

STATE OF MINNESOTA

EIGHTY-NINTH SESSION — 2015

 THIRTY-NINTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, APRIL 15, 2015

The House of Representatives convened at 10:00 a.m. and was called to order by Tim O'Driscoll, Speaker pro tempore.

Prayer was offered by the Reverend Paris Pasch, Christ's Family Church, Hastings, 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:

Albright	Dettmer	Hilstrom	Loon	O'Driscoll	Slocum
Anderson, P.	Dill	Hoppe	Loonan	O'Neill	Smith
Anderson, S.	Drazkowski	Hornstein	Lucero	Pelowski	Sundin
Anzelc	Erhardt	Hortman	Lueck	Peppin	Swedzinski
Applebaum	Erickson	Howe	Mack	Persell	Theis
Atkins	Fabian	Isaacson	Mahoney	Petersburg	Thissen
Backer	Fenton	Johnson, B.	Marquart	Peterson	Torkelson
Baker	Fischer	Johnson, C.	Masin	Pierson	Uglen
Barrett	Franson	Johnson, S.	McNamara	Pinto	Urdahl
Bennett	Freiberg	Kahn	Melin	Poppe	Vogel
Bernardy	Garofalo	Kelly	Metsa	Pugh	Wagenius
Bly	Green	Kiel	Miller	Quam	Ward
Carlson	Gruenhagen	Knoblach	Moran	Rarick	Whelan
Christensen	Gunther	Koznick	Mullery	Rosenthal	Wills
Clark	Hackbarth	Kresha	Murphy, E.	Runbeck	Winkler
Considine	Halverson	Laine	Murphy, M.	Sanders	Yarusso
Cornish	Hamilton	Lenczewski	Nash	Schoen	Youakim
Daniels	Hancock	Liebling	Nelson	Schomacker	Zerwas
Davids	Hansen	Lien	Newberger	Schultz	Spk. Daudt
Davnie	Hausman	Lillie	Newton	Scott	
Dean, M.	Heintzeman	Loeffler	Nornes	Selcer	
Dehn, R.	Hertaus	Lohmer	Norton	Simonson	

A quorum was present.

Allen; Anderson, M.; Lesch; Mariani and McDonald were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. There being no objection, further reading of the Journal was dispensed with and the Journal was approved as corrected by the Chief Clerk.

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Kelly from the Committee on Transportation Policy and Finance to which was referred:

H. F. No. 4, A bill for an act relating to transportation; requiring the Department of Transportation to implement certain efficiencies; appropriating money to construct, maintain, and rehabilitate highways, roads, and bridges.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1 TRANSPORTATION APPROPRIATIONS

Section 1. ROAD AND BRIDGE ACT OF 2015.

This act may be cited as the "Road and Bridge Act of 2015."

Sec. 2. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations by fund made in this act, and do not have legal effect.

	<u>2016</u>	<u>2017</u>	<u>Total</u>
<u>General</u>	<u>\$64,361,000</u>	<u>\$40,875,000</u>	<u>\$105,236,000</u>
<u>Airports</u>	<u>25,109,000</u>	<u>25,109,000</u>	<u>50,218,000</u>
<u>C.S.A.H.</u>	<u>844,521,000</u>	<u>786,152,000</u>	<u>1,630,673,000</u>
<u>M.S.A.S.</u>	<u>218,127,000</u>	<u>197,506,000</u>	<u>415,633,000</u>
<u>Special Revenue</u>	<u>61,422,000</u>	<u>54,425,000</u>	<u>115,847,000</u>
<u>H.U.T.D.</u>	<u>10,436,000</u>	<u>10,449,000</u>	<u>20,885,000</u>
<u>Trunk Highway</u>	<u>1,759,687,000</u>	<u>1,809,068,000</u>	<u>3,568,755,000</u>
<u>Transportation Stability</u>	<u>25,000,000</u>	<u>25,000,000</u>	<u>50,000,000</u>
<u>Transit Assistance</u>	<u>331,340,000</u>	<u>351,910,000</u>	<u>683,250,000</u>
<u>Total</u>	<u>\$3,340,003,000</u>	<u>\$3,300,494,000</u>	<u>\$6,640,497,000</u>

Sec. 3. TRANSPORTATION APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the trunk highway fund, or another named fund, and are available for the fiscal years indicated for each purpose. Amounts for "Total Appropriation" and sums shown in the corresponding columns marked "Appropriations by Fund" are summary only and do not have legal effect. The figures "2016" and "2017" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal year 2017. "The biennium" is fiscal years 2016 and 2017.

APPROPRIATIONS
Available for the Year
Ending June 30
2016 **2017**

Sec. 4. **DEPARTMENT OF TRANSPORTATION**

Subdivision 1. **Total Appropriation** **\$2,869,033,000** **\$2,830,817,000**

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
General	<u>18,058,000</u>	<u>18,058,000</u>
Airports	<u>25,109,000</u>	<u>25,109,000</u>
C.S.A.H.	<u>844,521,000</u>	<u>768,152,000</u>
M.S.A.S.	<u>218,127,000</u>	<u>197,506,000</u>
Special Revenue	<u>2,032,000</u>	<u>0</u>
Trunk Highway	<u>1,663,396,000</u>	<u>1,710,832,000</u>
Transportation Stability	<u>25,000,000</u>	<u>25,000,000</u>
Transit Assistance	<u>64,790,000</u>	<u>68,160,000</u>

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

Subd. 2. **Multimodal Systems**

(a) **Aeronautics Activity**

(1) **Airport Development and Assistance** 19,798,000 19,798,000

This appropriation is from the state airports fund and must be spent according to Minnesota Statutes, section 360.305, subdivision 4.

The base appropriation in each of fiscal years 2018 and 2019 is \$14,323,000.

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is available for five years after the date of appropriation.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(2) **Aviation Support and Services** 6,411,000 6,411,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
Airports	<u>5,311,000</u>	<u>5,311,000</u>
Trunk Highway	<u>1,100,000</u>	<u>1,100,000</u>

\$80,000 in each year is from the state airports fund for the Civil Air Patrol.

The base appropriation from the general fund in each of fiscal years 2018 and 2019 is \$1,100,000.

The base appropriation from the trunk highway fund in fiscal year 2018 and thereafter is \$0.

(b) Transit 82,810,000 86,180,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>17,245,000</u>	<u>17,245,000</u>
<u>Trunk Highway</u>	<u>775,000</u>	<u>775,000</u>
<u>Transit Assistance</u>	<u>64,790,000</u>	<u>68,160,000</u>

The transit assistance fund appropriation is from the greater Minnesota transit account under Minnesota Statutes, section 16A.88.

The base appropriation from the general fund in each of fiscal years 2018 and 2019 is \$18,020,000.

The base appropriation from the transit assistance fund in fiscal year 2018 and thereafter is as provided in Minnesota Statutes, section 16A.88, subdivision 1a.

The base appropriation from the trunk highway fund in fiscal year 2018 and thereafter is \$0.

(c) Safe Routes to School 500,000 500,000

This appropriation is from the general fund for the safe routes to school program under Minnesota Statutes, section 174.40.

(d) Freight 7,653,000 5,153,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>256,000</u>	<u>256,000</u>
<u>Special Revenue</u>	<u>2,500,000</u>	<u>0</u>
<u>Trunk Highway</u>	<u>4,897,000</u>	<u>4,897,000</u>

The special revenue fund appropriation is from the vehicle services operating account for port development assistance program grants under Minnesota Statutes, chapter 457A. Any improvements made with the proceeds of these grants must be publicly owned. This is a onetime appropriation and is available in the second year.

The base appropriation from the general fund in each of fiscal years 2018 and 2019 is \$5,153,000.

The base appropriation from the trunk highway fund in fiscal year 2018 and thereafter is \$0.

Subd. 3. State Roads

(a) Operations and Maintenance Activity

(1) <u>General Operations and Maintenance</u>	<u>221,083,000</u>	<u>234,915,000</u>
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The base appropriation in fiscal year 2018 and thereafter is as provided in Minnesota Statutes, section 161.04, subdivision 7.

(2) <u>Snow and Ice Management</u>	<u>65,000,000</u>	<u>65,000,000</u>
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This appropriation is for snow plowing, anti-icing treatment, ice removal, and related expenses.

If the appropriation in either year is insufficient, the appropriation for the other year is available for it.

If the appropriation in the second year is insufficient, the commissioner may transfer an amount of up to ten percent of the snow and ice management appropriation for the biennium from the appropriation for general operations and maintenance under clause (1).

If a balance remains in this appropriation, the commissioner may transfer up to that amount for general operations and maintenance under clause (1).

(b) Program Planning and Delivery Activity

(1) <u>Planning</u>	<u>30,079,000</u>	<u>30,079,000</u>
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If a balance remains in this appropriation, the commissioner may transfer up to that amount for program delivery under clause (2).

(2) <u>Program Delivery</u>	<u>179,946,000</u>	<u>166,758,000</u>
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This appropriation includes use of consultants to support development and management of projects.

The base appropriation in fiscal year 2018 is \$164,238,000 and in fiscal year 2019 is \$150,563,000.

\$250,000 in the first year is for the interchange safety improvement study under article 3, section 62.

\$130,000 in each year is available for administrative costs of the department's targeted group business program.

\$266,000 in each year is available for grants to metropolitan planning organizations outside the seven-county metropolitan area.

\$900,000 in each year is available for grants for transportation studies outside the metropolitan area to identify critical concerns, problems, and issues. These grants are available: (1) to regional development commissions; (2) in regions where no regional development commission is functioning, to joint powers boards established under an agreement of two or more political subdivisions in the region to exercise the planning functions of a regional development commission; and (3) in regions where no regional development commission or joint powers board is functioning, to the department's district office for that region.

\$1,000,000 in each year is available for management of contaminated and regulated material on property owned by the Department of Transportation, including mitigation of property conveyances, facility acquisition or expansion, chemical release at maintenance facilities, and spills on the trunk highway system where there is no known responsible party. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

An amount up to the unexpended balance in the appropriation under Laws 2012, First Special Session chapter 1, article 1, section 4, subdivision 3, is available for the purposes stated in Minnesota Statutes, section 12A.16, subdivision 2.

(c) State Road Construction

897,889.000

905,356.000

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts. This includes the cost of actual payment to landowners for lands acquired for highway rights-of-way, payment to lessees, interest subsidies, and relocation expenses.

The base appropriation in fiscal year 2018 and thereafter is as provided in Minnesota Statutes, section 161.04, subdivision 7.

\$1,000,000 in the first year is to complete projects using funds made available to the commissioner of transportation under title XII of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, and implemented under Minnesota Statutes, section 161.36, subdivision 7.

The commissioner may expend up to one-half of one percent of the federal appropriations under this paragraph as grants to opportunity industrialization centers and other nonprofit job training centers for job training programs related to highway construction.

The commissioner may transfer up to \$15,000,000 each year to the transportation revolving loan fund.

The commissioner may collect receipts for the partners' share of partnership projects. These receipts are appropriated to the commissioner for these projects.

(d) Highway Debt Service

197,103,000

236,428,000

\$187,603,000 the first year and \$226,928,000 the second year are for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of management and budget shall transfer the deficiency amount under the statutory open appropriation, and notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and the chairs of the senate Committee on Finance and the house of representatives Committee on Ways and Means of the amount of the deficiency. Any excess appropriation cancels to the trunk highway fund.

The base appropriation in fiscal year 2018 is \$262,899,000 and in fiscal year 2019 is \$281,012,000.

(e) Statewide Radio Communications

5,171,000

5,171,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>3,000</u>	<u>3,000</u>
<u>Special Revenue</u>	<u>32,000</u>	<u>0</u>
<u>Trunk Highway</u>	<u>5,168,000</u>	<u>5,168,000</u>

The general fund appropriation is to equip and operate the Roosevelt signal tower for Lake of the Woods weather broadcasting.

The special revenue fund appropriation is from the vehicle services operating account for a weather transmitter in Lake of the Woods County. This is a onetime appropriation.

The base appropriation from the general fund in each of fiscal years 2018 and 2019 is \$5,171,000.

The base appropriation from the trunk highway fund in fiscal year 2018 and thereafter is \$0.

Subd. 4. Local Roads

(a) County State-Aid Highway Fund

844,521,000

768,152,000

This appropriation is from the county state-aid highway fund under Minnesota Statutes, section 161.081, and chapter 162, and is available until spent.

If the commissioner of transportation determines that a balance remains in the county state-aid highway fund following the appropriations and transfers made in this paragraph, and that the appropriations made are insufficient for advancing county state-aid highway projects, an amount necessary to advance the projects, not to exceed the balance in the county state-aid highway fund, is appropriated in each year to the commissioner. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation shall notify the commissioner of management and budget and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. The commissioner shall include in the next budget submission to the legislature under Minnesota Statutes, section 16A.11, any additional amount that is appropriated under this paragraph.

(b) Municipal State-Aid Street Fund

218,127,000

197,506,000

This appropriation is from the municipal state-aid street fund under Minnesota Statutes, chapter 162, and is available until spent.

If the commissioner of transportation determines that a balance remains in the municipal state-aid street fund following the appropriations and transfers made in this paragraph, and that the appropriations made are insufficient for advancing municipal state-aid street projects, an amount necessary to advance the projects, not to exceed the balance in the municipal state-aid street fund, is appropriated in each year to the commissioner. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation shall notify the commissioner of management and budget and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. The commissioner shall include in the next budget submission to the legislature under Minnesota Statutes, section 16A.11, any additional amount that is appropriated under this paragraph.

(c) Small Cities Assistance

25,000,000

25,000,000

This appropriation is from the small cities assistance account in the transportation stability fund under Minnesota Statutes, section 162.145, for small cities assistance under that section.

The base appropriation in fiscal year 2018 is \$27,500,000 and in fiscal year 2019 is \$27,900,000.

Subd. 5. Agency Management

(a) Agency Services

41,972,000

41,972,000

The base appropriation from the general fund in each of fiscal years 2018 and 2019 is \$41,972,000.

The base appropriation from the trunk highway fund in fiscal year 2018 and thereafter is \$0.

(b) Buildings

17,838,000

17,838,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>54,000</u>	<u>54,000</u>
<u>Trunk Highway</u>	<u>17,784,000</u>	<u>17,784,000</u>

The base appropriation from the general fund in each of fiscal years 2018 and 2019 is \$17,838,000.

The base appropriation from the trunk highway fund in fiscal year 2018 and thereafter is \$0.

Any money appropriated to the commissioner of transportation for building construction for any fiscal year before 2016 is available to the commissioner of transportation during the biennium to the extent that the commissioner spends the money on the building construction projects for which the money was originally encumbered during the fiscal year for which it was appropriated.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(c) Tort Claims

600,000

600,000

This appropriation is to the commissioner of transportation. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 6. Flexible Highway Account Transfers

The commissioner of transportation shall transfer from the flexible highway account in the county state-aid highway fund the entire amount in each year to the county turnback account in the county state-aid highway fund. The funds transferred are for highway turnback purposes under Minnesota Statutes, section 161.081, subdivision 3.

Subd. 7. State Road Construction Appropriations Carryforward

Any money appropriated to the commissioner of transportation for state road construction for any fiscal year before fiscal year 2016 is available to the commissioner during the biennium to the extent that the commissioner spends the money on the state road construction project for which the money was originally encumbered during the fiscal year for which it was appropriated.

Subd. 8. Contingent Appropriation

The commissioner of transportation, with the approval of the governor and the written approval of at least five members of a group consisting of the members of the Legislative Advisory Commission under Minnesota Statutes, section 3.30, and the ranking minority members of the legislative committees with jurisdiction over transportation finance, may transfer all or part of the unappropriated balance in the trunk highway fund to an appropriation: (1) for trunk highway design, construction, or inspection in order to take advantage of an unanticipated receipt of income to the trunk highway fund or to take advantage of federal advanced construction funding; (2) for trunk highway maintenance in order to meet an emergency; or (3) to pay tort or environmental claims. Nothing in this subdivision authorizes the commissioner to increase the use of federal advanced construction funding beyond amounts specifically authorized. Any transfer as a result of the use of federal advanced construction funding must include an analysis of the effects on the long-term trunk highway fund balance. The amount transferred is appropriated for the purpose of the account to which it is transferred.

Sec. 5. METROPOLITAN COUNCIL**Subdivision 1. Total Appropriation****\$301,514,000****\$295,109,000**Appropriations by Fund

	<u>2016</u>	<u>2017</u>
General	<u>33,264,000</u>	<u>9,659,000</u>
Special Revenue	<u>1,700,000</u>	<u>1,700,000</u>
Transit Assistance	<u>266,550,000</u>	<u>283,750,000</u>

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

Subd. 2. Transit Operations**299,814,000****293,409,000**Appropriations by Fund

	<u>2016</u>	<u>2017</u>
General	<u>33,264,000</u>	<u>9,659,000</u>
Transit Assistance	<u>266,550,000</u>	<u>283,750,000</u>

The transit assistance fund appropriation is from the metropolitan area transit account under Minnesota Statutes, section 16A.88.

This appropriation is for transit system operations under Minnesota Statutes, sections 473.371 to 473.449.

The base appropriation from the general fund in fiscal year 2018 and thereafter is as provided in Minnesota Statutes, section 473.13, subdivision 6.

The base appropriation from the transit assistance fund in fiscal year 2018 and thereafter is as provided in Minnesota Statutes, section 16A.88, subdivision 2.

To the extent that appropriations from the general fund are reduced in this subdivision from base appropriations for fiscal years 2016 and 2017, the amount appropriated from the metropolitan area transit account that is in excess of the amount appropriated in fiscal year 2015 must be allocated first to purposes identified in the Metropolitan Council 2015 unified budget as adopted in December 2014, including Metro Mobility service, and funded from general fund appropriations.

In each of the 2016 and 2017 Metropolitan Council budget years, the Metropolitan Council shall provide financial assistance to suburban transit providers under Minnesota Statutes, section 473.388, in an amount that equals no less than:

(1) the total assistance identified in the Metropolitan Council 2015 unified budget as adopted in December 2014; plus

(2) the amount under clause (1) multiplied by a percentage, calculated as (i) the total amount in the metropolitan area transit account for fiscal year 2016 or 2017, as appropriate, less the total amount in that account for the previous fiscal year; divided by (ii) the total amount in that account for the previous fiscal year.

Subd. 3. Suburban Connections Demonstration Project

1,500,000

1,500,000

(a) This appropriation is from the vehicle services operating account in the special revenue fund for financial assistance to replacement service providers under Minnesota Statutes, section 473.388, to implement a demonstration project that provides regular route transit or express bus service between municipalities in the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, excluding cities of the first class. The council may not retain any portion of funds appropriated under this subdivision. Following notification under paragraph (b), the council shall allocate the appropriated funds as directed by the replacement service providers.

(b) The replacement service providers shall collectively identify one or more demonstration projects for financial assistance under this subdivision and submit a notification of the allocation to the Metropolitan Council. Criteria for evaluating and identifying demonstration projects must include but are not limited to: (1) scope of service offering improvements; (2) integration with transit

facilities and major business, retail, or suburban centers; (3) extent to which a proposed route complements existing transit service; and (4) density of employment along a proposed route.

(c) This is a onetime appropriation.

Subd. 4. **Transportation Management Organizations** 200,000 200,000

This appropriation is from the vehicle services operating account in the special revenue fund for grants to transportation management organizations that provide services exclusively or primarily in: (1) each city of the first class, as provided under Minnesota Statutes, section 410.01; and (2) the city having the highest population as of the effective date of this section located along the marked Interstate Highway 494 corridor. The council may not retain any portion of funds appropriated under this section. From the appropriation in each fiscal year, the council shall make grant payments in full by July 31. Permissible uses of funds under this section include administrative expenses and programming and service expansion, including but not limited to staffing, communications, outreach and education program development, and operations management. This is a onetime appropriation.

Sec. 6. **PUBLIC SAFETY**

Subdivision 1. **Total Appropriation** **\$176,956,000** **\$176,268,000**

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
General	<u>13,039,000</u>	<u>13,158,000</u>
Special Revenue	<u>57,190,000</u>	<u>54,425,000</u>
H.U.T.D.	<u>10,436,000</u>	<u>10,449,000</u>
Trunk Highway	<u>96,291,000</u>	<u>98,236,000</u>

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

Subd. 2. **Administration and Related Services**

(a) **Office of Communications** 517,000 530,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
General	<u>113,000</u>	<u>115,000</u>
Trunk Highway	<u>404,000</u>	<u>415,000</u>

The base appropriation from the general fund in each of fiscal years 2018 and 2019 is \$530,000.

The base appropriation from the trunk highway fund in fiscal year 2018 and thereafter is \$0.

(b) Public Safety Support

9,035,000

9,124,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>3,532,000</u>	<u>3,537,000</u>
<u>Special Revenue</u>	<u>450,000</u>	<u>450,000</u>
<u>H.U.T.D.</u>	<u>1,366,000</u>	<u>1,366,000</u>
<u>Trunk Highway</u>	<u>3,687,000</u>	<u>3,771,000</u>

The base appropriation from the general fund in each of fiscal years 2018 and 2019 is \$8,674,000.

The base appropriation from the highway user tax distribution fund in fiscal year 2018 and thereafter is \$0.

The base appropriation from the trunk highway fund in fiscal year 2018 and thereafter is \$0.

\$380,000 in each year is from the general fund for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$1,367,000 in each year is from the general fund to be deposited in the public safety officer's benefit account. This money is available for reimbursements under Minnesota Statutes, section 299A.465.

\$600,000 in each year is from the general fund and \$100,000 in each year is from the trunk highway fund for soft body armor reimbursements under Minnesota Statutes, section 299A.38.

\$450,000 in each year is from the vehicle services operating account in the special revenue fund for the creation of two emergency response teams. One emergency response team must be under the jurisdiction of the St. Cloud Fire Department, or a similarly located fire department if necessary, and one emergency response team must be under the jurisdiction of the Duluth Fire Department. The commissioner shall allocate the funds as needed to facilitate the creation and maintenance of the emergency response teams. This is a onetime appropriation.

\$792,000 in each year is from the general fund for transfer by the commissioner of management and budget to the trunk highway fund on December 31, 2015, and December 31, 2016, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for general fund purposes in the administration and related services program.

\$610,000 in each year is from the highway user tax distribution fund for transfer by the commissioner of management and budget to the trunk highway fund on December 31, 2015, and December 31, 2016, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for highway user tax distribution fund purposes in the administration and related services program.

(c) Technology and Support Services

3,685,000

3,685,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>1,322,000</u>	<u>1,322,000</u>
<u>H.U.T.D.</u>	<u>19,000</u>	<u>19,000</u>
<u>Trunk Highway</u>	<u>2,344,000</u>	<u>2,344,000</u>

The base appropriation from the general fund in each of fiscal years 2018 and 2019 is \$3,685,000.

The base appropriation from the highway user tax distribution fund in fiscal year 2018 and thereafter is \$0.

The base appropriation from the trunk highway fund in fiscal year 2018 and thereafter is \$0.

