

1.1 moves to amend H.F. No. 3888 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. APPROPRIATIONS.

1.4 The sums shown in the columns marked "Appropriations" are added to the
1.5 appropriations in Laws 2015, First Special Session chapter 4, or appropriated to the
1.6 agencies and for the purposes specified in this article. The appropriations are from the
1.7 general fund, or another named fund, and are available for the fiscal year indicated for
1.8 each purpose. The figures "2016" and "2017" used in this article mean that the addition
1.9 to the appropriations listed under them are available for the fiscal year ending June 30,
1.10 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second
1.11 year" is fiscal year 2017. Appropriations for fiscal year 2016 are effective the day
1.12 following final enactment.

1.13		<u>APPROPRIATIONS</u>	
1.14		<u>Available for the Year</u>	
1.15		<u>Ending June 30</u>	
1.16		<u>2016</u>	<u>2017</u>

1.17 Sec. 2. DEPARTMENT OF AGRICULTURE

1.18	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>7,833,000</u>
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1.19 The amounts that may be spent for each
1.20 purpose are specified in the following
1.21 subdivisions.

1.22	<u>Subd. 2. Animal Health</u>		<u>-0-</u>		<u>2,083,000</u>
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1.23 \$1,800,000 the second year is for a grant
1.24 to the Board of Regents of the University
1.25 of Minnesota to develop, in consultation

2.1 with the commissioner of agriculture and
 2.2 the Board of Animal Health, a software
 2.3 tool or application through the Veterinary
 2.4 Diagnostic Laboratory that empowers
 2.5 veterinarians and producers to understand
 2.6 the movement of unique pathogen strains in
 2.7 livestock and poultry production systems,
 2.8 monitor antibiotic resistance, and implement
 2.9 effective biosecurity measures that promote
 2.10 animal health and limit production losses.
 2.11 This is a onetime appropriation available
 2.12 until June 30, 2019.

2.13 \$283,000 the second year is for a grant
 2.14 to the Board of Regents of the University
 2.15 of Minnesota to maintain and increase
 2.16 animal disease testing capacity through the
 2.17 purchase of veterinary diagnostic laboratory
 2.18 equipment. This is a onetime appropriation.

2.19 Subd. 3. **Farm Safety** -0- 250,000

2.20 \$250,000 the second year is for the tractor
 2.21 rollover protection pilot program. This is a
 2.22 onetime appropriation.

2.23 Subd. 4. **Agriculture Laboratory and**
 2.24 **Emergency Response** -0- 5,550,000

2.25 \$2,218,000 the second year is for equipment
 2.26 and instruments for the Department of
 2.27 Agriculture laboratory. This is a onetime
 2.28 appropriation available until June 30, 2022.

2.29 \$3,332,000 the second year is for transfer
 2.30 to the agricultural emergency account in the
 2.31 agricultural fund. This is a onetime transfer.

2.32 **Sec. 3. [17.055] AGRICULTURAL EMERGENCY ACCOUNT;**
 2.33 **APPROPRIATION.**

3.1 Subdivision 1. **Establishment; appropriation.** An agricultural emergency account
3.2 is established in the agricultural fund. Money in the account, including interest, is
3.3 appropriated to the commissioner for emergency response and preparedness activities
3.4 for agricultural emergencies affecting producers of livestock, poultry, crops, or other
3.5 agricultural products. Eligible uses include, but are not limited to, purchasing necessary
3.6 equipment and reimbursing costs incurred by local units of government that are not
3.7 eligible for reimbursement from other sources.

3.8 Subd. 2. **Transfer authorized.** The commissioner may transfer money in the
3.9 account to the Board of Animal Health, other state agencies, or the University of
3.10 Minnesota for purposes of subdivision 1.

3.11 Subd. 3. **Annual report.** No later than February 1 each year, the commissioner
3.12 must report activities and expenditures under this section to the legislative committees
3.13 and divisions with jurisdiction over agriculture finance.

3.14 Sec. 4. Minnesota Statutes 2014, section 17.117, subdivision 11a, is amended to read:

3.15 Subd. 11a. **Eligible projects.** All projects that remediate or mitigate adverse
3.16 environmental impacts are eligible if:

3.17 (1) the project is eligible under the allocation agreement and funding sources
3.18 designated by the local government unit to finance the project; ~~and~~

3.19 (2) manure management projects remediate or mitigate impacts from facilities with
3.20 less than 1,000 animal units as defined in Minnesota Rules, chapter 7020; and

3.21 (3) drinking water projects remediate the adverse environmental impacts or presence
3.22 of contaminants in private well water and implement best management practices to
3.23 achieve the drinking water standards under chapter 103H or contained in Code of Federal
3.24 Regulations, title 40, parts 141 and 143, as amended.

3.25 Sec. 5. [17.119] **TRACTOR ROLLOVER PROTECTION PILOT GRANT**
3.26 **PROGRAM.**

3.27 Subdivision 1. **Grants; eligibility.** (a) The commissioner must award cost-share
3.28 grants to Minnesota farmers who retrofit eligible tractors with eligible rollover protective
3.29 structures. Grants are limited to 70 percent of the farmer's documented cost to purchase,
3.30 ship, and install an eligible rollover protective structure. The commissioner must increase
3.31 the grant award amount over the 70 percent grant limitation requirement if necessary to
3.32 limit a farmer's cost per tractor to no more than \$500.

3.33 (b) A rollover protective structure is eligible if it meets or exceeds SAE International
3.34 standard J2194.

