hereinafter provided, no natural person shall acquire directly or indirectly any interest in agricultural land unless the person is a citizen of the United States or a permanent resident alien of the United States. In addition to the restrictions in section 500.24, no corporation,



partnership, limited partnership, trustee, or other business entity shall directly or indirectly, acquire or otherwise obtain any interest, whether legal, beneficial or otherwise, in any title to agricultural land unless at least 80 percent of each class of stock issued and outstanding or 80 percent of the ultimate beneficial interest of the entity is held directly or indirectly by citizens of the United States or permanent resident aliens. This section shall not apply:

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

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

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

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

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

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

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

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

(i) disposes of all agricultural land held; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) "Family farm trust" means:

(1) a trust in which:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) it has no more than five partners;

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

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

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

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

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

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

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

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

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

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

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

(1) it has no more than five members;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

7,338,000

6,751,000

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

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

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

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

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

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

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

\$500,000 the first year and \$500,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Second Harvest food banks for the purchase of milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Second Harvest food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program (TEFAP). Second Harvest Heartland must submit quarterly reports to the commissioner on forms prescribed by the commissioner. The reports must include, but are not limited to, information on the expenditure of funds, the amount of milk purchased, and the organizations to which the milk was distributed. Second Harvest Heartland may enter into contracts or agreements

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

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

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

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

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

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

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

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

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

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

Appropriations by Fund

|              | 2010      | 2011      |
|--------------|-----------|-----------|
| General      | 7,377,000 | 6,237,000 |
| Agricultural | 800,000   | 800,000   |

\$780,000 the first year and \$755,000 the second year are for continuation of the dairy development and profitability enhancement and dairy business planning grant programs established under Laws 1997, chapter 216, section 7, subdivision 2, and Laws 2001, First Special Session chapter 2, section 9, subdivision 2. The commissioner may allocate the available sums among permissible activities, including efforts to improve the quality of milk produced in the state in the proportions that the commissioner deems most beneficial to Minnesota's dairy farmers. The commissioner must submit a work plan detailing plans for

expenditures under this program to the chairs of the house of representatives and senate committees dealing with agricultural policy and budget on or before the start of each fiscal year. If significant changes are made to the plans in the course of the year, the commissioner must notify the chairs.

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

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

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

\$474,000 the first year and \$474,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Aid payments to county and district agricultural societies and associations shall be disbursed no later than July 15 of each year. These payments are the amount of aid from the state for an annual fair held in the previous calendar year.

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

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

\$50,000 the first year and \$50,000 the second year are for annual grants to the Minnesota Turf Seed Council for basic and applied agronomic research on native plants, including plant breeding, nutrient management, pest management, disease management, yield, and viability. The grant recipient may subcontract with a qualified third party for some or all of the basic or applied research. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2011, must report to the house of representatives and senate committees with jurisdiction over agriculture finance.

\$500,000 the first year and \$500,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Second Harvest food banks for the purchase of milk for distribution to

Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Second Harvest food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program (TEFAP). Second Harvest Heartland must submit quarterly reports to the commissioner on forms prescribed by the commissioner. The reports must include, but are not limited to, information on the expenditure of funds, the amount of milk purchased, and the organizations to which the milk was distributed. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank receiving money from this appropriation may use up to two percent of the grant for administrative expenses.

\$1,000,000 the first year is for the agricultural growth, research, and innovation program in Minnesota Statutes, section 41A.12. Priority must be given to livestock programs under Minnesota Statutes, section 17.118. Priority for livestock grants shall be given to persons who are beginning livestock producers and livestock producers who are rebuilding after a disaster that was due to natural or other unintended conditions. The commissioner may use up to 4.5 percent of this appropriation for costs incurred to administer the program. Any unencumbered balance does not cancel at the end of the first year and is available in the second year.

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

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

Notwithstanding Minnesota Statutes, section 18C.131, \$800,000 the first year and \$800,000 the second year are from the fertilizer account in the agricultural fund for grants for fertilizer research as awarded by the Minnesota Agricultural Fertilizer Research and Education Council under Minnesota Statutes, section 18C.71. The amount appropriated in either fiscal year must not exceed 57 percent of the inspection fee revenue collected under Minnesota Statutes, section 18C.425, subdivision 6, during the previous fiscal year. No later than February 1, 2011, the commissioner shall report to the legislative committees with jurisdiction over agriculture finance. The report must include the progress and

outcome of funded projects as well as the sentiment of the council concerning the need for additional research funds. The appropriation for the first year is available until June 30, 2013, and the appropriation for the second year is available until June 30, 2014.