Subd. 3. State Patrol

(a) Patrolling Highways

85,016,000

83,121,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>37,000</u>	<u>37,000</u>
<u>Special Revenue</u>	<u>3,500,000</u>	<u>0</u>
<u>H.U.T.D.</u>	<u>92,000</u>	<u>92,000</u>
<u>Trunk Highway</u>	<u>81,387,000</u>	<u>82,992,000</u>

\$975,000 from the trunk highway fund in fiscal year 2016 is to purchase a single-engine aircraft for the State Patrol, exclusively for public safety purposes.

The special revenue fund appropriation is from the vehicle services operating account to recruit, hire, train, equip, and provide salary for additional State Patrol troopers. This is a onetime appropriation.

(b) **Commercial Vehicle Enforcement** 8,023,000 8,257,000

(c) **Capitol Security** 8,035,000 8,147,000

This appropriation is from the general fund.

The commissioner may not: (1) spend any money from the trunk highway fund for capitol security; or (2) permanently transfer any state trooper from the patrolling highways activity to capitol security.

The commissioner may not transfer any money appropriated to the commissioner under this section: (1) to capitol security; or (2) from capitol security.

(d) **Vehicle Crimes Unit** 723,000 736,000

This appropriation is from the highway user tax distribution fund.

This appropriation is to investigate: (1) registration tax and motor vehicle sales tax liabilities from individuals and businesses that currently do not pay all taxes owed; and (2) illegal or improper activity related to sale, transfer, titling, and registration of motor vehicles.

Subd. 4. **Driver and Vehicle Services**

(a) **Driver Services** 30,078,000 30,532,000

This appropriation is from the driver services operating account in the special revenue fund.

Of the appropriation from the driver services operating account, \$31,000 in each year is to create a Data Services Unit within the Division of Driver and Vehicle Services.

(b) **Vehicle Services** 30,027,000 30,291,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
Special Revenue	21,791,000	22,055,000
H.U.T.D.	8,236,000	8,236,000

The special revenue fund appropriation is from the vehicle services operating account in the special revenue fund.

Of the appropriation from the vehicle services operating account, \$59,000 in each year is to create a Data Services Unit within the Division of Driver and Vehicle Services.

Subd. 5. <u>Traffic Safety</u>	<u>446,000</u>	<u>457,000</u>
Subd. 6. <u>Pipeline Safety</u>	<u>1,371,000</u>	<u>1,388,000</u>

This appropriation is from the pipeline safety account in the special revenue fund.

Sec. 7. **TRANSFERS; GENERAL FUND.**

On or before June 30, 2015, the commissioner of management and budget shall transfer \$228,000,000 from the general fund as follows:

(1) \$114,474,000 to the county state-aid highway fund;

(2) \$35,526,000 to the municipal state-aid street fund;

(3) \$50,000,000 to the small cities assistance account in the transportation stability fund under Minnesota Statutes, section 162.145;

(4) \$14,000,000 to the county state-aid highway fund, for allocation in the same manner as provided under Minnesota Statutes, section 16A.89, subdivision 5, paragraph (b); and

(5) \$14,000,000 to the greater minnesota transit account in the transit assistance fund.

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

Sec. 8. **TRANSFER; SPECIAL REVENUE FUND.**

On or before July 15, 2015, the commissioner of management and budget shall transfer \$5,000,000 from the vehicle services operating account in the special revenue fund to the Minnesota grade crossing safety account in the special revenue fund, for the purposes specified under Minnesota Statutes, section 219.1651.

Sec. 9. **CONTINGENT APPROPRIATIONS REDUCTIONS.**

(a) In the appropriations specified under paragraph (b), the amounts appropriated are reduced as necessary, if legislation is not enacted in the 2015 legislative session or funds under that legislation are insufficient, to provide for allocation to specified transportation purposes of revenue from (1) the state general sales tax on motor vehicle parts; (2) the state general sales tax on motor vehicle leases under Minnesota Statutes, section 297A.815; (3) the state general sales tax on motor vehicle rental; and (4) the tax on motor vehicle rental under Minnesota Statutes, section 297A.64, subdivision 1.

(b) The appropriations in this article to the commissioner of transportation that are subject to a contingent reduction under paragraph (a) are as follows:

(1) for transit under section 4, subdivision 2, paragraph (b), from the transit assistance fund;

(2) for state roads under section 4, subdivision 3, in general operations and maintenance, program delivery, and state road construction, and distributed in amounts proportional to the original appropriations;

(3) for county state aid under section 4, subdivision 4, paragraph (a); and

(4) for municipal state aid under section 4, subdivision 4, paragraph (b).

ARTICLE 2
TRUNK HIGHWAY BONDING

Section 1. **BOND APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds account in the trunk highway fund to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, articles XI and XIV. Unless otherwise specified, money appropriated in this article for a capital program or project may be used to pay state agency staff costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management and budget.

SUMMARY

<u>Department of Transportation</u>	\$1,300,000,000
<u>Department of Management and Budget</u>	1,300,000
<u>TOTAL</u>	<u>\$1,301,300,000</u>

APPROPRIATIONS

Sec. 2. **DEPARTMENT OF TRANSPORTATION**

Subdivision 1. **Corridors of Commerce** **\$812,500,000**

This appropriation is to the commissioner of transportation for the corridors of commerce program under Minnesota Statutes, section 161.088.

Of this appropriation, \$125,000,000 is available in each of fiscal years 2016 to 2021, and \$62,500,000 is available in fiscal year 2022.

In any fiscal year covered by this appropriation, the commissioner may identify projects based on previous selection processes or may perform a new selection.

For projects within the department's metropolitan district, the commissioner shall first select projects that: (1) are recommended under Minnesota Statutes, section 161.088, subdivision 5, paragraph (b), from previous selection processes; (2) are on (i) U.S. highways, or (ii) non-interstate highways having an average annual daily traffic volume of at least 50,000 vehicles; and (3) provide for capacity expansion through additional general purpose or auxiliary lanes of travel.

For projects outside of the department's metropolitan district, the commissioner shall first select any projects which are either not completed or connected to projects, in which: (1) funds have been previously provided under the corridors of commerce program for right-of-way acquisition, design, or environmental analysis; and (2) the project provides for capacity expansion through additional general purpose or auxiliary lanes of travel.

Subd. 2. Transportation Economic Development**32,500,000**

This appropriation is for the transportation economic development program under Minnesota Statutes, section 174.12.

Of this appropriation, \$5,000,000 is available in each of fiscal years 2016 to 2021, and \$2,500,000 is available in fiscal year 2022.

Subd. 3. State Road Construction**455,000,000**

This appropriation is for the construction, reconstruction, and improvement of trunk highways, including design-build contracts. This includes the cost of actual payment to landowners for lands acquired for highway rights-of-way, payment to lessees, interest subsidies, and relocation expenses.

Of this appropriation, \$70,000,000 is available in each of fiscal years 2016 to 2021, and \$35,000,000 is available in fiscal year 2022.

Subd. 4. Cancellations

The appropriations in this section cancel as specified under Minnesota Statutes, section 16A.642, except that the commissioner of management and budget shall count the start of authorization for issuance of state bonds as the first day of the fiscal year during which the bonds are available to be issued as specified under subdivision 1, 2, or 3, and not as the date of enactment of this section.

Sec. 3. BOND SALE EXPENSES**\$1,300,000**

This appropriation is to the commissioner of management and budget for bond sale expenses under Minnesota Statutes, sections 16A.641, subdivision 8, and 167.50, subdivision 4, and is effective through fiscal year 2025.

Sec. 4. BOND SALE AUTHORIZATION.

To provide the money appropriated in this article from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$1,301,300,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be deposited in the bond proceeds account in the trunk highway fund.

ARTICLE 3
TRANSPORTATION POLICY AND FINANCE

Section 1. Minnesota Statutes 2014, section 16A.11, subdivision 3a, is amended to read:

Subd. 3a. **Part three: detailed capital budget.** The detailed capital budget must: (1) include recommendations for capital projects to be funded during the next six fiscal years, including any request for project funding from the metropolitan transit capital account in the transportation stability fund under section 16A.89; and;

(2) if applicable, ~~must~~ meet the requirements under section 174.93, subdivision 1a. It must be submitted with projects recommended by the governor and in order of importance among that agency's requests as determined by the agency originating the request.

Sec. 2. Minnesota Statutes 2014, section 16A.86, subdivision 2, is amended to read:

Subd. 2. **Budget request.** A political subdivision that requests an appropriation of state money for a local capital improvement project, including a request for project funding from the metropolitan transit capital account in the transportation stability fund under section 16A.89, is encouraged to submit the request to the commissioner of management and budget by July 15 of an odd-numbered year to ensure its full consideration. The requests must be submitted in the form and with the supporting documentation required by the commissioner of management and budget. All requests timely received by the commissioner must be submitted to the legislature, along with the governor's recommendations, whether or not the governor recommends that a request be funded, by the deadline established in section 16A.11, subdivision 1.

Sec. 3. Minnesota Statutes 2014, section 16A.88, subdivision 1a, is amended to read:

Subd. 1a. **Greater Minnesota transit account; base appropriation.** (a) The greater Minnesota transit account is established within the transit assistance fund in the state treasury. Money in the account is ~~annually appropriated to the commissioner of transportation~~ for assistance to transit systems outside the metropolitan area under section 174.24. The commissioner may use up to \$408,000 in fiscal year 2008 and \$416,000 in fiscal year 2009 and ~~thereafter~~ annually for administration of the transit program. The commissioner shall use funds appropriated by law from the account for transit operations as provided in section 174.24 and related program administration.

(b) The base appropriations from the account to the commissioner of transportation for each forecasted fiscal year after the current biennium equals the balance in the account for each year as identified in the latest forecast under sections 16A.103 and 174.03, subdivision 9.

Sec. 4. Minnesota Statutes 2014, section 16A.88, subdivision 2, is amended to read:

Subd. 2. **Metropolitan area transit account; base appropriation.** (a) The metropolitan area transit account is established within the transit assistance fund in the state treasury. ~~All money in the account is annually appropriated to~~ The Metropolitan Council shall use funds appropriated by law from the account for the funding of transit systems within the metropolitan area under sections 473.384, 473.386, 473.387, 473.388, and 473.405 to 473.449.

(b) The base appropriations from the account to the Metropolitan Council for each forecasted fiscal year after the current biennium equals the balance in the account for each year as identified in the latest forecast under sections 16A.103 and 174.03, subdivision 9.

Sec. 5. **[16A.89] TRANSPORTATION STABILITY FUND.**

Subdivision 1. **Fund established.** A transportation stability fund is established in the state treasury under the budgetary jurisdiction of the legislative committees having jurisdiction over transportation finance. The fund consists of money provided by law, and any other funds donated, allotted, transferred, or otherwise provided. Money in the fund must be allocated solely for transportation purposes as specified in this section and as provided by law.

Subd. 2. **Financial reports.** Any report or financial statement submitted to the legislature providing financial information on the fund must include accounting information on each account established within the fund, including revenues and sources, transfers, uses, and account balance.

Subd. 3. Highway allocation account. (a) A highway allocation account is established in the transportation stability fund. The account consists of funds allocated under section 297A.94 from the estimated general sales tax on motor vehicle repair and replacement parts, and any other funds as provided by law.

(b) The commissioner of transportation shall promptly transfer any funds deposited in the account to the highway user tax distribution fund.

Subd. 4. Transit allocation account. (a) A transit allocation account is established in the transportation stability fund. The account consists of funds allocated under section 297A.815, subdivision 3, from a portion of estimated motor vehicle lease sales tax.

(b) The commissioner of transportation shall promptly transfer any funds deposited in the account to the greater Minnesota transit account in the transit assistance fund.

Subd. 5. County highway allocation account. (a) A county highway allocation account is established in the transportation stability fund. The account consists of funds allocated under section 297A.815, subdivision 3, from a portion of estimated motor vehicle lease sales tax.

(b) The commissioner of transportation shall promptly transfer any funds deposited in the account to the county state-aid highway fund. Notwithstanding any other law to the contrary, the commissioner of transportation shall allocate the funds transferred under this paragraph to the counties in the metropolitan area, as defined in section 473.121, subdivision 4, excluding the counties of Hennepin and Ramsey, so that each county receives from that amount the percentage that its population, as defined in section 477A.011, subdivision 3, estimated or established by July 15 of the year prior to the current calendar year, bears to the total population of the counties receiving funds under this paragraph.

Subd. 6. Metropolitan transit capital account. (a) A metropolitan transit capital account is established in the transportation stability fund. The account consists of funds allocated under section 297A.94 from the general sales tax on rental motor vehicles, and any other funds as provided by law.

(b) Money in the metropolitan transit capital account is for transit projects, as specified by law, of a capital nature in metropolitan counties, as defined in section 473.121, subdivision 4, with priority for arterial bus rapid transit and express bus facilities. No funds in the account may be expended for light rail transit, commuter rail, or streetcars.

(c) The base appropriations from the metropolitan transit capital account for each forecasted fiscal year after the current biennium equals the balance in the account for each year as identified in the latest forecast under sections 16A.103 and 174.03, subdivision 9.

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

Sec. 6. Minnesota Statutes 2014, section 16E.15, subdivision 2, is amended to read:

Subd. 2. Software sale fund. (a) Except as provided in ~~paragraph~~ paragraphs (b) and (c), proceeds ~~of~~ from the sale or licensing of software products or services by the chief information officer must be credited to the MN.IT services revolving fund. If a state agency other than the Office of MN.IT Services has contributed to the development of software sold or licensed under this section, the chief information officer may reimburse the agency by discounting computer services provided to that agency.

(b) Proceeds of from the sale or licensing of software products or services developed by the Pollution Control Agency, or custom developed by a vendor for the agency, must be credited to the environmental fund.

(c) Proceeds from the sale or licensing of software products or services developed by the Department of Transportation, or custom developed by a vendor for the agency, using trunk highway funds must be credited to the trunk highway fund.

Sec. 7. Minnesota Statutes 2014, section 117.036, subdivision 2, is amended to read:

Subd. 2. **Appraisal.** (a) Before commencing an eminent domain proceeding under this chapter for an acquisition greater than \$25,000, the acquiring authority must obtain at least one appraisal for the property proposed to be acquired. In making the appraisal, the appraiser must confer with one or more of the owners of the property, if reasonably possible. For acquisitions less than \$25,000, the acquiring authority may obtain a minimum damage acquisition report in lieu of an appraisal. In making the minimum damage acquisition report, the qualified person with appraisal knowledge must confer with one or more of the owners of the property, if reasonably possible. Notwithstanding section 13.44, the acquiring authority must provide the owner with a copy of (1) each appraisal for property acquisitions over \$25,000, or (2) the minimum damage acquisition report for properties under \$25,000, the acquiring authority has obtained for the property at the time an offer is made, but no later than 60 days before presenting a petition under section 117.055, ~~and~~. The acquiring authority must also inform the owner of the right to obtain an appraisal under this section. Upon request, the acquiring authority must make available to the owner all appraisals ~~of the property for properties over \$25,000, or the minimum damage acquisition report for properties under \$25,000~~. If the acquiring authority is considering both a full and partial taking of the property, the acquiring authority shall obtain and provide the owner with appraisals ~~for both types of takings for properties over \$25,000 for both types of takings, or minimum damage acquisition reports for properties under \$25,000~~.

(b) The owner may obtain an appraisal by a qualified appraiser of the property proposed to be acquired. The owner is entitled to reimbursement for the reasonable costs of the appraisal from the acquiring authority up to a maximum of \$1,500 for single family and two-family residential property and minimum damage acquisitions and \$5,000 for other types of property, provided that the owner submits to the acquiring authority the information necessary for reimbursement, including a copy of the owner's appraisal, at least five days before a condemnation commissioners' hearing. For purposes of this ~~paragraph~~ subdivision, a "minimum damage acquisition" means an interest in property that a qualified person ~~with appraisal knowledge~~ having an understanding of the local real estate market indicates can be acquired for ~~a cost of \$10,000~~ \$25,000 or less.

(c) The acquiring authority must pay the reimbursement to the owner within 30 days after receiving a copy of the appraisal and the reimbursement information. Upon agreement between the acquiring authority and the owner, the acquiring authority may pay the reimbursement directly to the appraiser.

Sec. 8. Minnesota Statutes 2014, section 117.036, subdivision 4, is amended to read:

Subd. 4. **Use of appraisal at commissioners' hearing.** An appraisal or minimum damage acquisition report must not be used or considered in a condemnation commissioners' hearing, nor may the appraiser who prepared the appraisal or the person who prepared the minimum damage acquisition report testify, unless a copy of the appraiser's written report or the minimum damage acquisition report is provided to the opposing party at least five days before the hearing.

Sec. 9. Minnesota Statutes 2014, section 160.20, subdivision 4, is amended to read:

Subd. 4. **Conditions.** (a) A road authority may accept applications for permits for installation of drain tile along or across the right-of-way under its jurisdiction. The road authority may adopt reasonable rules for the installations and may require a bond before granting a permit. Permits for installation along a highway right-of-way must ensure that the length of the installation is restricted to the minimum necessary to achieve the desired agricultural benefits. A permit must not allow open trenches to be left on the right-of-way after installation of the drain tile is completed. A road authority that grants a permit for tile drain installation is not responsible for damage to that installation resulting from the action of the authority or any other permittee utilizing the right-of-way.

(b) A person who installs drain tile along or across a highway right-of-way without obtaining a permit as provided in this section is guilty of a misdemeanor.

(c) The commissioner shall take no action under this section which will result in the loss of federal aid for highway construction in the state.

(d) For the purpose of ~~this section~~ subdivisions 2 to 4, "highway" means any highway as defined in section 160.02 which is located outside the corporate limits of a home rule charter or statutory city.

Sec. 10. **[160.235] TRAFFIC SIGNAL TIMING OPTIMIZATION.**

(a) A road authority that has ownership of a traffic signal on a principal arterial roadway or roadway with an average daily traffic greater than 20,000 vehicles per day must complete an inventory of all traffic signals under its ownership and submit it to the Department of Transportation district engineer. The inventory must include age of all signals, control equipment, communications, detection type, timing plans in operation, and date of last timing optimization.

(b) Based on the information from the inventory, a road authority subject to paragraph (a) must develop and implement a traffic signal system optimization plan, which must include re-evaluation of traffic signal timing at least once every five years. Each road authority with a traffic signal optimization plan must annually certify compliance with its plan and submit the certification as part of its annual maintenance expenditure report.

EFFECTIVE DATE. This section is effective the day following final enactment. The initial inventory under paragraph (a) must be submitted on or before December 30, 2015.

Sec. 11. Minnesota Statutes 2014, section 160.27, is amended by adding a subdivision to read:

Subd. 10. Temporary permit for field application. (a) In connection with the use of the road right-of-way of a road authority, excluding on controlled-access highways under section 160.08, a property owner or occupant of property abutting the road right-of-way may apply for a permit for temporary placement, for up to 14 days, of a pressurized flexible force main for the transport of manure for field application.

(b) The property owner or occupant must:

(1) identify the entire length of the right-of-way for use under the permit;

(2) place the force main within the backslope of the road authority's right-of-way where possible;

(3) place pumping equipment outside the road authority's right-of-way; and

(4) meet all of the permit requirements identified by the road authority.

(c) Once the road authority has issued a permit, the property owner or occupant may install the force main over the length of the right-of-way from the permittee's property to where the manure will be applied, irrespective of whether the permittee is the owner or occupant of all property abutting the portion of the right-of-way where the force main is to be installed.

Sec. 12. Minnesota Statutes 2014, section 161.04, is amended by adding a subdivision to read:

Subd. 7. Forecasted base appropriations. (a) For purposes of this subdivision, "state and local government deflator" means the implicit price deflator for government consumption expenditures and gross investment for state and local governments as prepared by the United States Department of Commerce.

(b) In conjunction with each forecast under sections 16A.103 and 174.03, subdivision 9, the commissioner shall identify base appropriations in each forecasted fiscal year from the trunk highway fund to the commissioner for the general operations and maintenance and the state road construction budget activities within the state roads budgetary program. Each base appropriation must be adjusted from the previous base as provided in paragraph (c), and in amounts calculated such that following the financial policies of the department, the unreserved portion of the trunk highway fund balance equals one percent of total forecasted revenues to the trunk highway fund for that fiscal year.

(c) In each forecast, any change in the forecasted base appropriations must be allocated:

(1) for the first forecasted fiscal year:

(i) the greater of zero or the amount being allocated under this paragraph multiplied by a percentage as calculated in paragraph (d), for the general operations and maintenance budget activity; and

(ii) the remainder for the state road construction budget activity; and

(2) for a forecasted fiscal year after the first year, for the state road construction budget activity.

(d) The percentage under paragraph (c), clause (1)(i), equals: (1) the annual state and local government deflator for the most recently available year, less the annual state and local government deflator for the prior year; divided by (2) the annual state and local government deflator for the prior year.

Sec. 13. **[161.126] PROHIBITION ON AESTHETIC ENHANCEMENTS.**

(a) The commissioner may not use public funds for any aesthetic enhancements that increase the total cost of a project on a highway or bridge.

(b) For purposes of this subdivision:

(1) "aesthetic enhancements" includes monuments, markers, memorials, sculptures, statues, decorative fixtures, alternative materials, specialty signage, and other treatments designed to impact the perceived beauty or visual appeal of the infrastructure;

(2) "public funds" includes but is not limited to funding from federal and state sources; and

(3) "total cost" includes costs of ongoing maintenance.

EFFECTIVE DATE. This section is effective the day following final enactment, and applies to any project for which a contract has not been entered into or let for bidding on or after that date.

Sec. 14. Minnesota Statutes 2014, section 161.231, is amended to read:

161.231 APPROPRIATION; PROCEEDS FROM LEASED STATE PROPERTY.

There is appropriated annually from the fund or account in the state treasury to which the ~~rental~~ money from the sale, lease, conveyance, or disposal of state leased property is credited a sufficient amount of money to carry out the state's obligations under the provisions of sections 15.16, 117.135, 117.226, 161.16, 161.202, 161.23, subdivision 3, 161.24, 161.241, 161.43, 161.433, 161.44, 161.442, and 272.68, subdivision 3, including the inventorying, marketing, and property management activities required to sell, lease, rent, permit, convey, or otherwise dispose of the land or the interest in the land. At the discretion of the commissioner of transportation, money in the account at the end of each biennium may cancel to the trunk highway fund.

Sec. 15. Minnesota Statutes 2014, section 161.321, subdivision 2a, is amended to read:

Subd. 2a. **Small targeted group business; subcontracting goals.** (a) The commissioner, as a condition of awarding a construction contract, may set goals that require the prime contractor to subcontract portions of the contract to small targeted group businesses. ~~Prime contractors must demonstrate good faith efforts to meet the project goals. The commissioner shall establish a procedure for granting waivers from the subcontracting requirement when qualified small targeted group businesses are not reasonably available. The prime contractor may request a subcontracting goal waiver for the difference between the level of targeted group small business participation the prime contractor has obtained and the level specified in the goal. The commissioner may grant the waiver only if the prime contractor has demonstrated good faith efforts to meet the goal. The commissioner shall establish a procedure for evaluating the good faith efforts of contractors.~~ The commissioner may establish (1) financial incentives for prime contractors who exceed the goals set for the use of subcontractors under this subdivision; and (2) sanctions for prime contractors who fail to make good faith efforts to meet the goals set under this subdivision.

(b) The small targeted group business subcontracting requirements of this subdivision do not apply to prime contractors who are small targeted group businesses.