4.1 (c) A tractor is eligible if the tractor was built before 1987.

4.2 Subd. 2. **Promotion; administration.** The commissioner may spend up to 20
4.3 percent of total program dollars each fiscal year to promote the program to Minnesota
4.4 farmers. The commissioner must minimize administrative costs by cooperating with the
4.5 New York Center for Agricultural Medicine and Health to administer the grant program.

4.6 Subd. 3. **Nonstate funds; appropriation.** The commissioner must solicit
4.7 contributions from nonstate sources to supplement state appropriations for this program.
4.8 Funds received under this subdivision are appropriated to the commissioner for purposes
4.9 of this section.

4.10 Subd. 4. **Expiration.** This section expires on June 30, 2019.

4.11 Sec. 6. Minnesota Statutes 2014, section 18B.26, subdivision 3, is amended to read:

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

4.16 (b) For a nonagricultural pesticide, a registrant shall pay a minimum annual
4.17 registration application fee for each nonagricultural pesticide of \$350. The fee is due
4.18 by December 31 preceding the year for which the application for registration is made.
4.19 The fee is nonrefundable. ~~The~~ If the registrant had annual gross sales of more than
4.20 \$70,000 for the nonagricultural pesticide in the preceding calendar year, the registrant of a
4.21 ~~nonagricultural pesticide~~ shall pay, in addition to the \$350 minimum fee, a fee ~~of equal to~~
4.22 0.5 percent of that portion of the annual gross sales over \$70,000. For purposes of this
4.23 subdivision, gross sales includes both of the nonagricultural pesticide sold in the state and
4.24 ~~the annual gross sales of the nonagricultural pesticide sold into the state for use in this~~
4.25 state. No additional fee is required if the fee due amount based on percent of annual
4.26 gross sales of a nonagricultural pesticide is less than \$10. The registrant shall secure
4.27 sufficient sales information of nonagricultural pesticides distributed into this state from
4.28 distributors and dealers, regardless of distributor location, to make a determination. Sales
4.29 of nonagricultural pesticides in this state and sales of nonagricultural pesticides for use in
4.30 this state by out-of-state distributors are not exempt and must be included in the registrant's
4.31 annual report, as required under paragraph (g), and fees shall be paid by the registrant based
4.32 upon those reported sales. Sales of nonagricultural pesticides in the state for use outside of
4.33 the state are exempt from the gross sales fee in this paragraph if the registrant properly
4.34 documents the sale location and distributors. A registrant paying more than the minimum
4.35 fee shall pay the balance due by March 1 based on the gross sales of the nonagricultural

5.1 pesticide by the registrant for the preceding calendar year. A pesticide determined by the
5.2 commissioner to be a sanitizer or disinfectant is exempt from the gross sales fee.

5.3 (c) For agricultural pesticides, a licensed agricultural pesticide dealer or licensed
5.4 pesticide dealer shall pay a gross sales fee of 0.55 percent of annual gross sales of the
5.5 agricultural pesticide in the state and the annual gross sales of the agricultural pesticide
5.6 sold into the state for use in this state.

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

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

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

5.21 (g) A registrant must annually report to the commissioner the amount, type and
5.22 annual gross sales of each registered nonagricultural pesticide sold, offered for sale, or
5.23 otherwise distributed in the state. The report shall be filed by March 1 for the previous
5.24 year's registration. The commissioner shall specify the form of the report or approve
5.25 the method for submittal of the report and may require additional information deemed
5.26 necessary to determine the amount and type of nonagricultural pesticide annually
5.27 distributed in the state. The information required shall include the brand name, United
5.28 States Environmental Protection Agency registration number, and amount of each
5.29 nonagricultural pesticide sold, offered for sale, or otherwise distributed in the state, but
5.30 the information collected, if made public, shall be reported in a manner which does not
5.31 identify a specific brand name in the report.

5.32 (h) A licensed agricultural pesticide dealer or licensed pesticide dealer must annually
5.33 report to the commissioner the amount, type, and annual gross sales of each registered
5.34 agricultural pesticide sold, offered for sale, or otherwise distributed in the state or into the
5.35 state for use in the state. The report must be filed by January 31 for the previous year's
5.36 sales. The commissioner shall specify the form, contents, and approved electronic method

6.1 for submittal of the report and may require additional information deemed necessary to
6.2 determine the amount and type of agricultural pesticide annually distributed within the
6.3 state or into the state. The information required must include the brand name, United States
6.4 Environmental Protection Agency registration number, and amount of each agricultural
6.5 pesticide sold, offered for sale, or otherwise distributed in the state or into the state.

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

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

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

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

6.22 Sec. 7. Minnesota Statutes 2014, section 41A.12, subdivision 2, is amended to read:

6.23 Subd. 2. **Activities authorized.** For the purposes of this program, the commissioner
6.24 may issue grants, loans, or other forms of financial assistance. Eligible activities include,
6.25 but are not limited to, grants to livestock producers under the livestock investment grant
6.26 program under section 17.118, ~~bioenergy awards made by the NextGen Energy Board~~
6.27 ~~under section 41A.105~~, cost-share grants for the installation of biofuel blender pumps, and
6.28 financial assistance to support other rural economic infrastructure activities.