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

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

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

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

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

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

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

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

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

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

Sec. 64. **REPEALER.**

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

Sec. 65. **EFFECTIVE DATE.**

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

ARTICLE 2

VETERANS

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

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

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

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

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

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

(1) grants to veterans service organizations;

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

powers, and shall perform the duties, of the veterans service officer, and ~~shall be~~ is subject to all the provisions of sections 197.60 to 197.606 relating to a veterans service officer. Every county officer and agency shall cooperate with the veterans service officer and shall provide the officer with information necessary in connection with the performance of duties.

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

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

**197.601 QUALIFICATIONS OF VETERANS SERVICE OFFICERS.**

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

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

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

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

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

Subdivision 1. ~~Methods of operation~~ **Resources available.** ~~Every veterans service officer appointed under sections 197.60 to 197.606 shall be under the general supervision of the commissioner of veterans affairs as to methods of operation.—~~The commissioner of veterans affairs shall make resources available within the Department of Veterans Affairs to every county that operates a county veterans service office, to assist the county with maintaining efficient and effective services to veterans. To receive available resources from the department, a county must formally request them from the commissioner and invite the commissioner or the commissioner's designee or designees into the county as necessary to provide those resources. The commissioner shall consult with the Association of Minnesota Counties and the Minnesota Association of County Veterans Service Officers in developing a list of resources available to counties in support of their county veterans service offices.

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

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

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

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

**197.606 CLASSED AS COUNTY EMPLOYEES.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) determining the need for the cemetery;

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

(3) assessment of impacts of the cemetery;

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

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

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

Sec. 17. **NONCOMPLIANCE.**

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

Sec. 18. **EFFECTIVE DATE.**

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

Delete the title and insert:

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

The motion prevailed and the amendment was adopted.

Juhnke moved to amend S. F. No. 2737, the first engrossment, as amended, as follows:

Page 42, after line 31, insert:

"Sec. 64. **FOREST PEST WORKGROUP; REPORT.**

(a) The commissioners of agriculture and natural resources shall form a workgroup and develop recommendations on how the state should address mitigation of invasive or exotic forest pests, primarily gypsy moth and emerald ash borer. The commissioners shall consult with representatives of the Forest and Animal and Plant Health Inspection Services of the United States Department of Agriculture, local units of government, the nursery industry and the timber industry. The commissioners shall report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over agriculture finance no later than September 1, 2010.

(b) The recommendations must outline current funding sources for forest pest survey, treatment, quarantine, and outreach activities and must explore and evaluate alternative or additional funding options. The workgroup shall also report on:

(1) the public and private sector benefits of forest pest survey, detection, eradication and outreach efforts;

(2) potential ramifications if the state discontinues efforts to control forest pests, including but not limited to the economic and commercial impact of a statewide quarantine and the environmental consequences of forests pests left unabated;

(3) clarifying statutory and regulatory roles and responsibilities of state agencies and local units of government as well as identifying and evaluating options for consolidating these roles and responsibilities; and

(4) the roles that federal agencies play in managing and regulating invasive forest pests."

Page 51, line 8, after "2010" insert ", unless otherwise indicated"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

#### POINT OF ORDER

Buesgens raised a point of order pursuant to rule 4.03, relating to Ways and Means Committee; Budget Resolution; Effect on Expenditure and Revenue Bills that the Juhnke amendment was not in order. Speaker pro tempore Hortman ruled the point of order not well taken and the Juhnke amendment in order.