Sec. 16. Minnesota Statutes 2014, section 161.321, subdivision 2c, is amended to read:

Subd. 2c. **Veteran-owned small business; subcontracting goals.** (a) The commissioner, as a condition of awarding a construction contract, may set goals that require the prime contractor to subcontract portions of the contract to veteran-owned small businesses, except when prohibited by federal law or rule as a condition of receiving federal funds. ~~Prime contractors must demonstrate good faith efforts to meet the project goals. The commissioner shall establish a procedure for granting waivers from the subcontracting requirement when qualified veteran-owned small businesses are not reasonably available. The prime contractor may request a subcontracting goal waiver for the difference between the level of veteran-owned small business participation the prime contractor has obtained and the level specified in the goal. The commissioner may grant the waiver only if the prime contractor has demonstrated good faith efforts to meet the goal. The commissioner shall establish a procedure for evaluating the good faith efforts of contractors.~~ The commissioner may establish (1) financial incentives for prime contractors who exceed the goals set for the use of subcontractors under this subdivision; and (2) sanctions for prime contractors who have not been granted a waiver and fail to meet goals set under this subdivision.

(b) The subcontracting requirements of this subdivision do not apply to prime contractors who are veteran-owned small businesses.

Sec. 17. Minnesota Statutes 2014, section 161.321, subdivision 4, is amended to read:

Subd. 4. **Contract awards, limitations.** Contracts awarded pursuant to this section are may be subject to all limitations contained in rules adopted by the commissioner of administration.

Sec. 18. Minnesota Statutes 2014, section 162.07, subdivision 1a, is amended to read:

Subd. 1a. **Apportionment sum and excess sum.** (a) For purposes of this subdivision, "distribution amount" means the amount identified in section 162.06, subdivision 1, after the deductions provided for in section 162.06 for administrative costs, disaster account, research account, and state park road account.

(b) The apportionment sum is calculated ~~by subtracting the excess sum, as calculated in paragraph (c), from~~ as 68 percent of the distribution amount.

(c) The excess sum is calculated as ~~the sum of revenue within~~ 32 percent of the distribution amount:

~~(1) attributed to that portion of the gasoline excise tax rate under section 296A.07, subdivision 3, in excess of 20 cents per gallon, and to that portion of the excise tax rates in excess of the energy equivalent of a gasoline excise tax rate of 20 cents per gallon for E85 and M85 under section 296A.07, subdivision 3, and special fuel under section 296A.08, subdivision 2;~~

~~(2) attributed to a change in the passenger vehicle registration tax under section 168.013, imposed on or after July 1, 2008, that exceeds (i) the amount collected in fiscal year 2008, multiplied by (ii) the annual average United States Consumer Price Index for the calendar year previous to the current calendar year, divided by the annual average United States Consumer Price Index for calendar year 2007; and~~

~~(3) attributed to that portion of the motor vehicle sales tax revenue in excess of the percentage allocated to the county state aid highway fund in fiscal year 2007.~~

~~(d) For purposes of this subdivision, the United States Consumer Price Index identified in paragraph (c) is for all urban consumers, United States city average, as determined by the United States Department of Labor.~~

EFFECTIVE DATE. This section is effective July 1, 2015, for distribution calculations on or after that date.

Sec. 19. **[162.145] SMALL CITIES ASSISTANCE.**

Subdivision 1. Definitions. (a) For purposes of this section, the following terms have the meanings given them.

(b) "Eligible city" means a statutory or home rule charter city that does not receive municipal state aid under sections 162.09 to 162.14 in the calendar year in which funds are distributed under this section.

(c) "Maximum aid" means 3.5 multiplied by the unweighted average amount of assistance to a city in a fiscal year.

(d) "Population" means the most recent population estimated or established as of 30 days before the date of an allocation under subdivision 4, of (i) the most recent federal census, (ii) a special census conducted under contract with the United States Bureau of the Census, (iii) a population estimate made by the Metropolitan Council pursuant to section 473.24, or (iv) a population estimate of the state demographer made pursuant to section 4A.02.

(e) "State-aid adjustment factor" means the greater of zero, or:

(1) 0.005; minus

(2) the number of lane miles of county state-aid highway in a city, divided by the total number of lane miles of county state-aid highway in all eligible cities.

(f) "Total population" means the sum of populations of all eligible cities.

Subd. 2. **Small cities assistance account.** A small cities assistance account is created in the transportation stability fund. The account consists of funds as provided by law, and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account may only be expended as provided under this section.

Subd. 3. **Administration.** (a) Subject to funds made available by law, the commissioner shall allocate all funds as provided in subdivision 4 and shall notify the commissioner of revenue.

(b) Following notification from the commissioner of transportation, the commissioner of revenue shall distribute the specified funds to cities in the same manner as local government aid under chapter 477A. An appropriation to the commissioner of transportation under this section is available to the commissioner of revenue for the purposes specified in this paragraph.

(c) Notwithstanding other law to the contrary, in order to receive distributions under this section, a city must conform to the standards in section 477A.017, subdivision 2. A city that receives funds under this section must make and preserve records necessary to show that the funds are spent in compliance with subdivision 4.

Subd. 4. **Distribution formula.** (a) In each fiscal year in which funds are available under this section, the commissioner shall allocate funds to eligible cities.

(b) The preliminary aid to each city is calculated as follows:

(1) 5 percent of funds allocated equally among all eligible cities;

(2) 35 percent of funds allocated proportionally based on each city's share of lane miles of municipal streets compared to total lane miles of municipal streets of all eligible cities;

(3) 35 percent of funds allocated proportionally based on each city's share of population compared to total population of all eligible cities; and

(4) 25 percent of funds allocated proportionally based on each city's share of state-aid adjustment factor compared to the sum of state-aid adjustment factors of all eligible cities.

(c) The final aid to each city is calculated as the lesser of:

(1) the preliminary aid to the city multiplied by an aid factor; or

(2) the maximum aid.

(d) The commissioner shall set the aid factor under paragraph (c), which must be the same for all eligible cities, so that the total funds allocated under this subdivision equals the total amount available for the fiscal year.

Subd. 5. **Use of funds.** (a) Funds distributed under this section are available only for construction and maintenance of roads located within the city, including:

(1) land acquisition, environmental analysis, design, engineering, construction, reconstruction, and maintenance;

(2) road projects partially located within the city;

(3) projects on county state-aid highways located within the city; and

(4) cost participation on road projects under the jurisdiction of another unit of government.

(b) Funds distributed under this section are not subject to state-aid requirements under this chapter, including but not limited to engineering standards adopted by the commissioner in rules.

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

Sec. 20. Minnesota Statutes 2014, section 168.053, subdivision 1, is amended to read:

Subdivision 1. **Application; fee; penalty.** Any person, firm, or corporation with a business located in Minnesota engaged in the business of transporting motor vehicles owned by another, by delivering, by drive-away or towing methods, either singly or by means of the full mount method, the saddle mount method, the tow bar method, or any other combination thereof, and under their own power, vehicles over the highways of the state from the manufacturer or any other point of origin, to any point of destination, within or without the state, shall make application to the registrar for a drive-away in-transit license. This application for annual license shall be accompanied by a registration fee of \$250 and contain information the registrar may require. Upon the filing of the application and the payment of the fee, the registrar shall issue to each drive-away operator a drive-away in-transit license plate, which must be carried and displayed on the power unit consistent with section 169.79 and the plate shall remain on the vehicle while being ~~operated within Minnesota~~ transported. The license plate issued under this subdivision is not valid for the purpose of permanent vehicle registration ~~and is not valid outside Minnesota~~. Additional drive-away in-transit license plates desired by any drive-away operator may be secured from the registrar of motor vehicles upon the payment of a fee of \$5 for each set of additional license plates. Any person, firm, or corporation engaging in the business as a drive-away operator, of transporting and delivering by means of full mount method, the saddle mount method, the tow bar method, or any combination thereof, and under their own power, motor vehicles, who fails or refuses to file or cause to be filed an application, as is required by law, and to pay the fees therefor as the law requires, shall be found guilty of violating the provisions of sections 168.053 to 168.057; and, upon conviction, fined not less than \$50, and not more than \$100, and all costs of court. Each day so operating without securing the license and plates as required shall constitute a separate offense.

Sec. 21. **[168.1294] "START SEEING MOTORCYCLES" PLATES.**

Subdivision 1. **Issuance of plates.** The commissioner shall issue special "Start Seeing Motorcycles" license plates or a single motorcycle plate to an applicant who:

(1) is a registered owner of a passenger automobile, noncommercial one-ton pickup truck, motorcycle, or recreational motor vehicle;

(2) pays a fee of \$10 for each set of plates;

(3) pays the registration tax as required under section 168.013, along with any other fees required by this chapter;

(4) contributes a minimum of \$10 annually to the motorcycle safety fund created under section 171.06, subdivision 2a, paragraph (a), clause (1); and

(5) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

Subd. 2. **Design.** The representatives of American Bikers for Awareness, Training, and Education of Minnesota shall design the special plate to contain the inscription "Start Seeing Motorcycles" between the bolt holes on the bottom of the plate with a design area on the left side of the plate, subject to the approval of the commissioner.

Subd. 3. **Plates transfer.** On application to the commissioner and payment of a transfer fee of \$5, special plates issued under this section may be transferred to another motor vehicle if the subsequent vehicle is:

- (1) qualified under subdivision 1, clause (1), to bear the special plates; and
- (2) registered to the same individual to whom the special plates were originally issued.

Subd. 4. **Exemption.** Special plates issued under this section are not subject to section 168.1293, subdivision 2.

Subd. 5. **Fees.** Fees collected under subdivision 1, clause (2), and subdivision 3 are credited to the vehicle services operating account in the special revenue fund.

Subd. 6. **No refund.** Contributions under this section must not be refunded.

EFFECTIVE DATE. This section is effective January 1, 2016, for special "Start Seeing Motorcycles" plates issued on or after that date.

Sec. 22. Minnesota Statutes 2014, section 168.1299, subdivision 1, is amended to read:

Subdivision 1. **Issuance.** Notwithstanding section 168.1293, the commissioner shall issue special Minnesota golf plates or a single motorcycle plate to an applicant who:

- (1) is a registered owner of a passenger automobile, one-ton pickup truck, motorcycle, or recreational vehicle;
- (2) pays a fee of \$10 and any other fees required by this chapter;
- (3) contributes a minimum of \$30 annually ~~after January 1, 2017,~~ to the Minnesota Section PGA Foundation account; and
- (4) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

EFFECTIVE DATE. This section is effective July 1, 2015, and applies to plates issued on or after that date.

Sec. 23. Minnesota Statutes 2014, section 169.475, subdivision 2, is amended to read:

Subd. 2. **Prohibition on use; penalty.** (a) No person may operate a motor vehicle while using a wireless communications device to compose, read, or send an electronic message, when the vehicle is in motion or a part of traffic.

(b) A person who is convicted of a second or subsequent violation under this section must pay a fine of \$150 plus the amount specified in the uniform fine schedule established by the Judicial Council.

EFFECTIVE DATE. This section is effective August 1, 2015, and applies to violations committed on or after that date.

Sec. 24. Minnesota Statutes 2014, section 169.49, is amended to read:

169.49 HEADLAMPS.

(a) Every motor vehicle, other than a motorcycle, ~~shall~~ must be equipped with at least two headlamps, ~~with~~ including at least one on each side of the front of the motor vehicle, ~~which~~. Headlamps ~~shall~~ must comply with the requirements and limitations set forth in sections 169.47 to ~~169.79~~ 169.66.

(b) Every motorcycle ~~shall~~ must be equipped with at least one and not more than ~~two~~ four headlamps, which ~~shall~~ must comply with the requirements and limitations of sections 169.47 to ~~169.79~~ 169.66.

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

Sec. 25. Minnesota Statutes 2014, section 169.782, subdivision 1, is amended to read:

Subdivision 1. **Driver; daily inspection, report.** (a) The driver of a commercial motor vehicle shall ~~report in writing at the completion of each day's work on~~ inspect daily each commercial motor vehicle the driver has operated. A person who owns one or more commercial motor vehicles and who employs drivers for those commercial motor vehicles must require each driver to submit a written report at the completion of each day's work as required by this section. The driver of a commercial motor vehicle subject to this section is not required to prepare and submit a written report if no defect or deficiency is discovered by or reported to the driver, except that the driver of a passenger-carrying commercial motor vehicle shall prepare and submit a written report regardless of whether any defect or deficiency is discovered by or reported to the driver.

(b) The inspection and report must cover the following parts and accessories: service brakes, including trailer and semitrailer brake connections; parking (hand) brake; steering mechanism; lighting devices and reflectors; tires; horn; windshield wiper or wipers; rear vision mirror or mirrors; coupling devices; wheels and rims; and emergency equipment.

~~(b)~~ (c) The report must identify the vehicle and list any defect or deficiency discovered by or reported to the driver that would affect the safe operation of the vehicle or result in its mechanical breakdown. If no defect or deficiency is discovered by or reported to the driver, the report must so indicate. The driver must sign the report after completing it. In the case of a commercial motor vehicle operated by two drivers, the signature of one of the drivers satisfies the requirements of this subdivision if both drivers agree concerning the defects or deficiencies. If a driver operates more than one commercial motor vehicle during a day's work, a report must be prepared for each vehicle operated.

~~(c)~~ (d) Before operating or allowing the operation of a commercial motor vehicle on which a report has been prepared under this subdivision, the owner of the vehicle or the owner's agent must repair defects or deficiencies listed on the report that would likely affect the safe operation of the vehicle. Before allowing the commercial motor vehicle to be operated again, the owner or the owner's agent must certify, on the report listing the defect or deficiency, that the defect or deficiency has been corrected or that correction is unnecessary. A motor carrier must keep the original vehicle inspection report for at least three months after the date of inspection. The report must be available for inspection by an authorized federal, state, or local official at any time during this period.

~~(d)~~ (e) A copy of the vehicle inspection report, including a certification of corrections resulting from the report, must be carried in the commercial motor vehicle, or in the power unit of a commercial motor vehicle combination, at all times when the vehicle or power unit is operated until the next inspection report is completed under this subdivision. The copy must be made available on demand to (1) a peace officer, (2) a person authorized under section 221.221, and (3) a person described in section 299D.06.

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

Sec. 26. Minnesota Statutes 2014, section 169.782, subdivision 2, is amended to read:

Subd. 2. **Driver; pretrip inspection.** ~~(a) Before driving~~ Prior to the first operation of a commercial motor vehicle following completion of a daily inspection report under subdivision 1, a driver must:

- (1) review the most recent vehicle inspection report on the vehicle;
- (2) determine that the vehicle is in safe operating condition; and
- (3) sign the inspection report in the vehicle.

The driver shall sign the report only if all defects and deficiencies listed in the report have been certified as having been corrected or as not requiring correction.

~~(b) If the commercial motor vehicle does not contain the previous day's inspection report, the driver must make the inspection and complete the report required under subdivision 1.~~

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

Sec. 27. Minnesota Statutes 2014, section 169.782, subdivision 4, is amended to read:

Subd. 4. **Exceptions.** ~~(a) With the exception of subdivision 2, paragraph (a), clause (2),~~ This section does not apply to a commercial motor vehicle that is a farm truck that may be operated by a person not holding a commercial driver's license, provided that before driving the vehicle, a driver must determine that the vehicle is in safe operating condition.

(b) This section does not apply to a commercial motor vehicle held for resale by a motor vehicle dealer licensed under section 168.27.

(c) This section does not apply to a covered farm vehicle as defined in Code of Federal Regulations, title 49, section 390.5, that is not carrying hazardous materials of a type or quantity that requires the vehicle to be placarded in accordance with Code of Federal Regulations, title 49, section 172.504.

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

Sec. 28. Minnesota Statutes 2014, section 169.81, is amended by adding a subdivision to read:

Subd. 3f. **Length limits exclusion; aerodynamic device.** An aerodynamic device that meets the requirements under Code of Federal Regulations, title 23, section 658.16 (b)(4), is excluded from each calculation of length under subdivision 2, 3, or 3c, including total vehicle length and length of a semitrailer or trailer, whether in a vehicle combination or not.

Sec. 29. Minnesota Statutes 2014, section 169.865, subdivision 1, is amended to read:

Subdivision 1. **Six-axle vehicles.** (a) A road authority may issue an annual permit authorizing a vehicle or combination of vehicles with a total of six or more axles to haul ~~raw or unprocessed agricultural~~ qualifying products and be operated with a gross vehicle weight of up to:

- (1) 90,000 pounds; and
- (2) 99,000 pounds during the period set by the commissioner under section 169.826, subdivision 1.

(b) Notwithstanding subdivision 3, paragraph (a), clause (4), a vehicle or combination of vehicles operated under this subdivision and transporting only sealed intermodal containers may be operated on an interstate highway if allowed by the United States Department of Transportation.

(c) Any combination of qualifying products may be transported under a single permit issued under this subdivision.

(d) The fee for a permit issued under this subdivision is \$300, or a proportional amount as provided in section 169.86, subdivision 5.

Sec. 30. Minnesota Statutes 2014, section 169.865, subdivision 2, is amended to read:

Subd. 2. **Seven-axle vehicles.** (a) A road authority may issue an annual permit authorizing a vehicle or combination of vehicles with a total of seven or more axles to haul ~~raw or unprocessed agricultural~~ qualifying products and be operated with a gross weight of up to:

(1) 97,000 pounds; and

(2) 99,000 pounds during the period set by the commissioner under section 169.826, subdivision 1.

(b) Drivers of vehicles operating under this subdivision must comply with driver qualification requirements adopted under section 221.0314, subdivisions 2 to 5, and Code of Federal Regulations, title 49, parts 40 and 382, unless exempt under section 221.031, subdivision 2c.

(c) Any combination of qualifying products may be transported under a single permit issued under this subdivision.

(d) The fee for a permit issued under this subdivision is \$500, or a proportional amount as provided in section 169.86, subdivision 5.

Sec. 31. Minnesota Statutes 2014, section 169.865, is amended by adding a subdivision to read:

Subd. 6. **Qualifying products.** For purposes of this section, "qualifying products" consists of:

(1) raw or unprocessed agricultural products;

(2) agricultural products transported for processing as a biofuel, including but not limited to oat hulls and other feedstocks;

(3) livestock and poultry feed, seed, fertilizer, potash, and agricultural lime; and

(4) highway and building construction materials, and associated demolition materials, including but not limited to aggregate material as defined in section 298.75, subdivision 1, paragraph (a), hot mix asphalt, plastic concrete, cementitious materials, concrete admixtures, asphalt cement, construction demolition materials, and recycled road materials.

Sec. 32. Minnesota Statutes 2014, section 169.87, subdivision 6, is amended to read:

Subd. 6. **Recycling and garbage vehicles.** (a) Except as provided in paragraph (b), weight restrictions imposed under subdivisions 1 and 2 do not apply to a vehicle that does not exceed 20,000 pounds per single axle and is designed and used exclusively for recycling, while engaged in recycling in a political subdivision that mandates curbside recycling pickup.

(b) Weight restrictions imposed under subdivisions 1 and 2 do not apply to: (1) a vehicle that does not exceed 14,000 pounds per single axle and is used exclusively for recycling as described in paragraph (a), or (2) a vehicle that does not exceed 14,000 pounds per single axle and is designed and used exclusively for collecting mixed municipal solid waste, as defined in section 115A.03, subdivision 21, while engaged in such collection; or (3) a portable toilet service vehicle that does not exceed 14,000 pounds per single axle or 26,000 pounds gross vehicle weight, and is designed and used exclusively for collecting liquid waste from portable toilets, while engaged in such collection.

(c) Notwithstanding section 169.80, subdivision 1, a violation of weight restrictions imposed under subdivisions 1 and 2 by a vehicle designed and used exclusively for recycling while engaged in recycling in a political subdivision that mandates curbside recycling pickup while engaged in such collection, ~~or~~ by a vehicle that is designed and used exclusively for collecting mixed municipal solid waste as defined in section 115A.03, subdivision 21, while engaged in such collection, or by a portable toilet service vehicle that is designed and used exclusively for collecting liquid waste from portable toilets, while engaged in such collection, is not subject to criminal penalties but is subject to a civil penalty for excess weight under section 169.871.

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

Sec. 33. Minnesota Statutes 2014, section 173.02, is amended by adding a subdivision to read:

Subd. 18a. **Electronic advertising device.** (a) "Electronic advertising device" means an advertising device that is capable of displaying digital content that can be changed through messaging or electronic communications technology.

(b) Digital content consists of static text and images only, and does not include animation, flashing or moving lights, video, or other content having the appearance of movement.

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

Sec. 34. Minnesota Statutes 2014, section 173.15, is amended to read:

173.15 PROHIBITED ADVERTISING DEVICES.

(a) After June 8, 1971 no advertising device shall be erected or maintained:

(1) which purports to be or resembles an official traffic-control device, sign, or signal, or railroad sign or signal; or which hides from view or interferes in any material degree with the effectiveness of any traffic-control device, sign, or signal, or railroad sign or signal, or which obstructs or interferes with the driver's view of approaching, merging, or intersecting traffic for a distance not to exceed 500 feet;

(2) which prominently displays the word "stop" or "danger";

(3) which contains statements, words, or pictures of an obscene, indecent, or immoral character, or such as would offend public morals or decency;

(4) on any right-of-way of the interstate system of highways, except as otherwise provided by law or allowed by the commissioner;

(5) on private land without the consent of the owner or occupant thereof;

(6) on trees, shrubs, or which are painted or drawn upon rocks or natural features, or on public utility poles;

(7) which has distracting flashing or moving lights so designed or lighted as to be a traffic hazard;

(8) to which access can be obtained only from an interstate main-traveled way but excluding frontage roads adjacent thereto;

(9) which are structurally unsafe, are in disrepair, or are abandoned.

(b) The prohibition under paragraph (a), clause (7), does not include an electronic advertising device in which digital content changes no more frequently than once every six seconds.

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

Sec. 35. Minnesota Statutes 2014, section 174.40, is amended by adding a subdivision to read:

Subd. 4a. **Eligibility.** A statutory or home rule charter city, county, or town is eligible to receive funding under this section only if it has adopted subdivision regulations that require safe routes to school infrastructure in developments authorized on or after the effective date of this section.

Sec. 36. **[174.57] SNOW AND ICE CONTROL; APPROPRIATION.**

(a) In a fiscal year in which the commissioner expends at least 110 percent of the total biennial appropriation for snow and ice management specified in law, the commissioner may use an additional amount for this purpose that does not exceed 50 percent of the unappropriated reserves in the trunk highway fund. The amount identified by the commissioner under this paragraph is appropriated from the trunk highway fund to the commissioner for snow and ice management purposes.

(b) Upon using the appropriation authority in this section, the commissioner shall notify the commissioner of management and budget and the chairs and ranking minority members of the house of representatives and senate committees having jurisdiction over transportation finance. The commissioner shall include in each budget submission to the legislature under section 16A.11 the amount appropriated under this section for the budget biennium that is ending.

Sec. 37. Minnesota Statutes 2014, section 174.636, is amended by adding a subdivision to read:

Subd. 5. **Legislative authorization.** The powers conferred to the commissioner under sections 174.60 to 174.636 are subject to the requirements under section 174.94.