6.29 Sec. 8. Minnesota Statutes 2015 Supplement, section 41A.14, is amended to read:

6.30 **41A.14 AGRICULTURE RESEARCH, EDUCATION, EXTENSION, AND**
6.31 **TECHNOLOGY TRANSFER GRANT PROGRAM.**

6.32 Subdivision 1. **Duties; grants.** The agriculture research, education, extension, and
6.33 technology transfer grant program is created. The purpose of the grant program is to
6.34 provide investments that will most efficiently achieve long-term agricultural productivity

7.1 increases through improved infrastructure, vision, and accountability. The scope and
 7.2 intent of the grants, to the extent possible, shall provide for a long-term base funding
 7.3 that allows the ~~research~~ grantee to continue the functions of the research, education, and
 7.4 extension, and technology transfer efforts to a practical conclusion. Priority for grants
 7.5 shall be given to human infrastructure. The commissioner shall provide grants for:

7.6 (1) ~~agricultural research, extension, and technology transfer needs and recipients~~
 7.7 ~~including agricultural research and extension at the University of Minnesota, research and~~
 7.8 ~~outreach centers, the College of Food, Agricultural and Natural Resource Sciences, the~~
 7.9 ~~Minnesota Agricultural Experiment Station, University of Minnesota Extension Service,~~
 7.10 ~~the University of Minnesota Veterinary School, the Veterinary Diagnostic Laboratory,~~
 7.11 ~~the Stakman-Borlaug Center, and the Minnesota Agriculture Fertilizer Research and~~
 7.12 ~~Education Council;~~ for use by any of the following:

7.13 (i) the College of Food, Agricultural, and Natural Resource Sciences;

7.14 (ii) the Minnesota Agricultural Experiment Station;

7.15 (iii) the University of Minnesota Extension Service;

7.16 (iv) the University of Minnesota Veterinary School;

7.17 (v) the Veterinary Diagnostic Laboratory; or

7.18 (vi) the Stakman-Borlaug Center;

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

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

7.23 Subd. 2. **Advisory panel.** (a) In awarding grants under this section, the
 7.24 commissioner and a representative of the College of Food, Agricultural and Natural
 7.25 Resource Sciences at the University of Minnesota must consult with an advisory panel
 7.26 consisting of the following stakeholders:

7.27 (1) ~~a representative of the College of Food, Agricultural and Natural Resource~~
 7.28 ~~Sciences at the University of Minnesota;~~

7.29 (2) (1) a representative of the Minnesota State Colleges and Universities system;

7.30 (3) (2) a representative of the Minnesota Farm Bureau;

7.31 (4) (3) a representative of the Minnesota Farmers Union;

7.32 (5) (4) a person representing agriculture industry statewide;

7.33 (6) (5) a representative of each of the state commodity councils organized under
 7.34 section 17.54 and the Minnesota Pork Board;

7.35 (7) (6) a person representing an association of primary manufacturers of forest
 7.36 products;

8.1 ~~(8)~~ (7) a person representing organic or sustainable agriculture; and
8.2 ~~(9)~~ (8) a person representing statewide environment and natural resource
8.3 conservation organizations.

8.4 (b) Members under paragraph (a), clauses (1) to (3) and (5), shall be chosen by their
8.5 respective organizations.

8.6 Subd. 3. **Account.** An agriculture research, education, extension, and technology
8.7 transfer account is created in the agricultural fund in the state treasury. The account
8.8 consists of money received in the form of gifts, grants, reimbursement, or appropriations
8.9 from any source for any of the purposes provided in subdivision 1, and any interest or
8.10 earnings of the account. Money in the account is appropriated to the commissioner of
8.11 agriculture for the purposes under subdivision 1.

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

8.13 Sec. 9. Minnesota Statutes 2015 Supplement, section 41A.15, subdivision 2, is
8.14 amended to read:

8.15 Subd. 2. **Advanced biofuel.** "Advanced biofuel" ~~has the meaning given means~~
8.16 advanced biofuel as defined in section 239.051, subdivision 1a, and biobutanol.

8.17 Sec. 10. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a
8.18 subdivision to read:

8.19 Subd. 2a. **Biobased content.** "Biobased content" means a chemical, polymer,
8.20 monomer, or plastic that is not sold primarily for use as food, feed, or fuel and that has a
8.21 biobased percentage of at least 51 percent as determined by testing representative samples
8.22 using American Society for Testing and Materials specification D6866.

8.23 Sec. 11. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a
8.24 subdivision to read:

8.25 Subd. 2b. **Biobased formulated product.** "Biobased formulated product" means
8.26 a product that is not sold primarily for use as food, feed, or fuel and that has a biobased
8.27 content percentage of at least ten percent as determined by testing representative samples
8.28 using American Society for Testing and Materials specification D6866, or that contains
8.29 a biobased chemical constituent that displaces a known hazardous or toxic constituent
8.30 previously used in the product formulation.

8.31 Sec. 12. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a
8.32 subdivision to read:

9.1 Subd. 2c. **Biobutanol.** "Biobutanol" means fermentation isobutyl alcohol that is
9.2 derived from agricultural products, including potatoes, cereal grains, cheese whey, and
9.3 sugar beets; forest products; or other renewable resources, including residue and waste
9.4 generated from the production, processing, and marketing of agricultural products, forest
9.5 products, and other renewable resources.

9.6 Sec. 13. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a
9.7 subdivision to read:

9.8 Subd. 2d. **Biobutanol facility.** "Biobutanol facility" means a facility at which
9.9 biobutanol is produced.

9.10 Sec. 14. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a
9.11 subdivision to read:

9.12 Subd. 9a. **Quarterly.** "Quarterly" means any of the following three-month intervals
9.13 in a calendar year: January through March, April through June, July through September,
9.14 or October through December.