The question recurred on the Juhnke amendment and the roll was called. There were 107 yeas and 23 nays as follows:

Those who voted in the affirmative were:

|              |           |            |            |             |               |
|--------------|-----------|------------|------------|-------------|---------------|
| Abeler       | Doty      | Hornstein  | Lieder     | Nelson      | Sertich       |
| Anderson, P. | Eken      | Hortman    | Lillie     | Newton      | Simon         |
| Anzelc       | Falk      | Hosch      | Loeffler   | Norton      | Slawik        |
| Atkins       | Faust     | Howes      | Loon       | Obermueller | Slocum        |
| Beard        | Fritz     | Huntley    | Mack       | Olin        | Solberg       |
| Benson       | Gardner   | Jackson    | Magnus     | Otremba     | Sterner       |
| Bigham       | Garofalo  | Johnson    | Mahoney    | Paymar      | Swails        |
| Bly          | Greiling  | Juhnke     | Mariani    | Pelowski    | Thao          |
| Brown        | Gunther   | Kahn       | Marquart   | Persell     | Thissen       |
| Brynaert     | Hackbarth | Kalin      | Masin      | Peterson    | Tillberry     |
| Bunn         | Hamilton  | Kath       | McFarlane  | Poppe       | Torkelson     |
| Carlson      | Hansen    | Knuth      | McNamara   | Reinert     | Urdahl        |
| Clark        | Hausman   | Koenen     | Morgan     | Rosenthal   | Wagenius      |
| Cornish      | Haws      | Laine      | Morrow     | Rukavina    | Ward          |
| Davids       | Hayden    | Lanning    | Mullery    | Ruud        | Welti         |
| Dill         | Hilstrom  | Lenczewski | Murdock    | Sailer      | Winkler       |
| Dittrich     | Hilty     | Lesch      | Murphy, E. | Sanders     | Spk. Kelliher |
| Doepke       | Holberg   | Liebling   | Murphy, M. | Scalze      |               |

Those who voted in the negative were:

|              |            |          |           |           |         |
|--------------|------------|----------|-----------|-----------|---------|
| Anderson, B. | Dean       | Eastlund | Kiffmeyer | Scott     | Smith   |
| Anderson, S. | Dettmer    | Gottwalt | Kohls     | Seifert   | Westrom |
| Brod         | Downey     | Hoppe    | Nornes    | Severson  | Zellers |
| Buesgens     | Drazkowski | Kelly    | Peppin    | Shimanski |         |

The motion prevailed and the amendment was adopted.

Liebling and Kahn moved to amend S. F. No. 2737, the first engrossment, as amended, as follows:

Page 43, after line 27, insert:

"Sec. 3. Minnesota Statutes 2008, section 1.141, is amended by adding a subdivision to read:

Subd. 8. **Design of state flag.** The Legislative Coordinating Commission shall study the form, style, and design of the state flag and suggest any desired changes, while preserving its basic symbolism. The commission may solicit voluntary services and aid of persons who have either technical or artistic skill in flag construction and design, and may use authority under section 3.305 to create a bicameral group to assist the commission in this work. The commission shall report its recommendations to the legislature by January 15, 2011."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

Abeler and Juhnke moved to amend S. F. No. 2737, the first engrossment, as amended, as follows:

Page 44, after line 4, insert:

"Sec. 4. Minnesota Statutes 2008, section 196.05, is amended by adding a subdivision to read:

Subd. 3. **Consumer satisfaction.** (a) The commissioner shall submit a memorandum each year to the governor and the chairs of the house of representatives and senate standing committees with jurisdiction over the department's programs that provides the following information:

(1) the number of calls made to each of the department's help lines by consumers and citizens regarding services provided or regulated by the department;

(2) the subject matter of the call;

(3) the number of service-related calls that were resolved;

(4) the number that remain open; and

(5) the number that were without merit.

(b) The commissioner shall publish the annual memorandum on the department's Web site each year no later than March 1.

**EFFECTIVE DATE.** This section is effective February 15, 2011."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Dettmer, Sanders, Severson, Smith, Mack and Anderson, B., moved to amend S.F. No. 2737, the first engrossment, as amended, as follows:

Page 50, after line 12, insert:

"Sec. 16. Minnesota Statutes 2008, section 609.79, subdivision 1, is amended to read:

Subdivision 1. **Crime defined; obscene call.** ~~Whoever,~~ A person shall be guilty of a misdemeanor, if the person:

(1) by means of a telephone,

(a) makes any comment, request, suggestion or proposal which is obscene, lewd, or lascivious,

(b) explicitly or implicitly informs a family or household member of a person serving in active service that the person has been injured, killed or has otherwise died, or has been taken captive by the enemy, knowing that the information is false and with intent to cause distress in any family or household member,