Sec. 38. Minnesota Statutes 2014, section 174.92, is amended to read:

174.92 EXERCISE OF POWER; COMMUTER RAIL; EXERCISE OF POWER.

Subdivision 1. **Powers.** The commissioner of transportation may exercise the powers granted in this chapter, as necessary, to plan, design, acquire, construct, and equip commuter rail facilities.

Subd. 2. **Legislative authorization.** The powers conferred to the commissioner under sections 174.80 to 174.92 are subject to the requirements under section 174.94.

Sec. 39. Minnesota Statutes 2014, section 174.93, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given:

(1) "commissioner" means the commissioner of transportation;

(2) "guideway" means a form of transportation service provided to the public on a regular and ongoing basis, that operates on exclusive or controlled rights-of-way or rails in whole or in part, and includes: (i) each line for intercity passenger rail, commuter rail, light rail transit, streetcars, ~~and~~ highway bus rapid transit, and express bus service operated primarily within a dedicated right-of-way; and (ii) any multimodal station serving two or more lines identified in item (i); and

(3) "local unit of government" means a county, statutory or home rule charter city, town, or other political subdivision including, but not limited to, a regional railroad authority or joint powers board.

(b) For purposes of this section, "sources of funds" includes, but is not limited to, money from federal aid, state appropriations, the Metropolitan Council, special taxing districts, local units of government, fare box recovery, and nonpublic sources.

(c) For purposes of this section, "budget activity" includes, but is not limited to, environmental analysis, land acquisition, easements, design, preliminary and final engineering, acquisition of vehicles and rolling stock, track improvement and rehabilitation, and construction.

(d) For purposes of this section, guideway excludes arterial bus rapid transit, limited-stop bus service, and express bus service that is not operated primarily within a dedicated right-of-way.

Sec. 40. **[174.94] GUIDEWAY DEVELOPMENT AUTHORIZATION.**

(a) For purposes of this section, "guideway" has the meaning given in section 174.93, subdivision 1.

(b) The commissioner and any political subdivision, including but not limited to the Metropolitan Council, a regional railroad authority, a county, or a statutory or home rule charter city, may not complete an alternatives analysis or select a locally preferred alternative for a guideway project unless on or after January 1, 2015: (1) a law is enacted that specifically identifies and authorizes the project, or (2) state funds are appropriated specifically for the project.

(c) Nothing in this section prohibits the commissioner or any political subdivision from (1) performing transit planning; (2) producing feasibility studies; or (3) commencing project development, including through an alternatives analysis or preliminary environmental analysis.

EFFECTIVE DATE. This section is effective the day following final enactment, and applies for any project not approved by the Federal Transit Administration for preliminary engineering or a subsequent project phase as of the effective date of this section. The portion that relates to the Metropolitan Council applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 41. Minnesota Statutes 2014, section 221.031, is amended by adding a subdivision to read:

Subd. 9a. Federal out-of-service order; operation prohibited. No intrastate carrier, private carrier engaged in intrastate commerce, or person providing intrastate transportation service described in section 221.025 shall operate a commercial motor vehicle in Minnesota while a motor carrier out-of-service order issued by the Federal Motor Carrier Safety Administration under Code of Federal Regulations, title 49, part 385 or 386, is in effect.

Sec. 42. Minnesota Statutes 2014, section 221.605, is amended by adding a subdivision to read:

Subd. 4. **Federal out-of-service order; operation prohibited.** No interstate carrier or private carrier engaged in interstate commerce shall operate a commercial motor vehicle in Minnesota while a motor carrier out-of-service order issued by the Federal Motor Carrier Safety Administration under Code of Federal Regulations, title 49, part 385 or 386, is in effect.

Sec. 43. Minnesota Statutes 2014, section 299A.465, is amended by adding a subdivision to read:

Subd. 2a. **Volunteer firefighter killed in line of duty.** (a) This subdivision applies when a volunteer firefighter is killed while on duty and discharging the volunteer firefighter's duties as a volunteer firefighter.

(b) The municipality or municipalities that operate the fire department that the volunteer firefighter serves with shall provide health insurance coverage to the volunteer firefighter's dependents, including the volunteer firefighter's spouse.

(c) The municipality or municipalities that operate the fire department that the volunteer firefighter serves with shall pay the same level of contribution to cover the volunteer firefighter's dependents as is required for a firefighter under subdivision 2, paragraph (c). Coverage must continue for a spousal dependent of the volunteer firefighter for the period of time that the person is a dependent up to the age of 65, and coverage must continue for any other dependent until the person is age 26.

Sec. 44. Minnesota Statutes 2014, section 299A.465, subdivision 5, is amended to read:

Subd. 5. **Definition.** For purposes of this section:

(a) "Peace officer" or "officer" has the meaning given in section 626.84, subdivision 1, paragraph (c).

(b) "Dependent" means a person who meets the definition of dependent in section 62L.02, subdivision 11, at the time of the officer's or firefighter's injury or death. A person is not a dependent for purposes of this section during the period of time the person is covered under another group health plan.

(c) "Firefighter" has the meaning given in Minnesota Statutes 2000, section 424.03, but does not include volunteer firefighters.

(d) "Volunteer firefighter" has the meaning given in section 299N.03, subdivision 7.

(e) "Fire department" has the meaning given in section 299N.03, subdivision 4.

Sec. 45. Minnesota Statutes 2014, section 299D.085, subdivision 2, is amended to read:

Subd. 2. **Certificate.** No person may operate as an overdimensional load escort driver in this state without a certificate issued by the commissioner, or by a state with which the commissioner has entered into a reciprocal agreement. The commissioner shall assess a fee for each certificate applicant, calculated to cover the commissioner's cost of establishing and administering the program. No other certification is required to escort an overdimensional load.

Sec. 46. Minnesota Statutes 2014, section 299D.09, is amended to read:

299D.09 ESCORT SERVICE; APPROPRIATION; RECEIPTS.

(a) Fees charged for escort services provided by the State Patrol are annually appropriated to the commissioner of public safety to administer and provide these services.

(b) ~~The fee charged for services provided by the State Patrol with a vehicle is \$79.28 an hour. The fee charged for services provided without a vehicle is \$59.28 an hour~~ shall be set to recover actual costs as determined by the commissioner of public safety by July 1 each year.

(c) The fees charged for State Patrol flight services are \$140 an hour for a fixed wing aircraft, \$490 an hour for a helicopter, and \$600 an hour for the Queen Air in fiscal year 2012; and \$139.64 an hour for a fixed wing aircraft, \$560.83 an hour for a helicopter, and \$454.84 an hour for the Queen Air in fiscal year 2013 and thereafter.

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

Sec. 47. **[299F.037] REPORTING FIREFIGHTER DEATHS.**

Whenever an active firefighter dies, whether or not the death is presumed to be in the line of duty, the fire chief of the deceased firefighter must report, without undue delay, the death to the state fire marshal. The notification shall identify the cause of death and contain information concerning the circumstances of the death.

Sec. 48. Minnesota Statutes 2014, section 360.305, subdivision 4, is amended to read:

Subd. 4. **Costs allocated; local contribution; hangar construction account.** ~~(a) Except as otherwise provided in this subdivision~~ Annually by June 1, the commissioner of transportation shall require as a condition of assistance by the state that the establish local contribution rates which will apply to a political subdivision, municipality, or public corporation make a substantial contribution to the cost of the construction, improvement, maintenance, or operation of the airport, in connection with which the assistance of the state is sought. These costs are referred to as project costs when applying for state or federal funding assistance to construct, improve, maintain, or operate an airport, or to acquire land for airport facilities or clear zones. If the commissioner does not establish local contribution rates by June 1, the previous rates apply.

(b) ~~For any airport, whether key, intermediate, or landing strip, where only state and local funds are to be used, the contribution shall be not less than one fifth of the sum of:~~

~~(1) the project costs;~~

~~(2) acquisition costs of the land and clear zones, which are referred to as acquisition costs. The commissioner may pay all costs beyond the local contribution. Local contribution rates shall not be less than five percent of the total cost of the activity or acquisition, except that the commissioner may require less than five percent for research projects, radio or navigational aids, activities, or acquisitions for which federal funds are available to cover more than 90 percent of the total cost, or as otherwise necessary to respond to an emergency.~~

~~(c) For any airport where federal, state, and local funds are to be used, the contribution shall not be less than five percent of the sum of the project costs and acquisition costs. The commissioner's establishment of local contribution rates is not subject to the rulemaking requirements of chapter 14.~~

~~(d) The commissioner may pay the total cost of radio and navigational aids.~~

~~(e) Notwithstanding paragraph (b) or (c), the commissioner may pay all of the project costs of a new landing strip, but not an intermediate airport or key airport, or may pay an amount equal to the federal funds granted and used for a new landing strip plus all of the remaining project costs; but the total amount paid by the commissioner for the project costs of a new landing strip, unless specifically authorized by an act appropriating funds for the new landing strip, shall not exceed \$200,000.~~

~~(f) Notwithstanding paragraph (b) or (c), the commissioner may pay all the project costs for research and development projects, including, but not limited to noise abatement; provided that in no event shall the sums expended under this paragraph exceed five percent of the amount appropriated for construction grants.~~

~~(g)~~ (d) To receive aid under this section for project costs or for acquisition costs, the municipality must enter into an agreement with the commissioner giving assurance that the airport will be operated and maintained in a safe, serviceable manner for aeronautical purposes only for the use and benefit of the public:

(1) for 20 years after the date ~~that~~ the municipality receives any state funds for ~~project construction or improvement~~ costs ~~are received by the municipality~~; and

(2) for 99 years after the date ~~that~~ the municipality receives any state funds for land acquisition costs ~~are received by the municipality~~. If any land acquired with state funds ceases to be used for aviation purposes, the municipality shall repay the state airports fund the same percentage of the appraised value of the property as that percentage of the costs of acquisition and participation provided by the state to acquire the land.

The agreement may contain other conditions as the commissioner deems reasonable.

~~(h)~~ (e) The commissioner shall establish a hangar construction revolving account, which shall be used for the purpose of financing the construction of hangar buildings to be constructed by municipalities owning airports. All municipalities owning airports are authorized to enter into contracts for the construction of hangars, and contracts with the commissioner for the financing of hangar construction for an amount and period of time as may be determined by the commissioner and municipality. All receipts from the financing contracts shall be deposited in the hangar construction revolving account and are reappropriated for the purpose of financing construction of hangar buildings. ~~The commissioner may pay from the hangar construction revolving account 80 percent of the cost of financing construction of hangar buildings. For purposes of this paragraph, the construction of hangars shall include their design.~~ The commissioner shall transfer up to \$4,400,000 from the state airports fund to the hangar construction revolving account.

~~(i)~~ (f) The commissioner may ~~pay a portion of the purchase price of any~~ contribute to costs incurred by any municipality for airport maintenance and operations, safety equipment, and ~~of the actual~~ airport snow removal costs ~~incurred by any municipality. The portion to be paid by the state shall not exceed two thirds of the cost of the purchase price or snow removal. To receive aid a municipality must enter into an agreement of the type referred to in paragraph (g).~~

~~(j)~~ (g) This subdivision applies only to project costs or acquisition costs of municipally owned airports incurred after June 1, 1971.

Sec. 49. Minnesota Statutes 2014, section 398A.04, is amended by adding a subdivision to read:

Subd. 2b. Legislative authorization. The powers conferred to a regional rail authority under this chapter are subject to the requirements under section 174.94.

Sec. 50. Minnesota Statutes 2014, section 473.13, is amended by adding a subdivision to read:

Subd. 6. **Forecasted base appropriations.** The base appropriation from the general fund to the council for transit system operations under sections 473.371 to 473.449 in fiscal year 2018 and thereafter is the greater of zero or:

(1) \$76,626,000; less

(2) funds in the metropolitan area transit account in the transit assistance fund under section 16A.88 in that fiscal year, attributable to motor vehicle sales tax revenue under section 297B.09; less funds appropriated to the council from that account in fiscal year 2015, attributable to motor vehicle sales tax revenue; less

(3) the amount in grants to the council under section 297A.992, subdivision 6a, in excess of 50 percent of the net operating costs of those guideways for which the grants are provided.

APPLICATION. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 51. Minnesota Statutes 2014, section 473.146, subdivision 4, is amended to read:

Subd. 4. **Transportation planning.** (a) The Metropolitan Council is the designated planning agency for any long-range comprehensive transportation planning required by section 134 of the Federal Highway Act of 1962, Section 4 of Urban Mass Transportation Act of 1964 and Section 112 of Federal Aid Highway Act of 1973 and other federal transportation laws. The council shall assure administration and coordination of transportation planning with appropriate state, regional and other agencies, counties, and municipalities.

(b) The council shall establish an advisory body consisting of citizens and representatives of municipalities, counties, and state agencies in fulfillment of the planning responsibilities of the council. The membership of the advisory body must consist of:

(1) the commissioner of transportation or the commissioner's designee;

(2) the commissioner of the Pollution Control Agency or the commissioner's designee;

(3) one member of the Metropolitan Airports Commission appointed by the commission;

(4) one person appointed by the council to represent nonmotorized transportation;

(5) one person appointed by the commissioner of transportation to represent the freight transportation industry;

(6) two persons appointed by the council to represent public transit, with one appointed by the council, and one appointed by the Suburban Transit Association who must be an elected official from a city participating in the replacement service program under section 473.388;

(7) ten elected officials of cities within the metropolitan area, including one representative from each first-class city, appointed by the Association of Metropolitan Municipalities;

(8) one member of the county board of each county in the seven-county metropolitan area, appointed by the respective county boards;

(9) eight citizens appointed by the council, one from each council precinct; and

(10) one member of the council, appointed by the council.

(c) The council shall appoint a chair from among the members of the advisory body.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 52. Minnesota Statutes 2014, section 473.39, is amended by adding a subdivision to read:

Subd. 6. Limitations. The council may not issue certificates of indebtedness, bonds, or other obligations secured in whole or in part by a pledge of motor vehicle sales tax revenue received under sections 16A.88 and 297B.09, or by a pledge of any earnings from the council's investment of motor vehicle sales tax revenues.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 53. Minnesota Statutes 2014, section 473.399, is amended by adding a subdivision to read:

Subd. 6. Legislative authorization. The powers conferred to a responsible authority, as defined in section 473.3993, subdivision 4, under sections 473.399 to 473.3999 are subject to the requirements in section 174.94.

APPLICATION. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 54. Minnesota Statutes 2014, section 473.4051, subdivision 2, is amended to read:

Subd. 2. Operating costs. After operating revenue and federal money have been used to pay for light rail transit operations, 50, 100 percent of the remaining operating and ongoing maintenance costs must be paid by the state from nonstate sources. For purposes of this subdivision, state sources include but are not limited to general fund appropriations and revenue from the motor vehicle sales tax under chapter 297B.

APPLICATION. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 55. Laws 2009, chapter 158, section 10, as amended by Laws 2012, chapter 287, article 3, section 56, and Laws 2014, chapter 255, section 20, is amended to read:

Sec. 10. **EFFECTIVE DATE.**

Sections 2 and 3 are effective August 1, 2009, and the amendments made in sections 2 and 3 to Minnesota Statutes, sections 169.011 and 169.045, expire July 31, 2015.

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

Sec. 56. Laws 2014, chapter 312, article 11, section 3, the effective date, is amended to read:

EFFECTIVE DATE. Subdivisions 1 to 4 are effective January 1, 2015, for special Minnesota golf plates issued on or after that date. Subdivision 5 is effective January 1, 2017 July 1, 2015.

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

Sec. 57. DEPARTMENT OF TRANSPORTATION EFFICIENCIES.

(a) In fiscal years 2016 and 2017, the commissioner of transportation shall implement efficiencies identified by the Transportation Strategic Management and Operations Advisory Task Force report under Laws 2008, chapter 152, article 6, section 9, equal to 15 percent of the Department of Transportation's total appropriations for fiscal years 2014 and 2015.

(b) The efficiency savings amount identified in paragraph (a) is available to the commissioner of transportation in fiscal years 2016 and 2017 for the construction, maintenance, or rehabilitation, including pothole repair, of highways, roads, and bridges on the trunk highway system.

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

Sec. 58. LEGISLATIVE ROUTE NO. 228 REMOVED.

(a) Minnesota Statutes, section 161.115, subdivision 159, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Otter Tail County to transfer jurisdiction of Legislative Route No. 228 and after the commissioner notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 59. LEGISLATIVE ROUTE NO. 275 REMOVED.

(a) Minnesota Statutes, section 161.115, subdivision 206, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Lac qui Parle County to transfer jurisdiction of Legislative Route No. 275 and after the commissioner notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 60. COST PARTICIPATION POLICY.

The commissioner of transportation, in consultation with representatives of local units of government, shall create and adopt a policy concerning cost participation for cooperative construction projects and maintenance responsibilities between the Department of Transportation and local units of government. The policy must minimize the share of cooperative project costs to be funded by the local units of government while complying in all respects with the state constitutional requirements concerning allowable uses of the trunk highway fund. The policy should provide and include sufficient flexibility for unique projects and locations if doing so results in a lower total project cost. The policy must be completed and adopted by the commissioner no later than September 1, 2015.

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

Sec. 61. CONCRETE DIAMOND GRINDING SLURRY.

The commissioner of transportation shall not engage in a study, including under any agreement with a consultant, related to the deposit of slurry generated from highway diamond grinding on the side of roadways, unless the commissioner consults and reaches agreement with interested representatives of the road construction and

maintenance industry regarding the methodology and specifications for the study. The commissioner or a consultant operating under an agreement with the commissioner shall consult with interested representatives of the road construction and maintenance industry to evaluate methods of determining best management practices.

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

Sec. 62. **INTERSTATE 94/694/494 INTERCHANGE SAFETY IMPROVEMENT STUDY.**

The commissioner of transportation must conduct a safety improvement study for the interchange of signed Interstate Highways 94, 694, and 494 in the cities of Woodbury and Oakdale. At a minimum, the study must provide specific recommendations to improve the safety of the interchange and include cost estimates for each recommended improvement. The commissioner must report the findings and recommendations of the study to the legislative committees having jurisdiction over transportation policy and finance within 180 days after the effective date of this section.

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

Sec. 63. **LEGISLATIVE REPORT ON VEHICLE TITLE TRANSFER FEE FUNDS.**

By November 1, 2015, the commissioner of the Pollution Control Agency shall submit a report on motor vehicle title transfer fee funds to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation and environment policy and finance. At a minimum, the report must (1) identify the annual amount of revenue from the motor vehicle title transfer fee under Minnesota Statutes, section 115A.908, over fiscal years 2012 to 2015; (2) evaluate the policy rationale for allocation of revenue from the title transfer fee; and (3) specify uses of funds from the title transfer fee, including identification of any motor vehicle, road, or bridge purposes for which funds are used.

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

Sec. 64. **PUBLIC-PRIVATE PARTNERSHIP PILOT PROGRAM.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Toll facility," "BOT facility," and "BTO facility" have the meanings given under Minnesota Statutes, section 160.84.

(c) "Responsible authority" means the commissioner of transportation or the Metropolitan Council, as appropriate.

Subd. 2. **Public-private partnership authority.** (a) A responsible authority is authorized to consider and utilize public-private partnership procurement methods as provided in this section. A public-private partnership initiative must take advantage of private sector efficiencies in design and construction, along with expertise in finance and development, and provide a better long-term value for the state than could be obtained through traditional procurement methods.

(b) Notwithstanding Minnesota Statutes, section 160.845 or 160.98, or any other law to the contrary, a responsible authority may use in the pilot program an existing public-private partnership mechanism or a proposed mechanism that proves the best available option for the state. Mechanisms that a responsible authority may use consist only of: toll facilities, BOT facilities, BTO facilities, user fees, construction payments, joint development agreements, negotiated exactions, and air rights development.

(c) A responsible authority may receive or solicit and evaluate proposals to build, operate, and finance projects that are not inconsistent with the department's or the Metropolitan Council's most recent transportation plans. If a responsible authority receives an unsolicited proposal, the authority shall publish a notice in the State Register at least once a week for two weeks stating that the authority has received the proposal and will accept other proposals for the same project purpose for 120 days after the initial date of publication. The private proposer must be selected on a competitive basis.

Subd. 3. Pilot program restrictions. (a) The pilot program under this section is for a total of up to three projects that are exclusively or primarily for infrastructure of a capital nature, excluding rolling stock.

(b) A responsible authority may not enter into a public-private partnership under this section for a project with a total project cost estimate of more than \$100,000,000.

(c) When entering into a public-private partnership, a responsible authority may not enter into any noncompete agreement that inhibits the state's ability to address ongoing or future infrastructure needs.

(d) If a responsible authority enters into a public-private partnership agreement that includes a temporary transfer of ownership or control of a road, bridge, or other infrastructure investment to the private entity, the agreement must include a provision requiring the return of the road, bridge, or other infrastructure investment to the state after a specified period of time that may not exceed 25 years.

(e) A responsible authority may only consider new projects for a public-private partnership. A responsible authority is prohibited from considering projects involving existing infrastructure for a public-private partnership, unless the proposed project adds capacity to the existing infrastructure.

Subd. 4. Consultation. (a) As part of the pilot program under this section, the commissioner and the Metropolitan Council shall consult with the commissioner of management and budget, the commissioner of employment and economic development, the commissioner of administration, and one representative each from the American Council of Engineering Companies - Minnesota chapter, the Central Minnesota Transportation Alliance, and the Minnesota County Engineers Association. In addition, the commissioner shall invite the Federal Highway Administration and the Metropolitan Council shall invite the Federal Transit Administration to participate in consultation activities.

(b) Consultation activities include reviewing projects proposed under this section, reviewing any contractual or financial agreements to ensure program requirements are met, and ensuring that any proposed or executed agreement serves the public interest.

Subd. 5. Evaluation and selection of private entity and project. (a) A responsible authority shall contract with one or more consultants to assist in proposal evaluation. The consultant must possess expertise and experience in public-private partnership project evaluation methodology, such as value for money, costs of public-private partnership compared with costs of public project delivery, and cost-benefit analysis.

(b) When soliciting, evaluating, and selecting a private entity with which to enter into a public-private partnership and before selecting a project, a responsible authority must consider:

(1) the ability of the proposed project to improve safety, reduce congestion, increase capacity, and promote economic growth;

(2) the proposed cost of and financial plan for the project;

(3) the general reputation, qualifications, industry experience, and financial capacity of the private entity;

- (4) the project's proposed design, operation, and feasibility;
- (5) the length and extent of transportation and transit service disruption;
- (6) comments from local citizens and affected jurisdictions;
- (7) the benefits to the public;
- (8) the safety record of the private entity; and
- (9) any other criteria a responsible authority deems appropriate.

Subd. 6. Public-private agreement. (a) A public-private agreement between a responsible authority and a private entity must, at a minimum, specify:

- (1) the planning, acquisition, financing, development, design, construction, reconstruction, replacement, improvement, maintenance, management, repair, leasing, or operation of the project;
- (2) the term of the public-private agreement;
- (3) the type of property interest, if any, that the private entity will have in the project;
- (4) a description of the actions a responsible authority may take to ensure proper maintenance of the project;
- (5) whether user fees will be collected on the project and the basis by which the user fees are determined and modified along with identification of the public agency that will determine and modify fees;
- (6) compliance with applicable federal, state, and local laws;
- (7) grounds for termination of the public-private agreement by a responsible authority;
- (8) adequate safeguards for the traveling public and residents of the state in event of default on the contract;
- (9) financial protection for the state in the event of default, which must include payment and performance bonds, for any construction, that meet the requirements under Minnesota Statutes, sections 574.26 to 574.32; and
- (10) procedures for amendment of the agreement.