9.15 Sec. 15. Minnesota Statutes 2015 Supplement, section 41A.15, subdivision 10, is
9.16 amended to read:

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

9.19 Sec. 16. Minnesota Statutes 2015 Supplement, section 41A.16, subdivision 1, is
9.20 amended to read:

9.21 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
9.22 source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or
9.23 less from the state border, raw materials may be sourced from within a 100-mile radius.
9.24 Raw materials must be from agricultural or forestry sources or from solid waste. The
9.25 facility must be located in Minnesota, must begin production at a specific location by June
9.26 30, 2025, and must not begin operating above ~~95,000~~ 23,750 MMbtu of ~~annual~~ quarterly
9.27 biofuel production before July 1, 2015. Eligible facilities include existing companies and
9.28 facilities that are adding advanced biofuel production capacity, or retrofitting existing
9.29 capacity, as well as new companies and facilities. Production of conventional corn ethanol
9.30 and conventional biodiesel is not eligible. Eligible advanced biofuel facilities must
9.31 produce at least ~~95,000~~ 23,750 MMbtu ~~a year~~ of biofuel quarterly.

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

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

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

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

10.11 Sec. 17. Minnesota Statutes 2015 Supplement, section 41A.17, subdivision 1, is
10.12 amended to read:

10.13 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this program
10.14 must source at least 80 percent biobased content, ~~as defined in section 41A.105,~~
10.15 ~~subdivision 1a, clause (1),~~ from Minnesota. If a facility is sited 50 miles or less from the
10.16 state border, biobased content must be sourced from within a 100-mile radius. Biobased
10.17 content must be from agricultural or forestry sources or from solid waste. The facility must
10.18 be located in Minnesota, must begin production at a specific location by June 30, 2025, and
10.19 must not begin production of ~~3,000,000~~ 750,000 pounds of chemicals ~~annually~~ quarterly
10.20 before January 1, 2015. Eligible facilities include existing companies and facilities that are
10.21 adding production capacity, or retrofitting existing capacity, as well as new companies and
10.22 facilities. Eligible renewable chemical facilities must produce at least ~~3,000,000~~ 750,000
10.23 pounds ~~per year~~ of renewable chemicals quarterly. Renewable chemicals produced
10.24 through processes that are fully commercial before January 1, 2000, are not eligible.

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

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

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

10.32 (e) Advanced biofuel production for which payment has been received under section
10.33 41A.16, and biomass thermal production for which payment has been received under
10.34 section 41A.18, are not eligible for payment under this section.

11.1 Sec. 18. Minnesota Statutes 2015 Supplement, section 41A.17, subdivision 2, is
11.2 amended to read:

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

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

11.12 (c) Total payments under this section to an eligible renewable chemical producer in
11.13 a fiscal year may not exceed the amount necessary for 99,999,999 pounds of renewable
11.14 chemical production. Total payments under this section to all eligible renewable chemical
11.15 producers in a fiscal year may not exceed the amount necessary for 599,999,999 pounds of
11.16 renewable chemical production. The commissioner shall award payments on a first-come,
11.17 first-served basis within the limits of available funding.

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

11.20 Sec. 19. Minnesota Statutes 2015 Supplement, section 41A.18, subdivision 1, is
11.21 amended to read:

11.22 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
11.23 source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or
11.24 less from the state border, raw materials should be sourced from within a 100-mile radius.
11.25 Raw materials must be from agricultural or forestry sources. The facility must be located
11.26 in Minnesota, must have begun production at a specific location by June 30, 2025, and
11.27 must not begin before July 1, 2015. Eligible facilities include existing companies and
11.28 facilities that are adding production capacity, or retrofitting existing capacity, as well as
11.29 new companies and facilities. Eligible biomass thermal production facilities must produce
11.30 at least ~~1,000~~ 250 MMBtu ~~per year~~ of biomass thermal quarterly.

11.31 (b) No payments shall be made for biomass thermal production that occurs after June
11.32 30, 2035, for those eligible biomass thermal producers under paragraph (a).

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

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

12.3 (e) Biofuel production for which payment has been received under section 41A.16,
12.4 and renewable chemical production for which payment has been received under section
12.5 41A.17, are not eligible for payment under this section.

12.6 Sec. 20. Minnesota Statutes 2015 Supplement, section 116D.04, subdivision 2a,
12.7 is amended to read:

12.8 Subd. 2a. **When prepared.** Where there is potential for significant environmental
12.9 effects resulting from any major governmental action, the action shall be preceded by a
12.10 detailed environmental impact statement prepared by the responsible governmental unit.
12.11 The environmental impact statement shall be an analytical rather than an encyclopedic
12.12 document which describes the proposed action in detail, analyzes its significant
12.13 environmental impacts, discusses appropriate alternatives to the proposed action and
12.14 their impacts, and explores methods by which adverse environmental impacts of an
12.15 action could be mitigated. The environmental impact statement shall also analyze those
12.16 economic, employment, and sociological effects that cannot be avoided should the action
12.17 be implemented. To ensure its use in the decision-making process, the environmental
12.18 impact statement shall be prepared as early as practical in the formulation of an action.