(c) repeatedly makes telephone calls, whether or not conversation ensues, with intent to abuse, disturb, or cause distress,

(~~e~~) (d) makes or causes the telephone of another repeatedly or continuously to ring, with intent to abuse, disturb, or cause distress in any person at the called number, or

(2) having control of a telephone, knowingly permits it to be used for any purpose prohibited by this section; ~~shall be guilty of a misdemeanor.~~

**EFFECTIVE DATE.** This section is effective August 1, 2010, and applies to crimes committed on or after that date.

Sec. 17. Minnesota Statutes 2008, section 609.79, is amended by adding a subdivision to read:

Subd. 1b. **Definitions.** For purposes of this section, the following terms have the meanings given them:

(1) "family or household member" has the meaning given in section 518B.01, subdivision 2; and

(2) "active service" has the meaning given in section 190.05, subdivision 5.



**EFFECTIVE DATE.** This section is effective August 1, 2010, and applies to crimes committed on or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Urdahl and Buesgens moved to amend S. F. No. 2737, the first engrossment, as amended, as follows:

Page 3, after line 33, insert:

"Sec. 4. Minnesota Statutes 2008, section 17.03, is amended by adding a subdivision to read:

**Subd. 14. Private contractors required.** Notwithstanding any other law, the commissioner shall hire private contractors to perform pesticide, dairy, food, or other inspections and may only employ state workers for these purposes after the commissioner certifies to the commissioner of administration that no private contractor domiciled in this state is able and available to perform these services."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Urdahl and Buesgens amendment and the roll was called. There were 31 yeas and 99 nays as follows:

Those who voted in the affirmative were:

|              |            |           |         |           |         |
|--------------|------------|-----------|---------|-----------|---------|
| Anderson, B. | Dettmer    | Gottwalt  | Loon    | Scott     | Zellers |
| Anderson, S. | Doepke     | Gunther   | Mack    | Seifert   |         |
| Beard        | Downey     | Hoppe     | Murdock | Severson  |         |
| Brod         | Drazkowski | Kelly     | Nornes  | Shimanski |         |
| Buesgens     | Eastlund   | Kiffmeyer | Peppin  | Urdahl    |         |
| Dean         | Garofalo   | Kohls     | Sanders | Westrom   |         |

Those who voted in the negative were:

|              |          |           |          |           |            |
|--------------|----------|-----------|----------|-----------|------------|
| Abeler       | Brynaert | Doty      | Hamilton | Hornstein | Kahn       |
| Anderson, P. | Bunn     | Eken      | Hansen   | Hortman   | Kalin      |
| Anzelc       | Carlson  | Falk      | Hausman  | Hosch     | Kath       |
| Atkins       | Clark    | Faust     | Haws     | Howes     | Knuth      |
| Benson       | Cornish  | Fritz     | Hayden   | Huntley   | Koenen     |
| Bigham       | Dauids   | Gardner   | Hilstrom | Jackson   | Laine      |
| Bly          | Dill     | Greiling  | Hilty    | Johnson   | Lanning    |
| Brown        | Dittrich | Hackbarth | Holberg  | Juhnke    | Lenczewski |

|          |            |             |           |           |               |
|----------|------------|-------------|-----------|-----------|---------------|
| Lesch    | Masin      | Newton      | Poppe     | Slawik    | Torkelson     |
| Liebling | McFarlane  | Norton      | Reinert   | Slocum    | Wagenius      |
| Lieder   | McNamara   | Obermueller | Rosenthal | Smith     | Ward          |
| Lillie   | Morgan     | Olin        | Rukavina  | Solberg   | Welti         |
| Loeffler | Morrow     | Otremba     | Ruud      | Sterner   | Winkler       |
| Magnus   | Mullery    | Paymar      | Sailer    | Swails    | Spk. Kelliher |
| Mahoney  | Murphy, E. | Pelowski    | Scalze    | Thao      |               |
| Mariani  | Murphy, M. | Persell     | Sertich   | Thissen   |               |
| Marquart | Nelson     | Peterson    | Simon     | Tillberry |               |

The motion did not prevail and the amendment was not adopted.