(b) A public-private agreement between a responsible authority and a private entity may provide for:

- (1) review and approval by a responsible authority of the private entity's plans for the development and operation of the project;
- (2) inspection by a responsible authority of construction and improvements to the project;
- (3) maintenance by the private entity of a liability insurance policy;
- (4) filing of appropriate financial statements by the private entity on a periodic basis;
- (5) filing of traffic reports by the private entity on a periodic basis;

(6) financing obligations of a responsible authority and the private entity;

(7) apportionment of expenses between a responsible authority and the private entity;

(8) the rights and remedies available in the event of a default or delay;

(9) the rights and duties of the private entity, a responsible authority, and other state or local governmental entities with respect to the use of the project;

(10) the terms and conditions of indemnification of the private entity by a responsible authority;

(11) assignment, subcontracting, or other delegations of responsibilities of (i) the private entity, or (ii) a responsible authority under agreement to third parties, including other private entities or state agencies;

(12) if applicable, sale or lease to the private entity of private property related to the project;

(13) traffic enforcement and other policing issues; and

(14) any other terms and conditions a responsible authority deems appropriate.

Subd. 7. Funding from federal government. (a) A responsible authority may accept from the United States or any of its agencies funds that are available to the state for carrying out the pilot program, whether the funds are available by grant, loan, or other financial assistance.

(b) A responsible authority may enter into agreements or other arrangements with the United States or any of its agencies as necessary for carrying out the pilot program.

(c) A responsible authority shall seek to maximize project funding from nonstate sources and may combine federal, state, local, and private funds to finance a public-private partnership pilot project.

Subd. 8. Legislative reporting. By August 1 annually in 2016 through 2019, the commissioner of transportation and the Metropolitan Council shall jointly submit to the chairs and ranking minority members of the legislative committees having jurisdiction over transportation policy and finance a list of all agreements executed under the pilot program authority. At a minimum, the list must identify each agreement, the contracting entities, the contract amount and duration, and any repayment requirements, and provide an update on the project's progress. The list may be submitted electronically and is subject to Minnesota Statutes, section 3.195, subdivision 1.

Subd. 9. Expiration. The authority to enter into new agreements under this section expires on June 30, 2019.

Sec. 65. **REPEALER.**

Minnesota Statutes 2014, section 299E.02, is repealed."

Delete the title and insert:

"A bill for an act relating to transportation; establishing a budget for transportation; appropriating money for transportation, including Department of Transportation, Metropolitan Council, and Department of Public Safety activities; amending various provisions governing transportation policy and finance; establishing funds and accounts; requiring reports; authorizing sale and issuance of trunk highway bonds; amending Minnesota Statutes 2014, sections 16A.11, subdivision 3a; 16A.86, subdivision 2; 16A.88, subdivisions 1a, 2; 16E.15, subdivision 2; 117.036, subdivisions 2, 4; 160.20, subdivision 4; 160.27, by adding a subdivision; 161.04, by adding a subdivision;

161.231; 161.321, subdivisions 2a, 2c, 4; 162.07, subdivision 1a; 168.053, subdivision 1; 168.1299, subdivision 1; 169.475, subdivision 2; 169.49; 169.782, subdivisions 1, 2, 4; 169.81, by adding a subdivision; 169.865, subdivisions 1, 2, by adding a subdivision; 169.87, subdivision 6; 173.02, by adding a subdivision; 173.15; 174.40, by adding a subdivision; 174.636, by adding a subdivision; 174.92; 174.93, subdivision 1; 221.031, by adding a subdivision; 221.605, by adding a subdivision; 299A.465, subdivision 5, by adding a subdivision; 299D.085, subdivision 2; 299D.09; 360.305, subdivision 4; 398A.04, by adding a subdivision; 473.13, by adding a subdivision; 473.146, subdivision 4; 473.39, by adding a subdivision; 473.399, by adding a subdivision; 473.4051, subdivision 2; Laws 2009, chapter 158, section 10, as amended; Laws 2014, chapter 312, article 11, section 3; proposing coding for new law in Minnesota Statutes, chapters 16A; 160; 161; 162; 168; 174; 299F; repealing Minnesota Statutes 2014, section 299E.02."

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Hamilton from the Committee on Agriculture Finance to which was referred:

H. F. No. 1437, A bill for an act relating to state government; appropriating money for agriculture, animal health, and agricultural utilization research; providing retail food establishment and food handler license fees; making policy and technical changes to various agricultural related provisions, including provisions related to pesticide control, plant protection, nursery law, seeds, food handlers, food, farmland, farming, and loans; establishing the farm opportunity loan program; modifying fees and surcharges; creating accounts; amending Minnesota Statutes 2014, sections 13.643, subdivision 1; 18B.01, subdivisions 28, 29; 18B.32, subdivision 1; 18B.33, subdivision 1; 18B.34, subdivision 1; 18C.425, subdivision 6; 18G.10, subdivisions 3, 4, 5; 18H.02, subdivision 20, by adding subdivisions; 18H.06, subdivision 2; 18H.07; 21.81, by adding subdivisions; 21.82, subdivisions 2, 4; 21.85, subdivision 2, by adding a subdivision; 21.89, subdivision 2; 21.891, subdivisions 2, 5; 25.39, subdivision 1; 28A.03, by adding subdivisions; 28A.08, subdivision 1, by adding subdivisions; 28A.082, subdivision 1; 31.39, subdivision 1; 32.394, subdivisions 8, 8b; 41B.03, subdivision 6, by adding a subdivision; 41B.04, subdivision 17; 41B.043, subdivision 3; 41B.045, subdivisions 3, 4; 41B.046, subdivision 5; 41B.047, subdivisions 1, 4; 41B.048, subdivision 6; 41B.049, subdivision 4; 41B.055, subdivision 3; 41B.056, subdivision 2; 41B.06; 500.24, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 15; 41B; repealing Minnesota Statutes 2014, sections 17.115; 28A.08, subdivision 3; 41A.12, subdivision 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
AGRICULTURE APPROPRIATIONS

Section 1. **AGRICULTURE APPROPRIATIONS**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2016" and "2017" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal year 2017. "The biennium" is fiscal years 2016 and 2017.

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

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

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

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

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

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

\$1,350,000 the first year and \$1,350,000 the second year are for additional inspections of food manufacturers and wholesalers.

\$150,000 the first year and \$150,000 the second year are for additional funding for dairy inspection services.

\$150,000 the first year and \$150,000 the second year are for additional funding for laboratory services operations.

\$250,000 the first year and \$250,000 the second year are for additional meat inspection services, including inspections provided under the correctional facility vocational training pilot program.

Notwithstanding Minnesota Statutes, section 18B.05, \$90,000 the first year and \$90,000 the second year are from the pesticide regulatory account in the agricultural fund for an increase in the operating budget for the Laboratory Services Division.

\$100,000 the first year and \$100,000 the second year are from the pesticide regulatory account in the agricultural fund to update and modify applicator education and training materials.

Subd. 3. Agricultural Marketing and Development

3,873,000

3,873,000

The commissioner must provide one-stop access for farmers in need of information or assistance to obtain or renew licenses, meet state regulatory requirements, or resolve disputes with state agencies.

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

\$186,000 the first year and \$186,000 the second year are for transfer to the Minnesota grown account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.102. Grants may be made for one year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2017, for Minnesota grown grants in this paragraph are available until June 30, 2019.

\$634,000 the first year and \$634,000 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 detailed accomplishment report and a work plan detailing future plans for, and anticipated accomplishments from, expenditures under this program to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture policy and finance 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 and ranking minority members.

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

Subd. 4. Agriculture, Bioenergy, and Bioproduct Advancement

10,880,000

11,823,000

\$3,550,000 the first year and \$4,100,000 the second year are for transfer to the agriculture research, education, extension, and technology transfer fund under Minnesota Statutes, section 41A.14, subdivision 3. The commissioner may use a portion of the appropriation each year only for direct expenses incurred by the commissioner to provide administrative services and to act as the fiscal agent for the board as required under Minnesota Statutes, section 41A.14, subdivision 1, paragraph (c).

To the extent practicable, funds expended under Minnesota Statutes, section 41A.14, subdivision 2, clauses (1) and (2), must supplement and not supplant existing sources and levels of funding. The board may award grants to the University of Minnesota to support the Forever Green Initiative.

\$550,000 is appropriated in fiscal year 2015 to the commissioner of agriculture for the costs of avian influenza emergency response activities not covered by federal funding. The appropriation under this paragraph is available the day following final enactment. This is a onetime appropriation and is available until June 30, 2016.

\$500,000 in fiscal year 2016 and \$1,500,000 in fiscal year 2017 are for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, and 41A.18. If the appropriation exceeds the total amount for which all producers are eligible in a fiscal year, the balance of the appropriation is available to the commissioner for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. These appropriations do not cancel and are available until spent. The commissioner may use up to 4.5 percent of the appropriation for administration of the incentive payment programs.

\$6,280,000 the first year and \$6,223,000 the second year are for the agricultural growth, research, and innovation program in Minnesota Statutes, section 41A.12. No later than February 1, 2016, and February 1, 2017, the commissioner must report to the legislative committees with jurisdiction over agriculture policy and finance regarding the commissioner's accomplishments and anticipated accomplishments in the following areas: facilitating the start-up, modernization, or expansion of livestock operations including beginning and transitioning livestock operations; developing new markets for Minnesota farmers by providing more fruits, vegetables, meat, grain, and dairy for Minnesota school children; assisting value-added agricultural businesses to begin or expand, access new markets, or diversify products; facilitating the start-up, modernization, or expansion of other beginning and transitioning farms; sustainable agriculture on farm research and demonstration; development or expansion of food hubs and other alternative community-based food distribution systems; and research on bioenergy, biobased content, or biobased formulated products and other renewable energy development. 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 for the second year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2017, for agricultural growth, research, and innovation grants are available until June 30, 2019.

The commissioner may use funds appropriated for the agricultural growth, research, and innovation program as provided in this paragraph. The commissioner may award grants to owners of Minnesota facilities producing bioenergy, biobased content, or a biobased formulated product; to organizations that provide for on-station, on-farm field scale research and outreach to develop and test the agronomic and economic requirements of diverse strands of prairie plants and other perennials for bioenergy systems; or to certain nongovernmental entities. For the purposes of this paragraph, "bioenergy" includes transportation fuels derived from cellulosic material, as well as the generation of energy for commercial heat, industrial process heat, or electrical power from cellulosic materials via gasification or other processes. Grants are limited to 50 percent of the cost of research, technical assistance, or equipment related to bioenergy, biobased content, or biobased formulated product production or \$500,000, whichever is less. Grants to nongovernmental entities for the development of business plans and structures related to community ownership of eligible bioenergy facilities together may not exceed \$150,000. The commissioner shall make a good-faith effort to select projects that have merit and, when taken together, represent a variety of bioenergy technologies, biomass feedstocks, and geographic regions of the state. Projects must have a qualified engineer provide certification on the technology and fuel source. Grantees must provide reports at the request of the commissioner.

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

Of the amount appropriated for the agricultural growth, research, and innovation program in this subdivision, \$250,000 the first year and \$250,000 the second year are for grants that enable retail petroleum dispensers to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this paragraph if the retail petroleum dispenser has no more than 15 retail petroleum dispensing sites and each site is located in Minnesota. The grant money received under this paragraph must be used for the installation of appropriate technology that uses fuel dispensing equipment appropriate for at least one fuel dispensing site to dispense gasoline that is blended with 15 percent of agriculturally derived, denatured ethanol, by volume, and appropriate technical assistance related to the installation. A grant award must not exceed 85 percent of the cost of the technical assistance and appropriate technology, including remetering of and retrofits for retail petroleum dispensers and replacement of

petroleum dispenser projects. The commissioner may use up to \$35,000 of this appropriation for administrative expenses. The commissioner shall cooperate with the Minnesota Biofuels Association in the implementation of the grant program. The commissioner must report to the legislative committees with jurisdiction over agriculture policy and finance by February 1 each year, detailing the number of grants awarded under this paragraph and the projected effect of the grant program on meeting the biofuel replacement goals under Minnesota Statutes, section 239.7911.

Of the amount appropriated for the agricultural growth, research, and innovation program in this subdivision, \$25,000 the first year is for the livestock industry study.

Of the amount appropriated for the agricultural growth, research, and innovation program in this subdivision, \$50,000 the first year is for the imported bait fish feasibility study.

Of the amount appropriated for the agricultural growth, research, and innovation program in this subdivision, \$25,000 the first year and \$25,000 the second year are for grants to the Southern Minnesota Initiative Foundation to promote local foods through an annual event that raises public awareness of local foods and connects local food producers and processors with potential buyers.

Subd. 5. Administration and Financial Assistance

5,626,000

5,626,000

\$75,000 the first year and \$75,000 the second year are for grants to the Center for Rural Policy and Development.

The base for the farm-to-foodshelf program in fiscal years 2018 and 2019 is \$1,100,000 each year.

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

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

\$235,000 the first year and \$235,000 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.

\$108,000 the first year and \$108,000 the second year are for annual grants to the Minnesota Turf Seed Council for basic and applied research on: (1) the improved production of forage and turf seed related to new and improved varieties; and (2) 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.

\$550,000 the first year and \$550,000 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.

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

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

Sec. 3. **BOARD OF ANIMAL HEALTH**

\$5,918,000

\$5,984,000

\$600,000 the first year and \$600,000 the second year are for rapid response to poultry and livestock disease, including but not limited to H5N2 avian flu.

Sec. 4. **AGRICULTURAL UTILIZATION RESEARCH INSTITUTE**

\$2,643,000

\$2,643,000

Sec. 5. **BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA**

\$300,000

\$300,000

\$300,000 the first year and \$300,000 the second year are for the Invasive Terrestrial Plants and Pests Center for rapid response to plant diseases and pests.

ARTICLE 2
AGRICULTURE POLICY

Section 1. Minnesota Statutes 2014, section 13.643, subdivision 1, is amended to read:

Subdivision 1. **Department of Agriculture data.** (a) **Loan and grant applicant data.** The following data on applicants, collected by the Department of Agriculture in its sustainable agriculture ~~revolving loan and grant programs~~ program under ~~sections 17.115 and~~ section 17.116, are private or nonpublic: nonfarm income; credit history; insurance coverage; machinery and equipment list; financial information; and credit information requests.

(b) **Farm advocate data.** The following data supplied by farmer clients to Minnesota farm advocates and to the Department of Agriculture are private data on individuals: financial history, including listings of assets and debts, and personal and emotional status information.

Sec. 2. Minnesota Statutes 2014, section 18B.01, subdivision 28, is amended to read:

Subd. 28. **Structural pest.** "Structural pest" means ~~a an invertebrate pest, other than a plant, or commensal rodent~~ in, on, under, or near a structure such as a residential or commercial building.

Sec. 3. Minnesota Statutes 2014, section 18B.01, subdivision 29, is amended to read:

Subd. 29. **Structural pest control.** "Structural pest control" means the control of any structural pest through ~~the use of a device, a procedure, or~~ application of pesticides or through other means in or around a building or other structures, including trucks, boxcars, ships, aircraft, docks, and fumigation vaults, ~~and the business activity related to use of a device, a procedure, or application of a pesticide.~~

Sec. 4. Minnesota Statutes 2014, section 18B.05, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** A pesticide regulatory account is established in the agricultural fund. Fees, assessments, and penalties collected under this chapter must be deposited in the agricultural fund and credited to the pesticide regulatory account. Money in the account, including interest, is appropriated to the commissioner for the administration and enforcement of this chapter and up to \$20,000 per fiscal year may also be used by the commissioner for purposes of section 18H.14, paragraph (e).

Sec. 5. Minnesota Statutes 2014, section 18B.32, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** (a) A person may not engage in structural pest control applications:

(1) for hire without a structural pest control license; and

(2) as a sole proprietorship, company, partnership, or corporation unless the person is or employs a licensed master in structural pest control operations.

(b) A structural pest control licensee must have a valid license identification card ~~when applying to purchase a restricted use pesticide or apply~~ pesticides for hire and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The license identification card must contain information required by the commissioner.

~~(c) Notwithstanding the licensing requirements of this subdivision, a person may control the following nuisance or economically damaging wild animals, by trapping, without a structural pest control license:~~

~~(1) fur bearing animals, as defined in section 97A.015, with a valid trapping license or special permit from the commissioner of natural resources; and~~

~~(2) skunks, woodchucks, gophers, porcupines, coyotes, moles, and weasels.~~

Sec. 6. Minnesota Statutes 2014, section 18B.33, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** (a) A person may not apply a pesticide for hire without a commercial applicator license for the appropriate use categories or a structural pest control license.

(b) A commercial applicator licensee must have a valid license identification card ~~when applying to purchase a restricted use pesticide or apply~~ pesticides for hire and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The commissioner shall prescribe the information required on the license identification card.

Sec. 7. Minnesota Statutes 2014, section 18B.34, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** (a) Except for a licensed commercial applicator, certified private applicator, or licensed structural pest control applicator, a person, including a government employee, may not purchase or use a restricted use pesticide in performance of official duties without having a noncommercial applicator license for an appropriate use category.

(b) A licensee must have a valid license identification card when applying pesticides and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The license identification card must contain information required by the commissioner.

Sec. 8. Minnesota Statutes 2014, section 18C.425, subdivision 6, is amended to read:

Subd. 6. **Payment of inspection fee.** (a) The person who registers and distributes in the state a specialty fertilizer, soil amendment, or plant amendment under section 18C.411 shall pay the inspection fee to the commissioner.

(b) The person licensed under section 18C.415 who distributes a fertilizer to a person not required to be so licensed shall pay the inspection fee to the commissioner, except as exempted under section 18C.421, subdivision 1, paragraph (b).

(c) The person responsible for payment of the inspection fees for fertilizers, soil amendments, or plant amendments sold and used in this state must pay an inspection fee of ~~30~~ 39 cents per ton, and until June 30, 2019, an additional 40 cents per ton, of fertilizer, soil amendment, and plant amendment sold or distributed in this state, with a minimum of \$10 on all tonnage reports. Notwithstanding section 18C.131, the commissioner must deposit all revenue from the additional 40 cent per ton fee in the agricultural fertilizer research and education account in section 18C.80. Products sold or distributed to manufacturers or exchanged between them are exempt from the inspection fee imposed by this subdivision if the products are used exclusively for manufacturing purposes.

(d) A registrant or licensee must retain invoices showing proof of fertilizer, plant amendment, or soil amendment distribution amounts and inspection fees paid for a period of three years.

Sec. 9. Minnesota Statutes 2014, section 18C.70, subdivision 2, is amended to read:

Subd. 2. **Powers and duties.** The council must review applications and select projects to receive agricultural fertilizer research and education program grants, as authorized in section 18C.71. The council must establish a program to provide grants to research, education, and technology transfer projects related to agricultural fertilizer, soil amendments, and plant amendments. For the purpose of this section, "fertilizer" includes soil amendments and plant amendments, but does not include vegetable or animal manures that are not manipulated. The commissioner is responsible for all fiscal and administrative duties ~~in the first year and may use up to eight percent of program revenue to offset costs incurred. No later than October 1, 2007, the commissioner must provide the council with an estimate of the annual costs the commissioner would incur in administering the program.~~

Sec. 10. **18C.80 AGRICULTURAL FERTILIZER RESEARCH AND EDUCATION ACCOUNT.**

Subdivision 1. **Account; appropriation.** An agricultural fertilizer research and education account is established in the agricultural fund. Money in the account, including interest earned, is appropriated to the commissioner for grants determined by the Minnesota Agricultural Fertilizer Research and Education Council under section 18C.71. The commissioner may use up to \$80,000 each fiscal year for direct costs incurred to provide fiscal and administrative support to the council as required under section 18C.70, subdivision 2. The commissioner may also recover associated indirect costs from the account as required under section 16A.127.

Subd. 2. **Expiration.** This section expires June 30, 2020.

Sec. 11. Minnesota Statutes 2014, section 18G.10, subdivision 3, is amended to read:

Subd. 3. **Cooperative agreements.** The commissioner may enter into cooperative agreements with federal and state agencies for administration of the export certification program. ~~An exporter of plants or plant products desiring to originate shipments from Minnesota to a foreign country requiring a phytosanitary certificate or export certificate must submit an application to the commissioner.~~

Sec. 12. Minnesota Statutes 2014, section 18G.10, subdivision 4, is amended to read:

Subd. 4. **Phytosanitary and export certificates.** An exporter of plants or plant products desiring to originate shipments from Minnesota to a foreign country requiring a phytosanitary certificate or export certificate must submit an application to the commissioner. Application for phytosanitary certificates or export certificates must be made on forms provided or approved by the commissioner. The commissioner ~~shall~~ may conduct inspections of plants, plant products, or facilities for persons that have applied for or intend to apply for a phytosanitary certificate or export certificate from the commissioner. ~~Inspections must include one or more of the following as requested or required:~~

~~(1) an inspection of the plants or plant products intended for export under a phytosanitary certificate or export certificate;~~

~~(2) field inspections of growing plants to determine presence or absence of plant diseases, if necessary;~~

~~(3) laboratory diagnosis for presence or absence of plant diseases, if necessary;~~

~~(4) observation and evaluation of procedures and facilities utilized in handling plants and plant products, if necessary; and~~

~~(5) review of United States Department of Agriculture, Federal Grain Inspection Service Official Export Grain Inspection Certificate logs.~~

The commissioner may issue a phytosanitary certificate or export certificate if the plants or plant products satisfactorily meet the requirements of the importing foreign country and the United States Department of Agriculture requirements. The requirements of the destination countries must be met by the applicant.

Sec. 13. Minnesota Statutes 2014, section 18G.10, subdivision 5, is amended to read:

Subd. 5. **Certificate fees.** (a) The commissioner shall assess ~~the fees in paragraphs (b) to (f)~~ fees sufficient to recover all costs for the inspection, service, and work performed in carrying out the issuance of a phytosanitary certificate or export certificate. ~~The inspection fee must be based on mileage and inspection time.~~

~~(b) Mileage charge: current United States Internal Revenue Service mileage rate.~~

~~(c) Inspection time: \$50 per hour minimum or fee necessary to cover department costs. Inspection time includes the driving time to and from the location in addition to the time spent conducting the inspection.~~

~~(d) (b) If laboratory analysis or other technical analysis is required to issue a certificate, the commissioner must set and collect the fee to recover this additional cost.~~

~~(e) (c) The certificate fee for product value greater than \$250: is \$75 or a fee amount, not to exceed \$300, that is sufficient to recover all processing costs for each phytosanitary or export certificate issued for any single shipment valued at more than \$250 in addition to any mileage or inspection time charges that are assessed.~~

~~(f) Certificate fee for product value less than \$250: \$25 for each phytosanitary or export certificate issued for any single shipment valued at less than \$250 in addition to any mileage or inspection time charges that are assessed.~~

~~(g) (d) For services provided for in subdivision 7 that are goods and services provided for the direct and primary use of a private individual, business, or other entity, the commissioner must set and collect the fees to cover the cost of the services provided.~~

Sec. 14. Minnesota Statutes 2014, section 18H.02, subdivision 20, is amended to read:

Subd. 20. **Nursery stock.** "Nursery stock" means a plant intended for planting or propagation, including, but not limited to, trees, shrubs, vines, perennials, biennials, grafts, cuttings, and buds that may be sold for propagation, whether cultivated or wild, and all viable parts of these plants. Nursery stock does not include:

- (1) field and forage crops or sod;
- (2) ~~the seeds of grasses, cereal grains, vegetable crops, and flowers~~;
- (3) vegetable plants, bulbs, or tubers;
- (4) cut flowers, unless stems or other portions are intended for propagation;
- (5) annuals; or
- (6) Christmas trees.