12.19 (a) The board shall by rule establish categories of actions for which environmental
12.20 impact statements and for which environmental assessment worksheets shall be prepared
12.21 as well as categories of actions for which no environmental review is required under this
12.22 section. A mandatory environmental assessment worksheet shall not be required for the
12.23 expansion of an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph
12.24 (b), or the conversion of an ethanol plant to a biobutanol facility or the expansion of a
12.25 biobutanol facility as defined in section ~~41A.105~~ 41A.15, subdivision ~~4a~~ 2d, based on
12.26 the capacity of the expanded or converted facility to produce alcohol fuel, but must be
12.27 required if the ethanol plant or biobutanol facility meets or exceeds thresholds of other
12.28 categories of actions for which environmental assessment worksheets must be prepared.
12.29 The responsible governmental unit for an ethanol plant or biobutanol facility project for
12.30 which an environmental assessment worksheet is prepared shall be the state agency with
12.31 the greatest responsibility for supervising or approving the project as a whole.

12.32 A mandatory environmental impact statement shall not be required for a facility
12.33 or plant located outside the seven-county metropolitan area that produces less than
12.34 125,000,000 gallons of ethanol, biobutanol, or cellulosic biofuel annually, or produces less
12.35 than 400,000 tons of chemicals annually, if the facility or plant is: an ethanol plant, as

13.1 defined in section 41A.09, subdivision 2a, paragraph (b); a biobutanol facility, as defined
13.2 in section ~~41A.105~~ 41A.15, subdivision ~~1a~~, ~~clause (1)~~ 2d; or a cellulosic biofuel facility.
13.3 A facility or plant that only uses a cellulosic feedstock to produce chemical products for
13.4 use by another facility as a feedstock shall not be considered a fuel conversion facility as
13.5 used in rules adopted under this chapter.

13.6 (b) The responsible governmental unit shall promptly publish notice of the
13.7 completion of an environmental assessment worksheet by publishing the notice in at least
13.8 one newspaper of general circulation in the geographic area where the project is proposed,
13.9 by posting the notice on a Web site that has been designated as the official publication site
13.10 for publication of proceedings, public notices, and summaries of a political subdivision in
13.11 which the project is proposed, or in any other manner determined by the board and shall
13.12 provide copies of the environmental assessment worksheet to the board and its member
13.13 agencies. Comments on the need for an environmental impact statement may be submitted
13.14 to the responsible governmental unit during a 30-day period following publication of the
13.15 notice that an environmental assessment worksheet has been completed. The responsible
13.16 governmental unit's decision on the need for an environmental impact statement shall be
13.17 based on the environmental assessment worksheet and the comments received during the
13.18 comment period, and shall be made within 15 days after the close of the comment period.
13.19 The board's chair may extend the 15-day period by not more than 15 additional days upon
13.20 the request of the responsible governmental unit.

13.21 (c) An environmental assessment worksheet shall also be prepared for a proposed
13.22 action whenever material evidence accompanying a petition by not less than 100
13.23 individuals who reside or own property in the state, submitted before the proposed
13.24 project has received final approval by the appropriate governmental units, demonstrates
13.25 that, because of the nature or location of a proposed action, there may be potential for
13.26 significant environmental effects. Petitions requesting the preparation of an environmental
13.27 assessment worksheet shall be submitted to the board. The chair of the board shall
13.28 determine the appropriate responsible governmental unit and forward the petition to it.
13.29 A decision on the need for an environmental assessment worksheet shall be made by
13.30 the responsible governmental unit within 15 days after the petition is received by the
13.31 responsible governmental unit. The board's chair may extend the 15-day period by not
13.32 more than 15 additional days upon request of the responsible governmental unit.

13.33 (d) Except in an environmentally sensitive location where Minnesota Rules, part
13.34 4410.4300, subpart 29, item B, applies, the proposed action is exempt from environmental
13.35 review under this chapter and rules of the board, if:

13.36 (1) the proposed action is:

14.1 (i) an animal feedlot facility with a capacity of less than 1,000 animal units; or
14.2 (ii) an expansion of an existing animal feedlot facility with a total cumulative
14.3 capacity of less than 1,000 animal units;

14.4 (2) the application for the animal feedlot facility includes a written commitment by
14.5 the proposer to design, construct, and operate the facility in full compliance with Pollution
14.6 Control Agency feedlot rules; and

14.7 (3) the county board holds a public meeting for citizen input at least ten business
14.8 days prior to the Pollution Control Agency or county issuing a feedlot permit for the
14.9 animal feedlot facility unless another public meeting for citizen input has been held with
14.10 regard to the feedlot facility to be permitted. The exemption in this paragraph is in
14.11 addition to other exemptions provided under other law and rules of the board.

14.12 (e) The board may, prior to final approval of a proposed project, require preparation
14.13 of an environmental assessment worksheet by a responsible governmental unit selected
14.14 by the board for any action where environmental review under this section has not been
14.15 specifically provided for by rule or otherwise initiated.

14.16 (f) An early and open process shall be utilized to limit the scope of the environmental
14.17 impact statement to a discussion of those impacts, which, because of the nature or location
14.18 of the project, have the potential for significant environmental effects. The same process
14.19 shall be utilized to determine the form, content and level of detail of the statement as well
14.20 as the alternatives which are appropriate for consideration in the statement. In addition,
14.21 the permits which will be required for the proposed action shall be identified during the
14.22 scoping process. Further, the process shall identify those permits for which information
14.23 will be developed concurrently with the environmental impact statement. The board
14.24 shall provide in its rules for the expeditious completion of the scoping process. The
14.25 determinations reached in the process shall be incorporated into the order requiring the
14.26 preparation of an environmental impact statement.