Falk moved to amend S. F. No. 2737, the first engrossment, as amended, as follows:

Page 36, line 26, delete "2011" and insert "2012"

The motion prevailed and the amendment was adopted.

Mack; Sanders; Morgan; Severson; Dettmer; Kelly; Anderson, S., and Scott moved to amend S. F. No. 2737, the first engrossment, as amended, as follows:

Page 43, after line 27, insert:

"Sec. 3. Minnesota Statutes 2008, section 123B.35, is amended to read:

**123B.35 GENERAL POLICY.**

It is the policy of the state of Minnesota that public school education shall be free and no pupil shall be denied an education because of economic inability to furnish educational books and supplies necessary to complete educational requirements necessary for graduation. Any practice leading to suspension, coercion, exclusion, withholding of grades or diplomas, or discriminatory action based upon nonpayment of fees denies pupils their right to equal protection and entitled privileges. It is recognized that school boards do have the right to accept voluntary contributions ~~and~~ to make certain charges and to establish fees in areas considered extra curricular, noncurricular or supplementary to the requirements for the successful completion of a class or educational program, and to waive those fees under certain circumstances. No public school board may require, except as authorized by sections 123B.36 and 123B.38, the payment of fees.

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

Sec. 4. Minnesota Statutes 2008, section 123B.36, subdivision 6, is amended to read:

Subd. 6. **Waiver of student fees ~~based on need.~~** (a) A board may waive any deposit or fee for any pupil whose parent is serving in, or within the past year has served in, active military service as defined under section 190.05.

(b) A board may waive any deposit or fee if any pupil or the pupil's parent or guardian is unable to pay it.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Severson, Newton, Dettmer and Reinert moved to amend S. F. No. 2737, the first engrossment, as amended, as follows:

Page 46, after line 25, insert:

"Sec. 9. Minnesota Statutes 2008, section 197.585, subdivision 5, is amended to read:

Subd. 5. **Expiration.** This section expires at the end of the first fiscal year in which the number of veterans enrolled in Minnesota public institutions of higher education is fewer than 4,000, but no later than June 30, ~~2011~~ 2015.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Severson, Newton, Dettmer and Reinert moved to amend S. F. No. 2737, the first engrossment, as amended, as follows:

Page 50, after line 12, insert:

"Sec. 16. Laws 2009, chapter 94, article 3, section 14, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective July 1, 2009, ~~and applies to appointments to state and local government positions of employment made on or after that date.~~

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to terminations after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Anderson, B., Shimanski and Urdahl moved to amend S. F. No. 2737, the first engrossment, as amended, as follows:

Page 42, after line 31, insert:

"Sec. 64. **STRAY VOLTAGE REPORT.**

The commissioner of agriculture, in consultation with the commissioners of commerce and public safety, shall conduct a study of the effects of stray voltage on the safety of humans and livestock. No later than January 15, 2011, the commissioners shall report and provide recommendations to the legislative committees with jurisdiction over agriculture, energy, or public safety."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Hackbarth offered an amendment to S. F. No. 2737, the first engrossment, as amended.

#### POINT OF ORDER

Sertich raised a point of order pursuant to rule 3.21 that the Hackbarth amendment was not in order. Speaker pro tempore Hortman ruled the point of order well taken and the Hackbarth amendment out of order.

Hackbarth appealed the decision of Speaker pro tempore Hortman.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of Speaker pro tempore Hortman stand as the judgment of the House?" and the roll was called. There were 99 yeas and 31 nays as follows:

Those who voted in the affirmative were:

|          |            |           |            |            |             |
|----------|------------|-----------|------------|------------|-------------|
| Abeler   | Dittrich   | Haws      | Kelly      | Mahoney    | Norton      |
| Anzelc   | Doepke     | Hayden    | Kiffmeyer  | Mariani    | Obermueller |
| Atkins   | Downey     | Hilstrom  | Knuth      | Marquart   | Otremba     |
| Bigham   | Drazkowski | Hilty     | Koenen     | Masin      | Paymar      |
| Bly      | Eastlund   | Hornstein | Laine      | McFarlane  | Pelowski    |
| Brynaert | Eken       | Hortman   | Lenczewski | Morgan     | Persell     |
| Bunn     | Falk       | Hosch     | Lesch      | Morrow     | Peterson    |
| Carlson  | Faust      | Howes     | Liebling   | Mullery    | Poppe       |
| Clark    | Fritz      | Huntley   | Lieder     | Murdock    | Reinert     |
| Davids   | Gardner    | Jackson   | Lillie     | Murphy, E. | Rosenthal   |
| Davnie   | Greiling   | Johnson   | Loeffler   | Murphy, M. | Rukavina    |
| Dean     | Hansen     | Kahn      | Loon       | Nelson     | Ruud        |
| Dill     | Hausman    | Kalin     | Mack       | Newton     | Sailer      |