Sec. 15. Minnesota Statutes 2014, section 18H.02, is amended by adding a subdivision to read:

Subd. 32a. **Sod.** "Sod" means the upper portion of soil that contains the roots of grasses and the living grass plants.

Sec. 16. Minnesota Statutes 2014, section 18H.02, is amended by adding a subdivision to read:

Subd. 35. **Tropical plant.** "Tropical plant" means a plant that has a United States Department of Agriculture hardiness zone designation of zone 6 or greater, or an annual minimum hardiness temperature of -9 degrees Fahrenheit.

Sec. 17. Minnesota Statutes 2014, section 18H.06, subdivision 2, is amended to read:

Subd. 2. **Occasional sales.** (a) An individual may offer nursery stock for sale and be exempt from the requirement to obtain a nursery stock ~~dealer~~ certificate if:

- (1) the gross sales of all nursery stock in a calendar year do not exceed \$2,000;
 - (2) all nursery stock sold or distributed by the individual is intended for planting in Minnesota;
 - (3) all nursery stock purchased or procured for resale or distribution was grown in Minnesota and has been certified by the commissioner; and
 - (4) the individual conducts sales or distributions of nursery stock on ten or fewer days in a calendar year.
- (b) The commissioner may prescribe the conditions of the exempt nursery sales under this subdivision and may conduct routine inspections of the nursery stock offered for sale.

Sec. 18. Minnesota Statutes 2014, section 18H.07, is amended to read:

18H.07 FEE SCHEDULE.

Subdivision 1. **Establishment of fees.** The commissioner shall establish fees sufficient to allow for the administration and enforcement of this chapter and rules adopted under this chapter, including the portion of general support costs and statewide indirect costs of the agency attributable to that function, with a reserve sufficient for up to six months. The commissioner shall review the fee schedule annually in consultation with the Minnesota Nursery and Landscape Advisory Committee. For the certificate year beginning January 1, 2006, the fees are as described in this section.

Subd. 2. **Nursery stock grower certificate.** (a) A nursery stock grower must pay an annual fee based on the area of all acreage on which nursery stock is grown ~~for certification~~ as follows:

- (1) less than one-half acre, \$150;
- (2) from one-half acre to two acres, \$200;
- (3) over two acres up to five acres, \$300;
- (4) over five acres up to ten acres, \$350;
- (5) over ten acres up to 20 acres, \$500;

- (6) over 20 acres up to 40 acres, \$650;
- (7) over 40 acres up to 50 acres, \$800;
- (8) over 50 acres up to 200 acres, \$1,100;
- (9) over 200 acres up to 500 acres, \$1,500; and
- (10) over 500 acres, \$1,500 plus \$2 for each additional acre.

(b) In addition to the fees in paragraph (a), a penalty of ten percent of the fee due must be charged for each month, or portion thereof, that the fee is delinquent up to a maximum of 30 percent for any application for renewal not postmarked by December 31 of the current year.

(c) A nursery stock grower found operating without a valid nursery stock grower certificate cannot offer for sale or sell nursery stock until: (1) payment is received by the commissioner for (i) the certificate fee due, and (ii) a penalty equal to the certificate fee owed; and (2) a new certificate is issued to the nursery stock grower by the commissioner.

Subd. 3. **Nursery stock dealer certificate.** (a) A nursery stock dealer must pay an annual fee based on the dealer's gross sales of certified nursery stock per location during the most recent certificate year. A certificate applicant operating for the first time must pay the minimum fee. The fees per sales location are:

- (1) gross sales up to \$5,000, \$150;
- (2) gross sales over \$5,000 up to \$20,000, \$175;
- (3) gross sales over \$20,000 up to \$50,000, \$300;
- (4) gross sales over \$50,000 up to \$75,000, \$425;
- (5) gross sales over \$75,000 up to \$100,000, \$550;
- (6) gross sales over \$100,000 up to \$200,000, \$675; and
- (7) gross sales over \$200,000, \$800.

(b) In addition to the fees in paragraph (a), a penalty of ten percent of the fee due must be charged for each month, or portion thereof, that the fee is delinquent up to a maximum of 30 percent for any application for renewal not postmarked by December 31 of the current year.

(c) A nursery stock dealer found operating without a valid nursery stock dealer certificate cannot offer for sale or sell nursery stock until: (1) payment is received by the commissioner for (i) the certificate fee due, and (ii) a penalty equal to the certificate fee owed; and (2) a new certificate is issued to the nursery stock dealer by the commissioner.

Subd. 4. **Reinspection; additional or optional inspection fees.** If a reinspection is required or an additional inspection is needed or requested a fee must be assessed based on mileage and inspection time as follows:

- (1) mileage must be charged at the current United States Internal Revenue Service reimbursement rate; and
- (2) inspection time must be charged at ~~the rate of \$50 per hour~~ a rate sufficient to recover all inspection costs, including the driving time to and from the location in addition to the time spent conducting the inspection.

Sec. 19. Minnesota Statutes 2014, section 18H.17, is amended to read:

18H.17 NURSERY AND PHYTOSANITARY ACCOUNT.

A nursery and phytosanitary account is established in the state treasury. The fees and penalties collected under this chapter and interest attributable to money in the account must be deposited in the state treasury and credited to the nursery and phytosanitary account in the agricultural fund. Money in the account, including interest earned, is annually appropriated to the commissioner for the administration and enforcement for this chapter. The commissioner may spend no more than \$20,000 from the account each fiscal year for purposes of section 18H.14, paragraph (e).

Sec. 20. Minnesota Statutes 2014, section 21.89, subdivision 2, is amended to read:

Subd. 2. **Permits; issuance and revocation.** The commissioner shall issue a permit to the initial labeler of agricultural, vegetable, flower, and wildflower seeds which are sold for use in Minnesota and which conform to and are labeled under sections 21.80 to 21.92. The categories of permits are as follows:

(1) for initial labelers who sell 50,000 pounds or less of agricultural seed each calendar year, an annual permit issued for a fee established in section 21.891, subdivision 2, paragraph (b);

(2) for initial labelers who sell vegetable, flower, and wildflower seed packed for use in home gardens or household plantings, and initial labelers who sell native grasses and wildflower seed in commercial or agricultural quantities, an annual permit issued for a fee established in section 21.891, subdivision 2, paragraph (c), based upon the gross sales from the previous year; and

(3) for initial labelers who sell more than 50,000 pounds of agricultural seed each calendar year, a permanent permit issued for a fee established in section 21.891, subdivision 2, paragraph (d).

In addition, the person shall furnish to the commissioner an itemized statement of all seeds sold in Minnesota for the periods established by the commissioner. This statement shall be delivered, along with the payment of the fee, based upon the amount and type of seed sold, to the commissioner no later than 30 days after the end of each reporting period. Any person holding a permit shall show as part of the analysis labels or invoices on all agricultural, vegetable, flower, wildflower, tree, or shrub seeds all information the commissioner requires. The commissioner may revoke any permit in the event of failure to comply with applicable laws and rules.

Sec. 21. Minnesota Statutes 2014, section 21.891, subdivision 2, is amended to read:

Subd. 2. **Seed fee permits.** (a) An initial labeler who wishes to sell seed in Minnesota must comply with section 21.89, subdivisions 1 and 2, and the procedures in this subdivision. Each initial labeler who wishes to sell seed in Minnesota must apply to the commissioner to obtain a permit. The application must contain the name and address of the applicant, the application date, and the name and title of the applicant's contact person.

(b) The application for a seed permit covered by section 21.89, subdivision 2, clause (1), must be accompanied by an application fee of ~~\$50~~ \$75.

(c) The application for a seed permit covered by section 21.89, subdivision 2, clause (2), must be accompanied by an application fee based on the level of annual gross sales as follows:

(1) for gross sales of \$0 to \$25,000, the annual permit fee is ~~\$50~~ \$75;

(2) for gross sales of \$25,001 to \$50,000, the annual permit fee is ~~\$100~~ \$150;

- (3) for gross sales of \$50,001 to \$100,000, the annual permit fee is ~~\$200~~ \$300;
- (4) for gross sales of \$100,001 to \$250,000, the annual permit fee is ~~\$500~~ \$750;
- (5) for gross sales of \$250,001 to \$500,000, the annual permit fee is ~~\$1,000~~ \$1,500; and
- (6) for gross sales of \$500,001 ~~and above~~ to \$1,000,000, the annual permit fee is ~~\$2,000~~ \$3,000; and
- (7) for gross sales of \$1,000,001 and above, the annual permit fee is \$4,500.

(d) The application for a seed permit covered by section 21.89, subdivision 2, clause (3), must be accompanied by an application fee of ~~\$50~~ \$75. Initial labelers holding seed fee permits covered under this paragraph need not apply for a new permit or pay the application fee. Under this permit category, the fees for the following kinds of agricultural seed sold either in bulk or containers are:

- (1) oats, wheat, and barley, ~~6.3~~ 9 cents per hundredweight;
- (2) rye, field beans, ~~soybeans~~, buckwheat, and flax, ~~8.4~~ 12 cents per hundredweight;
- (3) field corn, ~~29.4~~ 17 cents per ~~hundredweight~~ 80,000 seed unit;
- (4) forage, lawn and turf grasses, and legumes, ~~49~~ 69 cents per hundredweight;
- (5) sunflower, ~~\$1.40~~ \$1.96 per hundredweight;
- (6) sugar beet, ~~\$3.29~~ 12 cents per ~~hundredweight~~ 100,000 seed unit; and
- (7) soybeans, 7.5 cents per 140,000 seed unit; and

~~(7)~~ (8) for any agricultural seed not listed in clauses (1) to ~~(6)~~ (7), the fee for the crop most closely resembling it in normal planting rate applies.

(e) If, for reasons beyond the control and knowledge of the initial labeler, seed is shipped into Minnesota by a person other than the initial labeler, the responsibility for the seed fees are transferred to the shipper. An application for a transfer of this responsibility must be made to the commissioner. Upon approval by the commissioner of the transfer, the shipper is responsible for payment of the seed permit fees.

(f) Seed permit fees may be included in the cost of the seed either as a hidden cost or as a line item cost on each invoice for seed sold. To identify the fee on an invoice, the words "Minnesota seed permit fees" must be used.

(g) All seed fee permit holders must file semiannual reports with the commissioner, even if no seed was sold during the reporting period. Each semiannual report must be submitted within 30 days of the end of each reporting period. The reporting periods are October 1 to March 31 and April 1 to September 30 of each year or July 1 to December 31 and January 1 to June 30 of each year. Permit holders may change their reporting periods with the approval of the commissioner.

(h) The holder of a seed fee permit must pay fees on all seed for which the permit holder is the initial labeler and which are covered by sections 21.80 to 21.92 and sold during the reporting period.

(i) If a seed fee permit holder fails to submit a semiannual report and pay the seed fee within 30 days after the end of each reporting period, the commissioner shall assess a penalty of \$100 or eight percent, calculated on an annual basis, of the fee due, whichever is greater, but no more than \$500 for each late semiannual report. A \$15 penalty must be charged when the semiannual report is late, even if no fee is due for the reporting period. Seed fee permits may be revoked for failure to comply with the applicable provisions of this paragraph or the Minnesota seed law.

Sec. 22. Minnesota Statutes 2014, section 21.891, subdivision 5, is amended to read:

Subd. 5. **Brand name registration fee.** The fee is ~~\$25~~ \$50 for each variety registered for sale by brand name.

Sec. 23. Minnesota Statutes 2014, section 25.341, subdivision 2, is amended to read:

Subd. 2. **Application; fee; term.** A person who is required to have a commercial feed license shall submit an application on a form provided or approved by the commissioner accompanied by a fee of ~~\$25~~ \$75 paid to the commissioner for each location. A license is not transferable from one person to another, from one ownership to another, or from one location to another. The license year is the calendar year. A license expires on December 31 of the year for which it is issued, except that a license is valid through January 31 of the next year or until the issuance of the renewal license, whichever comes first, if the licensee has filed a renewal application with the commissioner on or before December 31 of the year for which the current license was issued. Any person who is required to have, but fails to obtain a license or a licensee who fails to comply with license renewal requirements, shall pay a ~~\$50~~ \$100 late fee in addition to the license fee.

Sec. 24. Minnesota Statutes 2014, section 25.39, subdivision 1, is amended to read:

Subdivision 1. **Amount of fee.** (a) An inspection fee at the rate of 16 cents per ton must be paid to the commissioner on commercial feeds distributed in this state by the person who first distributes the commercial feed, except that:

(1) no fee need be paid on:

(i) a commercial feed if the payment has been made by a previous distributor; or

(ii) customer formula feeds if the inspection fee is paid on the commercial feeds which are used as ingredients; or

(2) a Minnesota feed distributor who can substantiate that greater than 50 percent of the distribution of commercial feed is to purchasers outside the state may purchase commercial feeds without payment of the inspection fee under a tonnage fee exemption permit issued by the commissioner. Such location specific permits shall be issued on a calendar year basis to commercial feed distributors who submit a \$100 nonrefundable application fee and comply with rules adopted by the commissioner relative to record keeping, tonnage of commercial feed distributed in Minnesota, total of all commercial feed tonnage distributed, and all other information which the commissioner may require so as to ensure that proper inspection fee payment has been made.

(b) In the case of pet food distributed in the state only in packages of ten pounds or less, a listing of each product and a current label for each product must be submitted annually on forms provided by the commissioner and accompanied by an annual fee of ~~\$50~~ \$100 for each product in lieu of the inspection fee. This annual fee is due by July 1. The inspection fee required by paragraph (a) applies to pet food distributed in packages exceeding ten pounds.

(c) In the case of specialty pet food distributed in the state only in packages of ten pounds or less, a listing of each product and a current label for each product must be submitted annually on forms provided by the commissioner and accompanied by an annual fee of ~~\$25~~ \$100 for each product in lieu of the inspection fee. This annual fee is due by July 1. The inspection fee required by paragraph (a) applies to specialty pet food distributed in packages exceeding ten pounds.

(d) The minimum inspection fee is ~~\$40~~ \$75 per annual reporting period.

Sec. 25. Minnesota Statutes 2014, section 25.39, subdivision 1a, is amended to read:

Subd. 1a. **Containers of ten pounds or less.** A distributor who is subject to the annual fee specified in subdivision 1, paragraph (b) or (c), shall do the following:

(1) before beginning distribution, file with the commissioner a listing of pet and specialty pet foods to be distributed in the state only in containers of ten pounds or less, on forms provided by the commissioner. The listing under this clause must be renewed annually before July 1 and is the basis for the payment of the annual fee. New products added during the year must be submitted to the commissioner as a supplement to the annual listing before distribution; and

(2) if the annual renewal of the listing is not received before July 1 or if an unlisted product is distributed, pay a late filing fee of ~~\$40~~ \$100 per product in addition to the normal charge for the listing. The late filing fee under this clause is in addition to any other penalty under this chapter.

Sec. 26. Minnesota Statutes 2014, section 28A.03, is amended by adding a subdivision to read:

Subd. 11. **HACCP plan.** "Hazard analysis critical control point plan" or "HACCP plan" means a written document that delineates the formal procedures for following the HACCP principles developed by the National Advisory Committee on Microbiological Criteria for Foods.

Sec. 27. **[28A.152] COTTAGE FOODS EXEMPTION.**

Subdivision 1. **Licensing provisions applicability.** (a) The licensing provisions of sections 28A.01 to 28A.16 do not apply to the following:

(1) an individual who prepares and sells food that is not potentially hazardous food, as defined in Minnesota Rules, part 4626.0020, subpart 62, if the following requirements are met:

(i) the prepared food offered for sale under this clause is labeled to accurately reflect the name and address of the individual preparing and selling the food, the date on which the food was prepared, and the ingredients and any possible allergens; and

(ii) the individual displays at the point of sale a clearly legible sign or placard stating: "These products are homemade and not subject to state inspection."; and

(2) an individual who prepares and sells home-processed and home-canned food products if the following requirements are met:

(i) the products are pickles, vegetables, or fruits having an equilibrium pH value of 4.6 or lower;

(ii) the products are home-processed and home-canned in Minnesota;

(iii) the individual displays at the point of sale a clearly legible sign or placard stating: "These canned goods are homemade and not subject to state inspection."; and

(iv) each container of the product sold or offered for sale under this clause is accurately labeled to provide the name and address of the individual who processed and canned the goods, the date on which the goods were processed and canned, and ingredients and any possible allergens.

(b) An individual who qualifies for an exemption under paragraph (a), clause (2), is also exempt from the provisions of sections 31.31 and 31.392.

Subd. 2. **Direct sales to consumers.** (a) An individual qualifying for an exemption under subdivision 1 may sell the exempt food:

(1) directly to the ultimate consumer;

(2) at a community event or farmers' market; or

(3) directly from the individual's home to the consumer, to the extent allowed by local ordinance.

(b) If an exempt food product will be delivered to the ultimate consumer upon sale of the food product, the individual who prepared the food product must be the person who delivers the food product to the ultimate consumer.

(c) Food products exempt under subdivision 1, paragraph (a), clause (2), may not be sold outside of Minnesota.

(d) Food products exempt under subdivision 1 may be sold over the Internet but must be delivered directly to the ultimate consumer by the individual who prepared the food product. The statement "These products are homemade and not subject to state inspection." must be displayed on the Web site that offers the exempt foods for purchase.

Subd. 3. **Limitation on sales.** An individual selling exempt foods under this section is limited to total sales with gross receipts of \$18,000 or less in a calendar year.

Subd. 4. **Registration.** Except as provided in subdivision 8, an individual who prepares and sells exempt food under subdivision 1 must register annually with the commissioner. The annual registration fee is \$50.

Subd. 5. **Training.** Except as provided in subdivision 8, an individual who prepares and sells exempt food under subdivision 1 must complete a safe food handling training course that is approved by the commissioner. The training shall not exceed eight hours and must be completed every three years while the individual is registered under subdivision 4.

Subd. 6. **Local ordinances.** This section does not preempt the application of any business licensing requirement or sanitation, public health, or zoning ordinance of a political subdivision.

Subd. 7. **Account established.** A cottage foods account is created as a separate account in the agricultural fund in the state treasury for depositing money received by the commissioner under this section. Money in the account, including interest, is appropriated to the commissioner for purposes of this section.

Subd. 8. **Sales of less than \$5,000.** Subdivisions 4 and 5 do not apply to an individual with gross receipts of less than \$5,000 in a calendar year from the sale of exempt food.

Sec. 28. Minnesota Statutes 2014, section 32.075, is amended to read:

32.075 TERM OF LICENSE; TRANSFERABILITY; FEES AND PENALTIES.

Every ~~An initial~~ license issued by the commissioner ~~shall be for a period ending~~ expires on the following ~~December 31st day of December next following,~~ and ~~shall~~ is not be transferable. A renewal license is valid for two years and expires on December 31 of the second year. The fee for ~~each such~~ an initial or renewal license ~~shall be \$50 and each renewal thereof shall be \$25 and~~ is \$60. The fee shall be paid to the commissioner before ~~any~~ the

~~commissioner issues an initial or renewal license or renewal thereof is issued.~~ If a license renewal is not applied for on or before January 1 of each year, a penalty of ~~\$40~~ \$30 shall be imposed. A person who does not renew a license within one year following its December 31 expiration date, except those persons who do not renew such license while engaged in active military service, shall be required to prove competency and qualification pursuant to section 32.073, before a license is issued. The commissioner may require any other person who renews a license to prove competency and qualification in the same manner. All license fees and penalties received by the commissioner shall be ~~paid into the state treasury~~ deposited in the dairy services account in the agricultural fund.

Sec. 29. Minnesota Statutes 2014, section 32.105, is amended to read:

32.105 MILK PROCUREMENT FEE.

Each dairy plant operator within the state must pay to the commissioner on or before the 18th of each month a fee of ~~.74~~ 1.1 cents per hundredweight of milk purchased the previous month. If a milk producer within the state ships milk out of the state for sale, the producer must pay the fee to the commissioner unless the purchaser voluntarily pays the fee.

Producers who ship milk out of state or processors must submit monthly reports as to milk purchases along with the appropriate procurement fee to the commissioner. The commissioner may have access to all relevant purchase or sale records as necessary to verify compliance with this section and may require the producer or purchaser to produce records as necessary to determine compliance.

The fees collected under this section must be deposited in the dairy services account in the agricultural fund. Money in the account, including interest earned, is appropriated to the commissioner to administer this chapter.

Sec. 30. **[41A.14] AGRICULTURE RESEARCH, EDUCATION, EXTENSION, AND TECHNOLOGY TRANSFER BOARD.**

Subdivision 1. **Creation.** (a) The Agriculture Research, Education, Extension, and Technology Transfer Board is created and consists of the following members:

(1) the commissioner of agriculture;

(2) the dean of the College of Food, Agricultural and Natural Resource Sciences at the University of Minnesota;

(3) a person representing the Minnesota State Colleges and Universities system, appointed by the chancellor;

(4) a representative of the Minnesota Farm Bureau and a representative of the Minnesota Farmers Union;

(5) a person representing agriculture industry statewide;

(6) a representative of each of the state commodity councils organized under section 17.54 and the Minnesota Pork Board;

(7) a person representing an association of primary manufacturers of forest products;

(8) a person representing organic or sustainable agriculture; and

(9) a person representing statewide environment and natural resource conservation organizations.

The commissioner and the dean shall be cochairs. The commissioner, the dean, and the representative of the Minnesota State Colleges and Universities system are nonvoting members of the board.

(b) Members under paragraph (a), clauses (8) and (9), shall be appointed by the commissioner. The commissioner shall not provide daily or expense compensation for board members.

(c) The commissioner shall provide administrative services for the board and act as its fiscal agent.

(d) For each board meeting, the commissioner shall provide advanced notice and a copy of the meeting minutes to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over agriculture finance.

Subd. 2. **Duties; grants.** The board shall provide for investments that will most efficiently achieve long-term agricultural productivity increases through improved infrastructure, vision, and accountability. Priority shall be given to human infrastructure. The board shall provide grants for:

(1) agricultural research and technology transfer needs and recipients including agricultural research and extension at the University of Minnesota, research and outreach centers; the College of Food, Agricultural and Natural Resource Sciences; the Minnesota Agricultural Experiment Station; University of Minnesota Extension; the University of Minnesota Veterinary School; the Veterinary Diagnostic Laboratory; the Stakman-Borlaug Center; and the Minnesota Agricultural Fertilizer Research and Education Council;

(2) agriculture rapid response for plant and animal diseases and pests; and

(3) agricultural education including, but not limited to, challenge grants awarded by the Minnesota Agriculture Education Leadership Council, farm business management, mentoring programs, graduate debt forgiveness, and high school programs.

Subd. 3. **Fund.** An agriculture research, education, extension, and technology transfer fund is created in the state treasury. The fund consists of money received in the form of gifts, grants, reimbursement, or appropriations from any source for any of the purposes provided in subdivision 2, and any interest or earnings of the fund. Money in the fund is appropriated to the commissioner of agriculture for the purposes listed under subdivision 2.

Sec. 31. **[41A.15] DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of sections 41A.15 to 41A.19, the terms defined in this section have the meanings given them.

Subd. 2. **Advanced biofuel.** "Advanced biofuel" has the meaning given in section 239.051, subdivision 1a.

Subd. 3. **Biomass thermal production.** "Biomass thermal production" means the generation of energy for commercial heat or industrial process heat from a cellulosic material or other material composed of forestry or agricultural feedstocks for a new or expanding capacity facility or a facility that is displacing existing use of fossil fuel after the effective date of this section.

Subd. 4. **Cellulosic biomass.** "Cellulosic biomass" means material primarily made up of cellulose, hemicellulose, or lignin, or a combination of those ingredients.

Subd. 5. **Cellulosic sugar.** "Cellulosic sugar" means sugar derived from cellulosic biomass from agricultural or forestry resources.

Subd. 6. **Commissioner.** "Commissioner" means the commissioner of agriculture.

Subd. 7. **Cover crops.** "Cover crops" means grasses, legumes, forbs, or other herbaceous plants that are known to be noninvasive and not listed as a noxious weed in Minnesota and that are either interseeded into living cash crops or planted on agricultural fields during fallow periods for seasonal cover and conservation purposes.

Subd. 8. **MMbtu.** "MMbtu" means 1,000,000 British thermal units.

Subd. 9. **Perennial crops.** "Perennial crops" means agriculturally produced plants that are known to be noninvasive and not listed as a noxious weed in Minnesota and that have a life cycle of at least three years at the location where the plants are being cultivated. Biomass from alfalfa produced in a two-year rotation shall be considered a perennial crop.

Subd. 10. **Renewable chemical.** "Renewable chemical" means a chemical with biobased content as defined in section 41A.105, subdivision 1a.

Sec. 32. **[41A.16] ADVANCED BIOFUEL PRODUCTION INCENTIVE.**

Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or less from the state border, raw materials may be sourced from within a 100-mile radius. Raw materials must be from agricultural or forestry sources or from solid waste. The facility must be located in Minnesota, must begin production at a specific location by June 30, 2025, and must not begin operating above 95,000 MMbtu of annual biofuel production before July 1, 2015. Eligible facilities include existing companies and facilities that are adding advanced biofuel production capacity, or retrofitting existing capacity, as well as new companies and facilities. Production of conventional corn ethanol and conventional biodiesel is not eligible. Eligible advanced biofuel facilities must produce at least 95,000 MMbtu a year.

(b) No payments shall be made for advanced biofuel production that occurs after June 30, 2035, for those eligible biofuel producers under paragraph (a).

(c) An eligible producer of advanced biofuel shall not transfer the producer's eligibility for payments under this section to an advanced biofuel facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

(e) Renewable chemical production for which payment has been received under section 41A.17, and biomass thermal production for which payment has been received under section 41A.18, are not eligible for payment under this section.

Subd. 2. **Payment amounts; limits.** (a) The commissioner shall make payments to eligible producers of advanced biofuel. The amount of the payment for each eligible producer's annual production is \$2.1053 per MMbtu for advanced biofuel production from cellulosic biomass, and \$1.053 per MMbtu for advanced biofuel production from sugar or starch at a specific location for ten years after the start of production.

(b) Total payments under this section to an eligible biofuel producer in a fiscal year may not exceed the amount necessary for 2,850,000 MMbtu of biofuel production. Total payments under this section to all eligible biofuel producers in a fiscal year may not exceed the amount necessary for 17,100,000 MMbtu of biofuel production.

(c) For purposes of this section, an entity that holds a controlling interest in more than one advanced biofuel facility is considered a single eligible producer.

Subd. 3. **Perennial and cover crops required.** To be eligible for payment under this section, a producer that produces advanced biofuel from agricultural cellulosic biomass other than corn kernel fiber or biogas must derive at least the following portions of the producer's total eligible MMBtus from perennial crop or cover crop biomass:

- (1) ten percent during the first two years of eligible production;
- (2) 30 percent during the third and fourth years of eligible production; and
- (3) 50 percent during the fifth through tenth years of eligible production.

Subd. 4. **Cellulosic forestry biomass requirements.** All forestry-derived cellulosic biomass must be produced using Minnesota state biomass harvesting guidelines or the equivalent. All biomass from brushlands must be produced using Minnesota brushland harvesting biomass harvest guidelines or the equivalent. Forestry-derived cellulosic biomass that comes from land parcels greater than 160 acres must be certified by the Forest Stewardship Council, Sustainable Forestry Initiative, or American Tree Farm System. Uncertified land from parcels of 160 acres or less and federal land must be harvested by a logger who has completed training for biomass harvesting from the Minnesota logger education program or the equivalent and have a forest stewardship plan.

Subd. 5. **Agricultural cellulosic biomass sourcing plan.** (a) An eligible producer who utilizes agricultural cellulosic biomass must submit a responsible biomass sourcing plan for approval by the commissioner prior to applying for payments under this section. The commissioner shall make the plan publicly available. The plan must:

(1) provide a detailed explanation of how agricultural cellulosic biomass will be produced and managed in a way that preserves soil quality, does not increase soil and nutrient runoff, avoids introduction of harmful invasive species, limits negative impacts on wildlife habitat, and reduces greenhouse gas emissions;

(2) include the producer's approach to verifying that biomass suppliers are following the plan;

(3) discuss how new technologies and practices that are not yet commercially viable may be encouraged and adopted during the life of the facility, and how the producer will encourage continuous improvement during the life of the project;

(4) include specific numeric goals and timelines for making progress;

(5) require agronomic practices that result in a positive Natural Resources Conservation Service Soil Conditioning Index score for acres from which biomass from corn stover will be harvested; and

(6) include biennial soil sampling to verify maintained or increased levels of soil organic matter.

(b) An eligible producer who utilizes agricultural cellulosic biomass and receives payments under this section shall submit an annual report on the producer's responsible biomass sourcing plan to the commissioner by January 15 each year. The report must include data on progress made by the producer in meeting specific goals laid out in the plan. The commissioner shall make the report publicly available. The commissioner shall perform an annual review of submitted reports and may make a determination that the producer is not following the plan based on the reports submitted. The commissioner may take appropriate steps, including reducing or ceasing payments, until the producer is in compliance with the plan.

Subd. 6. **Claims.** (a) By the last day of October, January, April, and July, each eligible biofuel producer shall file a claim for payment for advanced biofuel production during the preceding three calendar months. An eligible biofuel producer that files a claim under this subdivision shall include a statement of the eligible biofuel producer's total advanced biofuel production in Minnesota during the quarter covered by the claim. For each claim and

statement of total advanced biofuel production filed under this subdivision, the volume of advanced biofuel production must be examined by an independent certified public accountant licensed under chapter 326A, in accordance with Statements on Standards for Attestation Engagements established by the American Institute of Certified Public Accountants.

(b) The commissioner must issue payments by November 15, February 15, May 15, and August 15. A separate payment must be made for each claim filed.

Sec. 33. **[41A.17] RENEWABLE CHEMICAL PRODUCTION INCENTIVE.**

Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this program must source at least 80 percent biobased content, as defined in section 41A.105, subdivision 1a, clause (1), from Minnesota. If a facility is sited 50 miles or less from the state border, biobased content must be sourced from within a 100-mile radius. Biobased content must be from agricultural or forestry sources or from solid waste. The facility must be located in Minnesota, must begin production at a specific location by June 30, 2025, and must not begin production of 3,000,000 pounds of chemicals annually before January 1, 2015. Eligible facilities include existing companies and facilities that are adding production capacity, or retrofitting existing capacity, as well as new companies and facilities. Eligible renewable chemical facilities must produce at least 3,000,000 pounds per year. Renewable chemicals produced through processes that are fully commercial before January 1, 2000, are not eligible.

(b) No payments shall be made for renewable chemical production that occurs after June 30, 2035, for those eligible renewable chemical producers under paragraph (a).

(c) An eligible producer of renewable chemicals shall not transfer the producer's eligibility for payments under this section to a renewable chemical facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

(e) Advanced biofuel production for which payment has been received under section 41A.16, and biomass thermal production for which payment has been received under section 41A.18, are not eligible for payment under this section.

Subd. 2. **Payment amounts; bonus; limits.** (a) The commissioner shall make payments to eligible producers of renewable chemicals located in the state. The amount of the payment for each producer's annual production is \$0.03 per pound of sugar-derived renewable chemical, \$0.03 per pound of cellulosic sugar, and \$0.06 per pound of cellulosic-derived renewable chemical produced at a specific location for ten years after the start of production.

(b) An eligible facility producing renewable chemicals using agricultural cellulosic biomass is eligible for a 20 percent bonus payment for each MMbtu produced from agricultural biomass that is derived from perennial crop or cover crop biomass.

(c) Total payments under this section to an eligible renewable chemical producer in a fiscal year may not exceed the amount necessary for 99,999,999 pounds of renewable chemical production. Total payments under this section to all eligible renewable chemical producers in a fiscal year may not exceed the amount necessary for 599,999,999 pounds of renewable chemical production.

(d) For purposes of this section, an entity that holds a controlling interest in more than one renewable chemical production facility is considered a single eligible producer.

Subd. 3. **Cellulosic biomass requirements.** All forestry-derived cellulosic biomass must be produced using Minnesota state biomass harvesting guidelines or the equivalent. All cellulosic biomass from brushlands must be produced using Minnesota brushland harvesting biomass harvest guidelines or the equivalent. Forestry-derived cellulosic biomass that comes from land parcels greater than 160 acres must be certified by the Forest Stewardship Council, Sustainable Forestry Initiative, or American Tree Farm System. Uncertified land from parcels of 160 acres or less and federal land must be harvested by a logger who has completed training for biomass harvesting from the Minnesota logger education program or the equivalent and have a forest stewardship plan.

Subd. 4. **Agricultural cellulosic biomass sourcing plan.** (a) An eligible producer who utilizes agricultural cellulosic biomass must submit a responsible biomass sourcing plan to the commissioner prior to applying for payments under this section. The plan must:

(1) provide a detailed explanation of how agricultural cellulosic biomass will be produced and managed in a way that preserves soil quality, does not increase soil and nutrient runoff, avoids introduction of harmful invasive species, limits negative impacts on wildlife habitat, and reduces greenhouse gas emissions;

(2) include the producer's approach to verifying that biomass suppliers are following the plan;

(3) discuss how new technologies and practices that are not yet commercially viable may be encouraged and adopted during the life of the facility, and how the producer will encourage continuous improvement during the life of the project; and

(4) include specific numeric goals and timelines for making progress.

(b) An eligible producer who utilizes agricultural cellulosic biomass and receives payments under this section shall submit an annual report on the producer's responsible biomass sourcing plan to the commissioner by January 15 each year. The report must include data on progress made by the producer in meeting specific goals laid out in the plan. The commissioner shall make the report publicly available. The commissioner shall perform an annual review of submitted reports and may make a determination that the producer is not following the plan based on the reports submitted. The commissioner may take appropriate steps, including reducing or ceasing payments, until the producer is in compliance with the plan.

Subd. 5. **Claims.** (a) By the last day of October, January, April, and July, each eligible renewable chemical producer shall file a claim for payment for renewable chemical production during the preceding three calendar months. An eligible renewable chemical producer that files a claim under this subdivision shall include a statement of the eligible producer's total renewable chemical production in Minnesota during the quarter covered by the claim. For each claim and statement of total renewable chemical production filed under this paragraph, the volume of renewable chemical production must be examined by an independent certified public accountant licensed under chapter 326A, in accordance with Statements on Standards for Attestation Engagements established by the American Institute of Certified Public Accountants.

(b) The commissioner must issue payments by November 15, February 15, May 15, and August 15. A separate payment must be made for each claim filed.

Sec. 34. [41A.18] BIOMASS THERMAL PRODUCTION INCENTIVE.

Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or less from the state border, raw materials should be sourced from within a 100-mile radius. Raw materials must be from agricultural or forestry sources. The facility must be located in Minnesota, must have begun production at a specific location by June 30, 2025, and must not begin before July 1, 2015. Eligible facilities include existing companies and facilities that are adding production capacity, or retrofitting existing capacity, as well as new companies and facilities. Eligible biomass thermal production facilities must produce at least 1,000 MMBtu per year.

(b) No payments shall be made for biomass thermal production that occurs after June 30, 2035, for those eligible biomass thermal producers under paragraph (a).

(c) An eligible producer of biomass thermal production shall not transfer the producer's eligibility for payments under this section to a biomass thermal production facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

(e) Biofuel production for which payment has been received under section 41A.16, and renewable chemical production for which payment has been received under section 41A.17, are not eligible for payment under this section.

Subd. 2. Payment amounts; bonus; limits; blending. (a) The commissioner shall make payments to eligible producers of biomass thermal located in the state. The amount of the payment for each producer's annual production is \$5.00 per MMBtu of biomass thermal production produced at a specific location for ten years after the start of production.

(b) An eligible facility producing biomass thermal using agricultural cellulosic biomass is eligible for a 20 percent bonus payment for each MMBtu produced from agricultural biomass that is derived from perennial crop or cover crop biomass.

(c) Total payments under this section to an eligible thermal producer in a fiscal year may not exceed the amount necessary for 30,000 MMBtu of thermal production. Total payments under this section to all eligible thermal producers in a fiscal year may not exceed the amount necessary for 150,000 MMBtu of total thermal production.

(d) An eligible facility may blend a cellulosic feedstock with other fuels in the biomass thermal production facility, but only the percentage attributable to cellulosic material is eligible to receive payment.

(e) For purposes of this section, an entity that holds a controlling interest in more than one biomass thermal production facility is considered a single eligible producer.

Subd. 3. Cellulosic biomass requirements. All forestry-derived cellulosic biomass must be produced using Minnesota state biomass harvesting guidelines or the equivalent. All biomass from brushland must be produced using Minnesota brushland harvesting biomass guidelines or the equivalent. Forestry-derived cellulosic biomass that comes from land parcels greater than 160 acres must be certified by the Forest Stewardship Council, the Sustainable Forestry Initiative, or American Tree Farm. Uncertified land from parcels of 160 acres or less and federal land must be harvested by a logger who has completed training for biomass harvesting from the Minnesota logger education program or the equivalent and have a forest stewardship plan.

Subd. 4. Agricultural cellulosic biomass sourcing plan. (a) An eligible producer who utilizes agricultural cellulosic biomass must submit a responsible biomass sourcing plan to the commissioner prior to applying for payments under this section. The plan must:

(1) provide a detailed explanation of how agricultural cellulosic biomass will be produced and managed in a way that preserves soil quality, does not increase soil and nutrient runoff, avoids introduction of harmful invasive species, limits negative impacts on wildlife habitat, and reduces greenhouse gas emissions;

(2) include the producer's approach to verifying that biomass suppliers are following the plan;

(3) discuss how new technologies and practices that are not yet commercially viable may be encouraged and adopted during the life of the facility, and how the producer will encourage continuous improvement during the life of the project; and

(4) include specific numeric goals and timelines for making progress.

(b) An eligible producer who utilizes agricultural cellulosic biomass and receives payments under this section shall submit an annual report on the producer's responsible biomass sourcing plan to the commissioner by January 15 each year. The report must include data on progress made by the producer in meeting specific goals laid out in the plan. The commissioner shall make the report publicly available. The commissioner shall perform an annual review of submitted reports and may make a determination that the producer is not following the plan based on the reports submitted. The commissioner may take appropriate steps, including reducing or ceasing payments, until the producer is in compliance with the plan.

Subd. 5. **Claims.** (a) By the last day of October, January, April, and July, each producer shall file a claim for payment for biomass thermal production during the preceding three calendar months. A producer that files a claim under this subdivision shall include a statement of the producer's total biomass thermal production in Minnesota during the quarter covered by the claim. For each claim and statement of total biomass thermal production filed under this paragraph, the volume of biomass thermal production must be examined by an independent certified public accountant licensed under chapter 326A, in accordance with Statements on Standards for Attestation Engagements established by the American Institute of Certified Public Accountants.

(b) The commissioner must issue payments by November 15, February 15, May 15, and August 15. A separate payment shall be made for each claim filed.

Sec. 35. **[41A.19] REPORT; INCENTIVE PROGRAMS.**

By January 15 each year, the commissioner shall report on the incentive programs under sections 41A.16, 41A.17, and 41A.18 to the legislative committees with jurisdiction over environment and agriculture policy and finance. The report shall include information on production and incentive expenditures under the programs.

Sec. 36. Minnesota Statutes 2014, section 41B.03, subdivision 6, is amended to read:

Subd. 6. **Application fee.** The authority may impose a reasonable nonrefundable application fee for each application submitted for a beginning farmer loan or a seller-sponsored loan. The application fee is initially \$50. The authority may review the fee annually and make adjustments as necessary. The fee must be deposited in the state treasury and credited to ~~an account in the special revenue fund. Money in the account is appropriated to the commissioner for administrative expenses of the beginning farmer and seller-sponsored loan programs~~ the Rural Finance Authority administrative account established in subdivision 7.

Sec. 37. Minnesota Statutes 2014, section 41B.03, is amended by adding a subdivision to read:

Subd. 7. **Rural Finance Authority administrative account.** There is established in the agricultural fund a Rural Finance Authority administrative account. Money in the account, including interest, is appropriated to the commissioner of agriculture for the administrative expenses of the loan programs administered by the Rural Finance Authority.

Sec. 38. Minnesota Statutes 2014, section 41B.04, subdivision 17, is amended to read:

Subd. 17. **Application and origination fee.** The authority may impose a reasonable nonrefundable application fee for each application and an origination fee for each loan issued under the loan restructuring program. The origination fee is 1.5 percent of the authority's participation interest in the loan and the application fee is \$50. The

authority may review the fees annually and make adjustments as necessary. The fees must be deposited in the state treasury and credited to ~~an account in the special revenue fund. Money in the account is appropriated to the commissioner for administrative expenses of the loan restructuring program~~ the Rural Finance Authority administrative account established in section 41B.03.

Sec. 39. Minnesota Statutes 2014, section 41B.043, subdivision 3, is amended to read:

Subd. 3. **Application and origination fee.** The authority may impose a reasonable nonrefundable application fee for each application submitted for a participation issued under the agricultural improvement loan program. The application fee is initially \$50. The authority may review the fees annually and make adjustments as necessary. The fees must be deposited in the state treasury and credited to ~~an account in the special revenue fund. Money in this account is appropriated to the commissioner for administrative expenses of the agricultural improvement loan program~~ the Rural Finance Authority administrative account established in section 41B.03.

Sec. 40. Minnesota Statutes 2014, section 41B.045, subdivision 3, is amended to read:

Subd. 3. **Specifications.** ~~No loan may be made to refinance an existing debt.~~ Each loan participation must be secured by a mortgage on real property and such other security as the authority may require.

Sec. 41. Minnesota Statutes 2014, section 41B.045, subdivision 4, is amended to read:

Subd. 4. **Application and origination fee.** The authority may impose a reasonable nonrefundable application fee for each application for a loan participation and an origination fee for each loan issued under the livestock expansion loan program. The origination fee initially shall be set at 1.5 percent and the application fee at \$50. The authority may review the fees annually and make adjustments as necessary. The fees must be deposited in the state treasury and credited to ~~an account in the special revenue fund. Money in this account is appropriated to the commissioner for administrative expenses of the livestock expansion loan program~~ the Rural Finance Authority administrative account established in section 41B.03.

Sec. 42. Minnesota Statutes 2014, section 41B.046, subdivision 5, is amended to read:

Subd. 5. **Loans.** (a) The authority may participate in a stock loan with an eligible lender to a farmer who is eligible under subdivision 4. Participation is limited to 45 percent of the principal amount of the loan or \$40,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may differ from the interest rates and repayment terms of the lender's retained portion of the loan, but the authority's interest rate must not exceed 50 percent of the lender's interest rate.

(b) No more than 95 percent of the purchase price of the stock may be financed under this program.

(c) Security for stock loans must be the stock purchased, a personal note executed by the borrower, and whatever other security is required by the eligible lender or the authority.

(d) The authority may impose a reasonable nonrefundable application fee for each application for a stock loan. The authority may review the fee annually and make adjustments as necessary. The application fee is initially \$50. Application fees received by the authority must be deposited in the ~~revolving loan account established in section 41B.06~~ Rural Finance Authority administrative account established in section 41B.03.

(e) Stock loans under this program will be made using money in the revolving loan account established in section 41B.06.

(f) The authority may not grant stock loans in a cumulative amount exceeding \$2,000,000 for the financing of stock purchases in any one cooperative.

(g) Repayments of financial assistance under this section, including principal and interest, must be deposited into the revolving loan account established in section 41B.06.

Sec. 43. Minnesota Statutes 2014, section 41B.047, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The authority shall establish and implement a disaster recovery loan program to help farmers:

(1) clean up, repair, or replace farm structures and septic and water systems, as well as replace seed, other crop inputs, feed, and livestock, when damaged by high winds, hail, tornado, or flood; ~~or~~

(2) purchase watering systems, irrigation systems, and other drought mitigation systems and practices when drought is the cause of the purchase; or

(3) restore farmland.

Sec. 44. Minnesota Statutes 2014, section 41B.047, subdivision 4, is amended to read:

Subd. 4. **Loans.** (a) The authority may participate in a disaster recovery loan with an eligible lender to a farmer who is eligible under subdivision 3. Participation is limited to 45 percent of the principal amount of the loan or \$50,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may differ from the interest rates and repayment terms of the lender's retained portion of the loan, but the authority's interest rate must not exceed four percent.

(b) Standards for loan amortization shall be set by the Rural Finance Authority not to exceed ten years.

(c) Security for the disaster recovery loans must be a personal note executed by the borrower and whatever other security is required by the eligible lender or the authority.

(d) The authority may impose a reasonable nonrefundable application fee for a disaster recovery loan. The authority may review the fee annually and make adjustments as necessary. The application fee is initially \$50. Application fees received by the authority must be deposited in the ~~revolving loan account established under section 41B.06~~ Rural Finance Authority administrative account established in section 41B.03.

(e) Disaster recovery loans under this program will be made using money in the revolving loan account established under section 41B.06.

(f) Repayments of financial assistance under this section, including principal and interest, must be deposited into the revolving loan account established under section 41B.06.

Sec. 45. Minnesota Statutes 2014, section 41B.048, subdivision 6, is amended to read:

Subd. 6. **Loans.** (a) The authority may disburse loans through a fiscal agent to farmers and agricultural landowners who are eligible under subdivision 5. The total accumulative loan principal must not exceed \$75,000 per loan.