14.27 (g) The responsible governmental unit shall, to the extent practicable, avoid
14.28 duplication and ensure coordination between state and federal environmental review
14.29 and between environmental review and environmental permitting. Whenever practical,
14.30 information needed by a governmental unit for making final decisions on permits
14.31 or other actions required for a proposed project shall be developed in conjunction
14.32 with the preparation of an environmental impact statement. When an environmental
14.33 impact statement is prepared for a project requiring multiple permits for which two or
14.34 more agencies' decision processes include either mandatory or discretionary hearings
14.35 before a hearing officer prior to the agencies' decision on the permit, the agencies
14.36 may, notwithstanding any law or rule to the contrary, conduct the hearings in a single

15.1 consolidated hearing process if requested by the proposer. All agencies having jurisdiction
 15.2 over a permit that is included in the consolidated hearing shall participate. The responsible
 15.3 governmental unit shall establish appropriate procedures for the consolidated hearing
 15.4 process, including procedures to ensure that the consolidated hearing process is consistent
 15.5 with the applicable requirements for each permit regarding the rights and duties of parties to
 15.6 the hearing, and shall utilize the earliest applicable hearing procedure to initiate the hearing.

15.7 (h) An environmental impact statement shall be prepared and its adequacy
 15.8 determined within 280 days after notice of its preparation unless the time is extended by
 15.9 consent of the parties or by the governor for good cause. The responsible governmental
 15.10 unit shall determine the adequacy of an environmental impact statement, unless within 60
 15.11 days after notice is published that an environmental impact statement will be prepared,
 15.12 the board chooses to determine the adequacy of an environmental impact statement. If an
 15.13 environmental impact statement is found to be inadequate, the responsible governmental
 15.14 unit shall have 60 days to prepare an adequate environmental impact statement.

15.15 (i) The proposer of a specific action may include in the information submitted to the
 15.16 responsible governmental unit a preliminary draft environmental impact statement under
 15.17 this section on that action for review, modification, and determination of completeness and
 15.18 adequacy by the responsible governmental unit. A preliminary draft environmental impact
 15.19 statement prepared by the project proposer and submitted to the responsible governmental
 15.20 unit shall identify or include as an appendix all studies and other sources of information
 15.21 used to substantiate the analysis contained in the preliminary draft environmental impact
 15.22 statement. The responsible governmental unit shall require additional studies, if needed,
 15.23 and obtain from the project proposer all additional studies and information necessary for
 15.24 the responsible governmental unit to perform its responsibility to review, modify, and
 15.25 determine the completeness and adequacy of the environmental impact statement.

15.26 Sec. 21. Laws 2015, First Special Session chapter 4, article 1, section 2, subdivision 4,
 15.27 is amended to read:

15.28	Subd. 4. Agriculture, Bioenergy, and		
15.29	Bioproduct Advancement	14,993,000	19,010,000

15.30 \$4,483,000 the first year and \$8,500,000 the
 15.31 second year are for transfer to the agriculture
 15.32 research, education, extension, and
 15.33 technology transfer account under Minnesota
 15.34 Statutes, section 41A.14, subdivision 3.
 15.35 The transfer in this paragraph includes

16.1 money for plant breeders at the University
16.2 of Minnesota for wild rice, potatoes, and
16.3 grapes. Of these amounts, at least \$600,000
16.4 each year is for ~~agriculture rapid response~~
16.5 the Minnesota Agricultural Experiment
16.6 Station's Agriculture Rapid Response Fund
16.7 under Minnesota Statutes, section 41A.14,
16.8 subdivision 1, clause (2). Of the amount
16.9 appropriated in this paragraph, \$1,000,000
16.10 each year is for transfer to the Board of
16.11 Regents of the University of Minnesota for
16.12 research to determine (1) what is causing
16.13 avian influenza, (2) why some fowl are more
16.14 susceptible, and (3) prevention measures that
16.15 can be taken. Of the amount appropriated
16.16 in this paragraph, \$2,000,000 each year
16.17 is for grants to the Minnesota Agriculture
16.18 Education Leadership Council to enhance
16.19 agricultural education with priority given
16.20 to Farm Business Management challenge
16.21 grants. The commissioner shall transfer the
16.22 remaining grant funds in this appropriation
16.23 each year to the Board of Regents of the
16.24 University of Minnesota for purposes of
16.25 Minnesota Statutes, section 41A.14.

16.26 To the extent practicable, funds expended
16.27 under Minnesota Statutes, section 41A.14,
16.28 subdivision 1, clauses (1) and (2), must
16.29 supplement and not supplant existing sources
16.30 and levels of funding. The commissioner may
16.31 use up to 4.5 percent of this appropriation
16.32 for costs incurred to administer the program.
16.33 Any unencumbered balance does not cancel
16.34 at the end of the first year and is available for
16.35 the second year.