|         |         |         |           |         |               |
|---------|---------|---------|-----------|---------|---------------|
| Sanders | Sertich | Solberg | Thissen   | Ward    | Spk. Kelliher |
| Scalze  | Simon   | Sterner | Tillberry | Welti   |               |
| Scott   | Slawik  | Swails  | Urdahl    | Winkler |               |
| Seifert | Slocum  | Thao    | Wagenius  | Zellers |               |

Those who voted in the negative were:

|              |          |           |          |           |         |
|--------------|----------|-----------|----------|-----------|---------|
| Anderson, B. | Brown    | Gottwalt  | Kath     | Olin      | Westrom |
| Anderson, P. | Buesgens | Gunther   | Kohls    | Peppin    |         |
| Anderson, S. | Cornish  | Hackbarth | Lanning  | Severson  |         |
| Beard        | Dettmer  | Hamilton  | Magnus   | Shimanski |         |
| Benson       | Doty     | Holberg   | McNamara | Smith     |         |
| Brod         | Garofalo | Hoppe     | Nornes   | Torkelson |         |

So it was the judgment of the House that the decision of Speaker pro tempore Hortman should stand.

Severson, Dettmer and Newton moved to amend S. F. No. 2737, the first engrossment, as amended, as follows:

Page 43, after line 27, insert:

"Sec. 3. Minnesota Statutes 2009 Supplement, section 16C.16, subdivision 6a, is amended to read:

Subd. 6a. **Veteran-owned small businesses.** (a) The commissioner shall award up to a six percent preference, but no less than the percentage awarded to any other group under this section, in the amount bid on state procurement to certified small businesses that are majority-owned and operated ~~either:~~

~~(1) by recently separated veterans, who are one or more veterans, as defined in section 197.447, who have served in active military service; at any time on or after September 11, 2001, and who have been discharged under honorable conditions from active service, as indicated by the person's United States Department of Defense form DD-214 or by the commissioner of veterans affairs; or,~~

~~(2) by veterans who are veterans as defined in section 197.447, with service-connected disabilities, as determined at any time by the United States Department of Veterans Affairs.~~

(b) The purpose of this designation is to facilitate the transition of veterans from military to civilian life, and to help compensate veterans for their sacrifices, including but not limited to their sacrifice of health and time, to the state and nation during their military service, as well as to enhance economic development within Minnesota.

~~(c) For purposes of this section and section 16C.19, "service-connected disability" has the meaning given in United States Code, title 38, section 101(16), as determined by the United States Department of Veterans Affairs.~~

**EFFECTIVE DATE.** This section is effective July 1, 2010, and applies to businesses that apply for state contracts being awarded on or after that date.

Sec. 4. Minnesota Statutes 2009 Supplement, section 16C.19, is amended to read:

**16C.19 ELIGIBILITY; RULES.**

(a) A small business wishing to participate in the programs under section 16C.16, subdivisions 4 to 7, must be certified by the commissioner. The commissioner shall adopt by rule standards and procedures for certifying that small businesses, small targeted group businesses, and small businesses located in economically disadvantaged areas

are eligible to participate under the requirements of sections 16C.16 to 16C.21. The commissioner shall adopt by rule standards and procedures for hearing appeals and grievances and other rules necessary to carry out the duties set forth in sections 16C.16 to 16C.21.

(b) The commissioner may make rules which exclude or limit the participation of nonmanufacturing business, including third-party lessors, brokers, franchises, jobbers, manufacturers' representatives, and others from eligibility under sections 16C.16 to 16C.21.

(c) The commissioner may make rules that set time limits and other eligibility limits on business participation in programs under sections 16C.16 to 16C.21.