(b) The fiscal agent may impose a loan origination fee in the amount of one percent of the total approved loan. This fee is to be paid by the borrower to the fiscal agent at the time of loan closing.

- (c) The loan may be disbursed over a period not to exceed 12 years.
- (d) A borrower may receive loans, depending on the availability of funds, for planted areas up to 160 acres for up to:
 - (1) the total amount necessary for establishment of the crop;
 - (2) the total amount of maintenance costs, including weed control, during the first three years; and
 - (3) 70 percent of the estimated value of one year's growth of the crop for years four through 12.
- (e) Security for the loan must be the crop, a personal note executed by the borrower, an interest in the land upon which the crop is growing, and whatever other security is required by the fiscal agent or the authority. All recording fees must be paid by the borrower.
- (f) The authority may prescribe forms and establish an application process for applicants to apply for a loan.
- (g) The authority may impose a reasonable, nonrefundable application fee for each application for a loan under this program. The application fee is initially \$50. Application fees received by the authority must be deposited in the ~~revolving loan account established under section 41B.06~~ Rural Finance Authority administrative account established in section 41B.03.
- (h) Loans under the program must be made using money in the revolving loan account established under section 41B.06.
- (i) All repayments of financial assistance granted under this section, including principal and interest, must be deposited into the revolving loan account established under section 41B.06.
- (j) The interest payable on loans made by the authority for the agroforestry loan program must, if funded by revenue bond proceeds, be at a rate not less than the rate on the revenue bonds, and may be established at a higher rate necessary to pay costs associated with the issuance of the revenue bonds and a proportionate share of the cost of administering the program. The interest payable on loans for the agroforestry loan program funded from sources other than revenue bond proceeds must be at a rate determined by the authority.
- (k) Loan principal balance outstanding plus all assessed interest must be repaid within 120 days of harvest, but no later than 15 years from planting.

Sec. 46. Minnesota Statutes 2014, section 41B.049, subdivision 4, is amended to read:

Subd. 4. **Loans.** (a) The authority may make a direct loan or participate in a loan with an eligible lender to a farmer who is eligible under subdivision 3. Repayment terms of the authority's participation interest may differ from repayment terms of the lender's retained portion of the loan. Loans made under this section must be no-interest loans.

- (b) Application for a direct loan or a loan participation must be made on forms prescribed by the authority.
- (c) Standards for loan amortization shall be set by the Rural Finance Authority not to exceed ten years.
- (d) Security for the loans must be a personal note executed by the borrower and whatever other security is required by the eligible lender or the authority.
- (e) No loan proceeds may be used to refinance a debt existing prior to application.

(f) The authority may impose a reasonable nonrefundable application fee for each application for a direct loan or a loan participation. The authority may review the application fees annually and make adjustments as necessary. The application fee is initially set at \$100 for a loan under subdivision 1. The fees received by the authority must be deposited in the ~~revolving loan account established in section 41B.06~~ Rural Finance Authority administrative account established in section 41B.03.

Sec. 47. Minnesota Statutes 2014, section 41B.055, subdivision 3, is amended to read:

Subd. 3. **Loans.** (a) The authority may participate in a livestock equipment loan equal to 90 percent of the purchased equipment value with an eligible lender to a farmer who is eligible under subdivision 2. Participation is limited to 45 percent of the principal amount of the loan or \$40,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may differ from the interest rates and repayment terms of the lender's retained portion of the loan, but the authority's interest rate must not exceed three percent. The authority may review the interest annually and make adjustments as necessary.

(b) Standards for loan amortization must be set by the Rural Finance Authority and must not exceed ten years.

(c) Security for a livestock equipment loan must be a personal note executed by the borrower and whatever other security is required by the eligible lender or the authority.

(d) Refinancing of existing debt is not an eligible purpose.

(e) The authority may impose a reasonable, nonrefundable application fee for a livestock equipment loan. The authority may review the fee annually and make adjustments as necessary. The initial application fee is \$50. Application fees received by the authority must be deposited in the ~~revolving loan account established in section 41B.06~~ Rural Finance Authority administrative account established in section 41B.03.

(f) Loans under this program must be made using money in the revolving loan account established in section 41B.06.

Sec. 48. Minnesota Statutes 2014, section 41B.056, subdivision 2, is amended to read:

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

(b) "Intermediary" means any lending institution or other organization of a for-profit or nonprofit nature that is in good standing with the state of Minnesota that has the appropriate business structure and trained personnel suitable to providing efficient disbursement of loan funds and the servicing and collection of loans.

(c) "Specialty crops" means agricultural crops, such as annuals, flowers, perennials, and other horticultural products, that are intensively cultivated.

(d) "Eligible livestock" means ~~poultry that has been allowed access to the outside, sheep, or goats~~ beef cattle, dairy cattle, swine, poultry, goats, mules, farmed cervidae, ratitae, bison, sheep, horses, and llamas.

Sec. 49. **[41B.057] FARM OPPORTUNITY LOAN PROGRAM.**

Subdivision 1. Establishment. The authority shall establish a farm opportunity loan program to provide loans that enable farmers to:

(1) add value to crops or livestock produced in Minnesota;

- (2) adopt best management practices that emphasize sufficiency and self-sufficiency;
- (3) reduce or improve management of agricultural inputs resulting in environmental improvements; or
- (4) increase production of on-farm energy.

Subd. 2. **Loan criteria.** (a) The farm opportunity loan program shall provide loans for purchase of new or used equipment and installation of equipment for projects that make environmental improvements and enhance farm profitability. The loan program shall also be used to add value to crops or livestock produced in Minnesota by, but not limited to, initiating or expanding livestock product processing; purchasing equipment to initiate, upgrade, or modernize value-added agricultural businesses; or increasing farmers' processing and aggregating capacity facilitating entry into farm-to-institution and other markets. Eligible loan uses do not include expenses related to seeds, fertilizer, fuel, or other operating expenses.

(b) The authority may impose a reasonable, nonrefundable application fee for a farm opportunity loan. The authority may review the fee annually and make adjustments as necessary. The initial application fee is \$50. Application fees received by the authority must be deposited in the Rural Finance Authority administrative account established in section 41B.03.

(c) Loans may only be made to Minnesota residents engaged in farming. Standards for loan amortization must be set by the Rural Finance Authority and must not exceed ten years.

(d) The borrower must show the ability to repay the loan.

(e) Refinancing of existing debt is not an eligible expense.

(f) Loans under this program must be made using money in the revolving loan account established in section 41B.06.

Subd. 3. **Loan participation.** The authority may participate in a farm opportunity loan with an eligible lender, as defined in section 41B.02, subdivision 8, to a farmer or a group of farmers on joint projects who are eligible under subdivision 2, paragraph (c), and who are actively engaged in farming. Participation is limited to 45 percent of the principal amount of the loan or \$45,000 per individual, whichever is less. For loans to a group made up of four or more individuals, participation is limited to 45 percent of the principal amount of the loan or \$180,000, whichever is less. The interest rate on the loans must not exceed six percent.

Sec. 50. Minnesota Statutes 2014, section 41B.06, is amended to read:

41B.06 RURAL FINANCE AUTHORITY REVOLVING LOAN ACCOUNT.

There is established in the rural finance administration fund a Rural Finance Authority revolving loan account that is eligible to receive appropriations and the transfer of loan funds from other programs. All repayments of financial assistance granted from this account, including principal and interest, must be deposited into this account. Interest earned on money in the account accrues to the account, and the money in the account is appropriated to the commissioner of agriculture for purposes of the Rural Finance Authority livestock equipment, methane digester, disaster recovery, value-added agricultural product, agroforestry, ~~and~~ agricultural microloan, and farm opportunity loan programs, including costs incurred by the authority to establish and administer the programs.

Sec. 51. Minnesota Statutes 2014, section 135A.52, is amended by adding a subdivision to read:

Subd. 6. **Farm business management.** Minnesota State Colleges and Universities campuses that offer farm business management may specify space availability in the delivery of farm business management courses.

Sec. 52. Minnesota Statutes 2014, section 500.24, subdivision 4, is amended to read:

Subd. 4. **Reports.** (a) The chief executive officer of every pension or investment fund, corporation, limited partnership, limited liability company, or entity that is seeking to qualify for an exemption from the commissioner, and the trustee of a family farm trust that holds any interest in agricultural land or land used for the breeding, feeding, pasturing, growing, or raising of livestock, dairy or poultry, or products thereof, or land used for the production of agricultural crops or fruit or other horticultural products, other than a bona fide encumbrance taken for purposes of security, or which is engaged in farming or proposing to commence farming in this state after May 20, 1973, shall file with the commissioner a report containing the following information and documents:

(1) the name of the pension or investment fund, corporation, limited partnership, or limited liability company and its place of incorporation, certification, or registration;

(2) the address of the pension or investment plan headquarters or of the registered office of the corporation in this state, the name and address of its registered agent in this state and, in the case of a foreign corporation, limited partnership, or limited liability company, the address of its principal office in its place of incorporation, certification, or registration;

(3) the acreage and location listed by quarter-quarter section, township, and county of each lot or parcel of agricultural land or land used for the keeping or feeding of poultry in this state owned or leased by the pension or investment fund, limited partnership, corporation, or limited liability company;

(4) the names and addresses of the officers, administrators, directors, or trustees of the pension or investment fund, or of the officers, shareholders owning more than ten percent of the stock, including the percent of stock owned by each such shareholder, the members of the board of directors of the corporation, and the members of the limited liability company, and the general and limited partners and the percentage of interest in the partnership by each partner;

(5) the farm products which the pension or investment fund, limited partnership, corporation, or limited liability company produces or intends to produce on its agricultural land;

(6) with the first report, a copy of the title to the property where the farming operations are or will occur indicating the particular exception claimed under subdivision 3; and

(7) with the first or second report, a copy of the conservation plan proposed by the soil and water conservation district, and with subsequent reports a statement of whether the conservation plan was implemented.

The report of a corporation, trust, limited liability company, or partnership seeking to qualify hereunder as a family farm corporation, an authorized farm corporation, an authorized livestock farm corporation, a family farm partnership, an authorized farm partnership, a family farm limited liability company, an authorized farm limited liability company, or a family farm trust or under an exemption from the commissioner shall contain the following additional information: the number of shares, partnership interests, or governance and financial rights owned by persons or current beneficiaries of a family farm trust residing on the farm or actively engaged in farming, or their relatives within the third degree of kindred according to the rules of the civil law or their spouses; the name, address, and number of shares owned by each shareholder, partnership interests owned by each partner or governance and financial rights owned by each member, and a statement as to percentage of gross receipts of the corporation derived

from rent, royalties, dividends, interest, and annuities. No pension or investment fund, limited partnership, corporation, or limited liability company shall commence farming in this state until the commissioner has inspected the report and certified that its proposed operations comply with the provisions of this section.

(b) Every pension or investment fund, limited partnership, trust, corporation, or limited liability company as described in paragraph (a) shall, prior to April 15 of each year, file with the commissioner a report containing the information required in paragraph (a), based on its operations in the preceding calendar year and its status at the end of the year. A pension or investment fund, limited partnership, corporation, or limited liability company that does not file the report by April 15 must pay a \$500 civil penalty. The penalty is a lien on the land being farmed under subdivision 3 until the penalty is paid.

(c) The commissioner may, for good cause shown, issue a written waiver or reduction of the civil penalty for failure to make a timely filing of the annual report required by this subdivision. The waiver or reduction is final and conclusive with respect to the civil penalty, and may not be reopened or modified by an officer, employee, or agent of the state, except upon a showing of fraud or malfeasance or misrepresentation of a material fact. The report required under paragraph (b) must be completed prior to a reduction or waiver under this paragraph. The commissioner may enter into an agreement under this paragraph only once for each corporation or partnership.

(d) All reports required by paragraph (a) shall include a filing fee of \$15. The fee must be deposited in the state treasury and credited to an account in the agricultural fund. Money in the account, including interest, is appropriated to the commissioner for the administrative expenses of this section.

~~(d)~~ (e) Failure to file a required report or the willful filing of false information is a gross misdemeanor.

Sec. 53. Laws 2014, chapter 312, article 12, section 3, is amended to read:

Sec. 3. **AGRICULTURE.**

\$-0-

\$2,750,000

\$2,000,000 in 2015 is for a grant to Second Harvest Heartland on behalf of the six Feeding America food banks that serve Minnesota to compensate agricultural producers and processors for costs incurred to harvest and package for transfer surplus fruits, vegetables, or other agricultural commodities that would otherwise go unharvested ~~or be discarded, or be sold in a secondary market.~~ Surplus commodities must be distributed statewide to food shelves and other charitable organizations that are eligible to receive food from the food banks. Surplus food acquired under this appropriation must be from Minnesota producers and processors. Second Harvest Heartland must report when required by, and in the form prescribed by, the commissioner. ~~For fiscal year 2015,~~ Second Harvest Heartland may use up to 11 percent of any grant received for administrative expenses and up to four percent of the grant for transportation expenses. ~~For fiscal years 2016 and 2017, Second Harvest Heartland may use up to five percent of any grant received for administrative expenses.~~ This is a onetime appropriation and is available until June 30, 2017.

The commissioner shall examine how other states are implementing the industrial hemp research authority provided in Public Law 113-79 and gauge the interest of Minnesota higher education institutions. No later than January 15, 2015, the

commissioner must report the information and items for legislative consideration to the legislative committees with jurisdiction over agriculture policy and finance.

\$350,000 in 2015 is for an increase in retail food handler inspections.

\$200,000 in 2015 is added to the appropriation in Laws 2013, chapter 114, article 1, section 3, subdivision 4, for distribution to the state's county fairs. This is a onetime appropriation.

\$200,000 in 2015 is for a grant as determined by the commissioner to a public higher education institution to research porcine epidemic diarrhea virus. This is a onetime appropriation and is available until June 30, 2017.

Sec. 54. **LIVESTOCK INDUSTRY STUDY.**

The commissioner of agriculture must identify causes of the relative growth or decline in the number of head of poultry and livestock produced in Minnesota, Iowa, North Dakota, South Dakota, Wisconsin, and Nebraska over the last ten years, including but not limited to the impact of nuisance conditions and lawsuits filed against poultry or livestock farms. No later than February 1, 2016, the commissioner must report findings by poultry and livestock sector and provide recommendations on how to strengthen and expand Minnesota animal agriculture to the legislative committees with jurisdiction over agriculture policy and finance.

Sec. 55. **FEASIBILITY STUDY; IMPORTING BAIT FISH FOR RESALE.**

The commissioner of agriculture shall conduct a study to assess the feasibility of a Minnesota company with a valid importation permit under Minnesota Statutes, section 97C.515, procuring health-certified, farm-raised bait fish from an out-of-state facility and transporting the fish directly to a Minnesota facility for the purpose of resale. The work group also must study how to increase Minnesota production of the bait fish species that would otherwise be imported from producers in other states. The commissioner shall appoint a work group of seven individuals to conduct the study, including representatives of the Departments of Agriculture and Natural Resources, Explore Minnesota, and private aquaculture, a University of Minnesota aquatic invasive species specialist, a Minnesota aquaculture extension agent, and a United States Fish and Wildlife aquatic invasive species specialist. The work group shall report the study to the legislative policy and finance committees and divisions with jurisdiction over agriculture, environment, and natural resources by February 1, 2016.

Sec. 56. **CORRECTIONAL FACILITY VOCATIONAL TRAINING PILOT PROGRAM.**

Subdivision 1. **Pilot program.** The commissioner of agriculture must coordinate a pilot program operated by the Northeast Regional Corrections Center to train inmates for careers as meat cutters upon release. The commissioner must facilitate program development and ensure that the program prepares inmates to meet applicable food safety and licensure requirements.

Subd. 2. **Program development.** In facilitating development of the pilot program, the commissioner must consult with the commissioner of employment and economic development and a representative of each of the following organizations:

(1) Northeast Regional Corrections Center; and

(2) United Food and Commercial Workers.

Subd. 3. **Report required.** No later than February 1, 2017, the commissioner must report on the progress and outcomes of the program to the legislative committees with jurisdiction over agriculture, economic development, higher education, and public safety.

Subd. 4. **Expiration.** This section expires on June 30, 2017.

Sec. 57. **URBAN AGRICULTURE DEVELOPMENT PROPOSAL.**

The commissioner of agriculture must convene interested stakeholders and develop a proposal to effectively and efficiently promote urban agriculture in Minnesota cities. For purposes of this section, "urban agriculture" means producing agricultural plants, poultry, or livestock on public or private property within city limits. No later than January 15, 2016, the commissioner must report to the legislative committees with jurisdiction over agriculture policy and finance and submit proposed legislation that includes a new definition of urban agriculture if the commissioner and stakeholders determine that a different definition more accurately defines urban agriculture.

Sec. 58. **BALANCES TRANSFERRED; ACCOUNTS ABOLISHED.**

The balances in the accounts created under Minnesota Statutes, sections 41B.03, subdivision 6; 41B.04, subdivision 17; 41B.043, subdivision 3; and 41B.045, subdivision 4, are transferred to the Rural Finance Authority administrative account established under Minnesota Statutes, section 41B.03, subdivision 7, and the original accounts are abolished.

The balance in the account created under Minnesota Statutes, section 17.115, is transferred to the Rural Finance Authority revolving loan account established under Minnesota Statutes, section 41B.06, and the original account is abolished.

Sec. 59. **REPEALER.**

Minnesota Statutes 2014, sections 17.115; 28A.15, subdivisions 9 and 10; and 116V.03, are repealed."

Delete the title and insert:

"A bill for an act relating to agriculture; establishing a budget for agriculture; appropriating money for agriculture, animal health, and agricultural utilization research; making policy and technical changes to various agricultural related provisions, including provisions related to pesticide control, plant protection, nursery law, seeds, dairy, food handlers, food, farmland, farming, and loans; modifying license exclusions for the direct sale of certain prepared food; establishing the Agriculture Research, Education, Extension, and Technology Transfer Board; providing incentive payments; requiring studies; requiring reports; providing a vocational training pilot program; establishing the farm opportunity loan program; modifying fees and surcharges; creating accounts; amending Minnesota Statutes 2014, sections 13.643, subdivision 1; 18B.01, subdivisions 28, 29; 18B.05, subdivision 1; 18B.32, subdivision 1; 18B.33, subdivision 1; 18B.34, subdivision 1; 18C.425, subdivision 6; 18C.70, subdivision 2; 18G.10, subdivisions 3, 4, 5; 18H.02, subdivision 20, by adding subdivisions; 18H.06, subdivision 2; 18H.07; 18H.17; 21.89, subdivision 2; 21.891, subdivisions 2, 5; 25.341, subdivision 2; 25.39, subdivisions 1, 1a; 28A.03, by adding a subdivision; 32.075; 32.105; 41B.03, subdivision 6, by adding a subdivision; 41B.04, subdivision 17; 41B.043, subdivision 3; 41B.045, subdivisions 3, 4; 41B.046, subdivision 5; 41B.047, subdivisions 1, 4; 41B.048, subdivision 6; 41B.049, subdivision 4; 41B.055, subdivision 3; 41B.056, subdivision 2; 41B.06; 135A.52, by adding a subdivision; 500.24, subdivision 4; Laws 2014, chapter 312, article 12, section 3; proposing coding for new law in Minnesota Statutes, chapters 18C; 28A; 41A; 41B; repealing Minnesota Statutes 2014, sections 17.115; 28A.15, subdivisions 9, 10; 116V.03."

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Davids introduced:

H. F. No. 2218, A bill for an act relating to taxation; tobacco; changing the tax rate for nicotine solution used in electronic cigarettes; amending Minnesota Statutes 2014, sections 297F.01, subdivision 19, by adding subdivisions; 297F.05, subdivision 3, by adding subdivisions; 297F.06, subdivisions 1, 4.

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

Uglem, McNamara, Sundin, Pinto, Metsa and Loeffler introduced:

H. F. No. 2219, A bill for an act relating to appropriations; appropriating money for shade tree grant purposes.

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

Kiel; Lien; Franson; Fabian; Marquart; Hancock; Persell; Nornes; Miller; Anderson, P., and Hausman introduced:

H. F. No. 2220, A bill for an act relating to capital investment; appropriating money for a regional charitable food distribution, warehouse and office facility to be located in Crookston; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Slocum and Wagenius introduced:

H. F. No. 2221, A bill for an act relating to capital investment; appropriating money for the 77th Street underpass; authorizing the sale and issuance of state bonds.

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

Peterson introduced:

H. F. No. 2222, A bill for an act relating to arts and cultural heritage; appropriating money for a regional arts center.

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

Peterson introduced:

H. F. No. 2223, A bill for an act relating to taxation; property; providing a reduced classification rate for unimproved commercial and industrial property; amending Minnesota Statutes 2014, section 273.13, subdivision 24.

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

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

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

S. F. Nos. 1081, 1147 and 1741.

JOANNE M. ZOFF, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1081, A bill for an act relating to public safety; accounting for untested sexual assault test kits; requiring a report.

The bill was read for the first time.

Schoen moved that S. F. No. 1081 and H. F. No. 1140, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1147, A bill for an act relating to real property; clarifying the mortgage foreclosure by advertisement publication requirements; amending Minnesota Statutes 2014, section 582.25; proposing coding for new law in Minnesota Statutes, chapter 580.

The bill was read for the first time.

O'Driscoll moved that S. F. No. 1147 and H. F. No. 953, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1741, A bill for an act relating to health; allowing a patient to enjoin collection actions taken by a nonprofit hospital if the hospital has failed to provide a financial assistance policy; proposing coding for new law in Minnesota Statutes, chapter 604.

The bill was read for the first time.

Hilstrom moved that S. F. No. 1741 and H. F. No. 1647, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

REPORT FROM THE COMMITTEE ON RULES
AND LEGISLATIVE ADMINISTRATION

Peppin from the Committee on Rules and Legislative Administration, pursuant to rules 1.21 and 3.33, designated the following bills to be placed on the Calendar for the Day for Thursday, April 16, 2015 and established a prefiling requirement for amendments offered to the following bills:

H. F. Nos. 372, 830, 1434 and 722.

MOTIONS AND RESOLUTIONS

Heintzeman moved that the names of Theis and Fenton be added as authors on H. F. No. 299. The motion prevailed.

Lucero moved that the name of Vogel be added as an author on H. F. No. 830. The motion prevailed.

McDonald moved that the name of Zerwas be added as an author on H. F. No. 976. The motion prevailed.

Anzenc moved that the names of Fabian and Hancock be added as authors on H. F. No. 1202. The motion prevailed.

Drazkowski moved that the name of Knoblach be added as an author on H. F. No. 1460. The motion prevailed.

Rosenthal moved that the name of Schomacker be added as an author on H. F. No. 1530. The motion prevailed.

Atkins moved that the name of Applebaum be added as an author on H. F. No. 1693. The motion prevailed.

Mahoney moved that the names of Fischer and Hausman be added as authors on H. F. No. 2217. The motion prevailed.

ADJOURNMENT

Peppin moved that when the House adjourns today it adjourn until 3:30 p.m., Thursday, April 16, 2015. The motion prevailed.

Peppin moved that the House adjourn. The motion prevailed, and Speaker pro tempore O'Driscoll declared the House stands adjourned until 3:30 p.m., Thursday, April 16, 2015.

PATRICK D. MURPHY, Chief Clerk, House of Representatives