17.1 \$10,235,000 the first year and \$10,235,000
17.2 the second year are for the agricultural
17.3 growth, research, and innovation program
17.4 in Minnesota Statutes, section 41A.12. No
17.5 later than February 1, 2016, and February
17.6 1, 2017, the commissioner must report to
17.7 the legislative committees with jurisdiction
17.8 over agriculture policy and finance regarding
17.9 the commissioner's accomplishments
17.10 and anticipated accomplishments in
17.11 the following areas: facilitating the
17.12 start-up, modernization, or expansion of
17.13 livestock operations including beginning
17.14 and transitioning livestock operations;
17.15 developing new markets for Minnesota
17.16 farmers by providing more fruits, vegetables,
17.17 meat, grain, and dairy for Minnesota school
17.18 children; assisting value-added agricultural
17.19 businesses to begin or expand, access new
17.20 markets, or diversify products; developing
17.21 urban agriculture; facilitating the start-up,
17.22 modernization, or expansion of other
17.23 beginning and transitioning farms including
17.24 loans under Minnesota Statutes, section
17.25 41B.056; sustainable agriculture on farm
17.26 research and demonstration; development or
17.27 expansion of food hubs and other alternative
17.28 community-based food distribution systems;
17.29 and research on bioenergy, biobased content,
17.30 or biobased formulated products and other
17.31 renewable energy development. The
17.32 commissioner may use up to 4.5 percent
17.33 of this appropriation for costs incurred to
17.34 administer the program. Any unencumbered
17.35 balance does not cancel at the end of the first
17.36 year and is available for the second year.

18.1 Notwithstanding Minnesota Statutes, section
18.2 16A.28, the appropriations encumbered
18.3 under contract on or before June 30, 2017, for
18.4 agricultural growth, research, and innovation
18.5 grants are available until June 30, ~~2019~~ 2021.

18.6 The commissioner may use funds
18.7 appropriated for the agricultural growth,
18.8 research, and innovation program as provided
18.9 in this paragraph. The commissioner may
18.10 award grants to owners of Minnesota
18.11 facilities producing bioenergy, biobased
18.12 content, or a biobased formulated product;
18.13 to organizations that provide for on-station,
18.14 on-farm field scale research and outreach to
18.15 develop and test the agronomic and economic
18.16 requirements of diverse strands of prairie
18.17 plants and other perennials for bioenergy
18.18 systems; or to certain nongovernmental
18.19 entities. For the purposes of this paragraph,
18.20 "bioenergy" includes transportation fuels
18.21 derived from cellulosic material, as well as
18.22 the generation of energy for commercial heat,
18.23 industrial process heat, or electrical power
18.24 from cellulosic materials via gasification or
18.25 other processes. Grants are limited to 50
18.26 percent of the cost of research, technical
18.27 assistance, or equipment related to bioenergy,
18.28 biobased content, or biobased formulated
18.29 product production or \$500,000, whichever
18.30 is less. Grants to nongovernmental entities
18.31 for the development of business plans and
18.32 structures related to community ownership
18.33 of eligible bioenergy facilities together may
18.34 not exceed \$150,000. The commissioner
18.35 shall make a good-faith effort to select
18.36 projects that have merit and, when taken

19.1 together, represent a variety of bioenergy
19.2 technologies, biomass feedstocks, and
19.3 geographic regions of the state. Projects
19.4 must have a qualified engineer provide
19.5 certification on the technology and fuel
19.6 source. Grantees must provide reports at the
19.7 request of the commissioner.

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

19.15 Of the amount appropriated for the
19.16 agricultural growth, research, and innovation
19.17 program in this subdivision, \$500,000 in
19.18 fiscal year 2016 and \$1,500,000 in fiscal
19.19 year 2017 are for incentive payments
19.20 under Minnesota Statutes, sections 41A.16,
19.21 41A.17, and 41A.18. If the appropriation
19.22 exceeds the total amount for which all
19.23 producers are eligible in a fiscal year, the
19.24 balance of the appropriation is available
19.25 to the commissioner for the agricultural
19.26 growth, research, and innovation program.
19.27 Notwithstanding Minnesota Statutes,
19.28 section 16A.28, the first year appropriation
19.29 is available until June 30, 2017, and the
19.30 second year appropriation is available until
19.31 June 30, 2018. The commissioner may use
19.32 up to 4.5 percent of the appropriation for
19.33 administration of the incentive payment
19.34 programs.

20.1 Of the amount appropriated for the
20.2 agricultural growth, research, and innovation
20.3 program in this subdivision, \$250,000
20.4 the first year is for grants to communities
20.5 to develop or expand food hubs and
20.6 other alternative community-based food
20.7 distribution systems. Of this amount,
20.8 \$50,000 is for the commissioner to consult
20.9 with existing food hubs, alternative
20.10 community-based food distribution systems,
20.11 and University of Minnesota Extension
20.12 to identify best practices for use by other
20.13 Minnesota communities. No later than
20.14 December 15, 2015, the commissioner must
20.15 report to the legislative committees with
20.16 jurisdiction over agriculture and health
20.17 regarding the status of emerging alternative
20.18 community-based food distribution systems
20.19 in the state along with recommendations
20.20 to eliminate any barriers to success. Any
20.21 unencumbered balance does not cancel at the
20.22 end of the first year and is available for the
20.23 second year. This is a onetime appropriation.

20.24 \$250,000 the first year and \$250,000 the
20.25 second year are for grants that enable
20.26 retail petroleum dispensers to dispense
20.27 biofuels to the public in accordance with the
20.28 biofuel replacement goals established under
20.29 Minnesota Statutes, section 239.7911. A
20.30 retail petroleum dispenser selling petroleum
20.31 for use in spark ignition engines for vehicle
20.32 model years after 2000 is eligible for grant
20.33 money under this paragraph if the retail
20.34 petroleum dispenser has no more than 15
20.35 retail petroleum dispensing sites and each
20.36 site is located in Minnesota. The grant

21.1 money received under this paragraph must
21.2 be used for the installation of appropriate
21.3 technology that uses fuel dispensing
21.4 equipment appropriate for at least one fuel
21.5 dispensing site to dispense gasoline that is
21.6 blended with 15 percent of agriculturally
21.7 derived, denatured ethanol, by volume, and
21.8 appropriate technical assistance related to
21.9 the installation. A grant award must not
21.10 exceed 85 percent of the cost of the technical
21.11 assistance and appropriate technology,
21.12 including remetering of and retrofits for
21.13 retail petroleum dispensers and replacement
21.14 of petroleum dispenser projects. The
21.15 commissioner may use up to \$35,000 of this
21.16 appropriation for administrative expenses.
21.17 The commissioner shall cooperate with
21.18 biofuel stakeholders in the implementation
21.19 of the grant program. The commissioner
21.20 must report to the legislative committees
21.21 with jurisdiction over agriculture policy and
21.22 finance by February 1 each year, detailing
21.23 the number of grants awarded under this
21.24 paragraph and the projected effect of the grant
21.25 program on meeting the biofuel replacement
21.26 goals under Minnesota Statutes, section
21.27 239.7911. These are onetime appropriations.
21.28 \$25,000 the first year and \$25,000 the second
21.29 year are for grants to the Southern Minnesota
21.30 Initiative Foundation to promote local foods
21.31 through an annual event that raises public
21.32 awareness of local foods and connects local
21.33 food producers and processors with potential
21.34 buyers.

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

22.1 Sec. 22. Laws 2015, First Special Session chapter 4, article 1, section 5, is amended to
22.2 read:

22.3 Sec. 5. **AVIAN INFLUENZA RESPONSE ACTIVITIES; EMERGENCY**
22.4 **PREPAREDNESS; APPROPRIATIONS AND TRANSFERS.**

22.5 (a) ~~\$3,619,000~~ \$519,000 is appropriated from the general fund in fiscal year 2016 to
22.6 the commissioner of agriculture for avian influenza emergency response activities. The
22.7 commissioner may use money appropriated under this paragraph to purchase necessary
22.8 euthanasia and composting equipment and to reimburse costs incurred by local units of
22.9 government directly related to avian influenza emergency response activities that are not
22.10 eligible for federal reimbursement. This appropriation is available the day following final
22.11 enactment until June 30, 2017.

22.12 (b) \$1,853,000 is appropriated from the general fund in fiscal year 2016 to the
22.13 Board of Animal Health for ~~avian influenza emergency response activities. The Board~~
22.14 ~~may use money appropriated under this paragraph to purchase necessary euthanasia and~~
22.15 ~~composting equipment. This appropriation is available the day following final enactment~~
22.16 ~~until June 30, 2017.~~ any animal disease emergency response or planning activity,
22.17 including but not limited to:

22.18 (1) the retention of staff trained in disease response;

22.19 (2) costs associated with the relocation and expansion of the Minnesota Poultry
22.20 Testing Laboratory;

22.21 (3) the identification of risk factors for disease transmission; and

22.22 (4) the implementation of strategies to prevent or reduce the risk of disease
22.23 introduction and transmission.

22.24 This appropriation is available the day following final enactment until June 30, 2019.

22.25 (c) \$103,000 is appropriated from the general fund in fiscal year 2016 to the
22.26 commissioner of health for avian influenza emergency response activities. This
22.27 appropriation is available the day following final enactment until June 30, 2017.

22.28 (d) \$350,000 is appropriated from the general fund in fiscal year 2016 to the
22.29 commissioner of natural resources for sampling wild animals to detect and monitor the
22.30 avian influenza virus. This appropriation may also be used to conduct serology sampling,
22.31 in consultation with the Board of Animal Health and the University of Minnesota Pomeroy
22.32 Chair in Avian Health, from birds within a control zone and outside of a control zone.
22.33 This appropriation is available the day following final enactment until June 30, 2017.

22.34 (e) \$544,000 is appropriated from the general fund in fiscal year 2016 to the
22.35 commissioner of public safety to operate the State Emergency Operation Center in
22.36 coordination with the statewide avian influenza response activities. Appropriations

23.1 under this paragraph may also be used to support a staff person at the state's agricultural
23.2 incident command post in Willmar. This appropriation is available the day following final
23.3 enactment until June 30, 2017.

23.4 (f) The commissioner of management and budget may transfer unexpended balances
23.5 from the appropriations in this section to any state agency for operating expenses related
23.6 to avian influenza emergency response activities. The commissioner of management and
23.7 budget must report each transfer to the chairs and ranking minority members of the senate
23.8 Committee on Finance and the house of representatives Committee on Ways and Means.

23.9 (g) In addition to the transfers required under Laws 2015, chapter 65, article 1,
23.10 section 17, no later than September 30, 2015, the commissioner of management and
23.11 budget must transfer \$4,400,000 from the fiscal year 2015 closing balance in the general
23.12 fund to the disaster assistance contingency account in Minnesota Statutes, section 12.221,
23.13 subdivision 6. This amount is available for ~~avian influenza emergency response~~ eligible
23.14 activities as provided in Laws 2015, chapter 65, article 1, section 18, as amended.

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

23.16 Sec. 23. **TRANSFER REQUIRED.**

23.17 Of the amount appropriated from the general fund to the commissioner of agriculture
23.18 for transfer to the rural finance authority revolving loan account in Laws 2015 First
23.19 Special Session chapter 4, article 2, section 6, the commissioner of management and
23.20 budget must transfer \$6,713,000 back to the general fund."

23.21 Renumber the sections in sequence and correct the internal references

23.22 Amend the title accordingly