(d) Notwithstanding paragraph (c), for purposes of sections 16C.16 to 16C.21, a veteran-owned small business ~~or service disabled veteran-owned small business~~, the principal place of business of which is in Minnesota, is certified if:

~~(1) it has been verified by the United States Department of Veterans Affairs as being either a veteran-owned small business or a service-disabled veteran-owned small business, in accordance with Public Law 109-461 and Code of Federal Regulations, title 38, part 74, and a majority of the owners of the business are recently separated veterans as provided in section 16C.16, subdivision 6a; or~~

~~(2) it has been verified by the United States Department of Veterans Affairs as being a service disabled veteran-owned small business in accordance with Public Law 109-461 and Code of Federal Regulations, title 38, part 74.~~

**EFFECTIVE DATE.** This section is effective July 1, 2010, and applies to businesses that apply for state contracts being awarded on or after that date."

ReNUMBER the sections in sequence and correct the internal references

Amend the title accordingly

Severson and Kahn moved to amend the Severson et al amendment to S. F. No. 2737, the first engrossment, as amended, as follows:

Page 1, line 10, delete the new language

Page 1, lines 10, 11, 12, 15, 16, and 17, restore the stricken language

Page 1, line 14, reinstate the stricken semicolon and delete the period

Page 1, line 17, before the period, insert "; or

(3) if there is any excess capacity in the program, any other veteran-owned small businesses meeting the same qualifying certification criteria"

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Severson et al amendment, as amended, to S. F. No. 2737, the first engrossment, as amended. The motion prevailed and the amendment, as amended, was adopted.

S. F. No. 2737, A bill for an act relating to state government; changing certain pesticide control provisions; authorizing waiver of a fee; providing for control of bovine tuberculosis; eliminating the native grasses and wildflower seed production and incentive program; authorizing ownership of agricultural land by certain nonprofit corporations; requiring tree care and tree trimming company registration; regulating certain sale and distribution of firewood; authorizing individuals and entities to take certain easements in agricultural land; allowing a temporary lien for livestock production inputs for 45 days following a mediation request requiring reports; clarifying the role of the commissioner and Department of Veterans Affairs in providing certain resources for the county veterans service offices; modifying a residency requirement for purposes of eligibility for higher educational benefits for the surviving spouse and children of a deceased veteran who dies as a result of military service; repealing authorization for a license plate; repealing a requirement that the Department of Veterans Affairs report on the status of a construction project priority listing; appropriating money; amending Minnesota Statutes 2008, sections 3.737, subdivision 4; 17.03, by adding a subdivision; 18B.31, subdivision 5; 18B.36, subdivision 1; 18B.37, subdivision 4; 18G.07; 28A.082, subdivision 1; 35.244, subdivisions 1, 2; 197.60, subdivision 1; 197.601; 197.605; 197.606; 197.609, subdivisions 1, 2; 197.75, subdivision 1; 239.092; 239.093; 500.221, subdivisions 2, 4; 500.24, subdivision 2; 514.965, subdivision 2; 514.966, subdivision 6, by adding a subdivision; Minnesota Statutes 2009 Supplement, sections 3.737, subdivision 1; 18B.316, subdivision 10; Laws 2008, chapter 296, article 1, section 25; proposing coding for new law in Minnesota Statutes, chapters 17; 38; repealing Minnesota Statutes 2008, sections 17.231; 168.1251; 343.26; Laws 2009, chapter 94, article 3, section 23.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called.

Pursuant to rule 2.05, Holberg was excused from voting on the final passage of S. F. No. 2737, as amended.

There were 127 yeas and 3 nays as follows:

Those who voted in the affirmative were:

|              |           |           |            |             |           |
|--------------|-----------|-----------|------------|-------------|-----------|
| Abeler       | Dean      | Hansen    | Kiffmeyer  | McFarlane   | Poppe     |
| Anderson, B. | Dettmer   | Hausman   | Knuth      | McNamara    | Reinert   |
| Anderson, P. | Dill      | Haws      | Koenen     | Morgan      | Rosenthal |
| Anderson, S. | Dittrich  | Hayden    | Kohls      | Morrow      | Rukavina  |
| Anzelc       | Doepke    | Hilstrom  | Laine      | Mullery     | Ruud      |
| Atkins       | Doty      | Hilty     | Lanning    | Murdock     | Sailer    |
| Beard        | Downey    | Hoppe     | Lenczewski | Murphy, E.  | Sanders   |
| Benson       | Eastlund  | Hornstein | Lesch      | Murphy, M.  | Scalze    |
| Bigham       | Eken      | Hortman   | Liebling   | Nelson      | Scott     |
| Bly          | Falk      | Hosch     | Lieder     | Newton      | Seifert   |
| Brod         | Faust     | Howes     | Lillie     | Nornes      | Sertich   |
| Brown        | Fritz     | Huntley   | Loeffler   | Norton      | Severson  |
| Brynaert     | Gardner   | Jackson   | Loon       | Obermueller | Shimanski |
| Bunn         | Garofalo  | Johnson   | Mack       | Olin        | Simon     |
| Carlson      | Gottwalt  | Juhnke    | Magnus     | Otremba     | Slawik    |
| Clark        | Greiling  | Kahn      | Mahoney    | Paymar      | Slocum    |
| Cornish      | Gunther   | Kalin     | Mariani    | Pelowski    | Smith     |
| Davids       | Hackbarth | Kath      | Marquart   | Persell     | Solberg   |
| Davnie       | Hamilton  | Kelly     | Masin      | Peterson    | Sterner   |

|         |           |          |         |               |
|---------|-----------|----------|---------|---------------|
| Swails  | Tillberry | Wagenius | Westrom | Spk. Kelliher |
| Thao    | Torkelson | Ward     | Winkler |               |
| Thissen | Urdahl    | Welti    | Zellers |               |

Those who voted in the negative were:

|          |            |        |
|----------|------------|--------|
| Buesgens | Drazkowski | Peppin |
|----------|------------|--------|

The bill was passed, as amended, and its title agreed to.

### MOTIONS AND RESOLUTIONS

Dill moved that the name of Hosch be added as an author on H. F. No. 1157. The motion prevailed.

Hansen moved that the name of Dill be added as an author on H. F. No. 2116. The motion prevailed.

Pelowski moved that the name of Poppe be added as an author on H. F. No. 2958. The motion prevailed.

Pelowski moved that the name of Emmer be added as an author on H. F. No. 3677. The motion prevailed.

Hausman moved that the names of Sailer and McNamara be added as authors on H. F. No. 3770. The motion prevailed.

Obermueller moved that the name of Morgan be added as an author on H. F. No. 3806. The motion prevailed.

House Resolution No. 9 was reported to the House.

### HOUSE RESOLUTION NO. 9

A House resolution designating 2011 as the Year of the County Fair.

*Whereas*, the first recognized county fair was held in Pittsfield, Massachusetts in 1811 when Elkanah Watson decided to hold a competition between farmers in a friendly manner and award the best animals prizes; and

*Whereas*, this event expanded from a local event to a national one over the 200 years since the first fair; and

*Whereas*, county fairs are among the longest continuously running events of their kind in the United States of America; and

*Whereas*, Minnesota's county fairs are its longest running and largest social gatherings, bringing people together in harmony and building family and social capacity among us all; *Now, Therefore*,

*Be It Resolved* by the House of Representatives of the State of Minnesota that it designates 2011 as the Year of the County Fair, and it encourages each and every citizen to attend county fairs during the year of 2011 in recognition of the value of county fairs to the social well-being of our country.

Juhnke moved that House Resolution No. 9 be now adopted. The motion prevailed and House Resolution No. 9 was adopted.



## ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 80:

Simon, Winkler and Sanders.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2511:

Swails, Ward and McFarlane.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2846:

Hortman, Hausman and Holberg.

## FISCAL CALENDAR ANNOUNCEMENT

Pursuant to rule 1.22, Solberg announced his intention to place S. F. No. 2873; and H. F. Nos. 2116 and 2037 on the Fiscal Calendar for Wednesday, April 28, 2010.

## ADJOURNMENT

Morrow moved that when the House adjourns today it adjourn until 2:00 p.m., Wednesday, April 28, 2010. The motion prevailed.

Morrow moved that the House adjourn. The motion prevailed, and Speaker pro tempore Hortman declared the House stands adjourned until 2:00 p.m., Wednesday, April 28, 2010.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives

