

HOUSE RESEARCH

Bill Summary

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Overview

Article 1 of this bill provides the appropriations for a variety of environment and natural resources agencies and programs. It provides for a total of \$679,514,000 for these purposes over the 2004-2005 biennium. Of this amount, \$273,715,000 is from the general fund. Article 2 makes changes to the funding for Pollution Control Agency operations and activities. Article 3 provides funding for programs of the department of agriculture and the board of animal health. It also contains appropriations for the ethanol producer payment program and aid for county fairs.

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Article 1: General

- 1 1 **Environment and natural resources; appropriations.** Summarizes appropriations in this bill.
- 2 **Pollution control agency.**

Subd. 1. Total appropriation. \$52,463,000 each year.

Subd. 2. Water. \$18,976,000 each year.

- ▶ \$2,348,000 each year for clean water partnership program
- ▶ \$2,324,000 each year for county administration of the feedlot permit program

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- ▶ \$335,000 each year for community technical assistance and education
- ▶ \$205,000 each year for individual sewage treatment system (ISTS) administration
- ▶ \$200,000 each year for ISTS grants
- ▶ Requires the commissioner of pollution control to report on the status of discussions with stakeholders on strategies to implement the impaired waters program and funding options, by February 1, 2004

Subd. 3. Air. \$8,645,000 in the first year, and \$8,640,000 in the second year.

- ▶ \$200,000 each year for air monitoring

Subd. 4. Land. \$18,454,000 each year.

- ▶ \$574,000 each year from the Petrofund for the leaking underground storage tank program
- ▶ \$200,000 each year transferred to the Department of Health for well monitoring in areas contaminated by unpermitted waste disposal facilities
- ▶ \$685,000 each year from the environmental fund to reimburse the general fund for past sales of bonds to support the closed landfill cleanup program

Subd. 5. Multimedia. \$4,301,000 in the first year and \$4,306,000 in the second year.

Subd. 6. Administrative support. \$2,087,000 each year.

3 Office of environmental assistance. \$24,754,000 each year.

- ▶ \$12,500,000 each year is for SCORE block grants to counties
- ▶ \$5,000,000 each year is for solid waste processing payments
- ▶ Directs the OEA to develop recommendations on an incentive-based distribution for SCORE funding

4 Zoological board. \$6,681,000 each year.

5 Natural resources.

Subd. 1. Total appropriation. \$224,239,000 in the first year, and \$222,133,000 in the second year.

Subd. 2. Land and mineral resources management. \$7,509,000 each year.

Subd. 3. Water resources management. \$12,574,000 in the first year, and \$10,841,000 in the second year.

- ▶ \$300,000 each year is for groundwater sustainability analyses
- ▶ \$625,000 in the first year is for a one-time appropriation from the general fund for grants to local units of government in the area included in the federal flood disaster area designated in DR-1419 (Roseau county, etc.) for the state share of flood hazard mitigation grants for flood damage reduction studies
- ▶ \$1,000,000 is a one-time appropriation from the general fund to buy out

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property substantially damaged by flooding in the area included in DR-1419

Subd. 4. Forest management. \$33,066,000 each year.

- ▶ \$7,650,000 each year is for prevention, presuppression and suppression costs of emergency firefighting

Subd. 5. Parks and recreation. \$34,883,000 in the first year and \$36,508,000 in the second year.

- ▶ \$3,462,000 from the natural resources fund each year and \$8,971,000 from the state parks account each year are for state park and recreation operations
- ▶ \$1,435,000 in the first year and \$3,060,000 in the second is for payment of a grant to the met council for metropolitan area regional park operations and maintenance
- ▶ \$4,152,000 each year is for a grant to the met council for metro area regional parks and trails maintenance and operations
- ▶ \$25,000 each year are for a grant to Taylors Falls for fire and rescue operations in support of Interstate state park

Subd. 6. Trails and waterways management. \$23,210,000 in the first year and \$20,723,000 in the second year.

- ▶ \$5,724,000 each year is for snowmobile grants in aid
- ▶ \$700,000 in the first year is to be split equally for the development of public access sites and for the development of fishing piers
- ▶ \$1,000,000 in the first year is for the Iron Range off-highway vehicle recreation area
- ▶ \$300,000 in the first year is for the acquisition of easements to connect the Willard Munger state trail to the North Shore state trail
- ▶ \$700,000 the first year to assist in developing the Mississippi whitewater park in Minneapolis

Subd. 7. Fish management. \$28,979,000 in the first year, and \$29,010,000 in the second year.

Subd. 8. Wildlife management. \$24,189,000 in the first year, and \$24,504,000 in the second year.

- ▶ \$2,560,000 each year is for the improvement, enhancement, or protection of fish and wildlife resources, except that if chronic wasting disease is found in the state's wild deer herd, these appropriations may be used for wildlife health management costs related to fighting the spread of chronic wasting disease
- ▶ \$324,000 each year is for mourning dove habitat improvement

Subd. 9. Ecological services. \$8,677,000 in the first year, and \$8,745,000 in the second year.

Subd. 10. Enforcement. \$26,918,000 in the first year, and \$26,986,000 in the second year.

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Subd. 11. Operations support. \$24,234,000 in the first year, and \$24,241,000 in the second year.

- 6 Board of soil and water resources.** \$18,062,000 in the first year and \$15,361,000 in the second year.
- ▶ \$4,102,000 each year is for natural resources block grants to local governments
 - ▶ \$2,700,000 the first year is for wetland mitigation for government roads
 - ▶ \$3,566,000 each year is for grants to soil and water conservation districts for general purposes
 - ▶ \$3,320,000 each year is for grants to soil and water conservation districts for cost-sharing contracts for erosion control and water quality management
- 7 Science museum.** \$618,000 in the first year.
- 8 Minnesota resources.** \$17,625,000 in the first year, and \$15,050,000 in the second year.
- ▶ \$406,000 each year is for Legislative Commission on Minnesota Resources administration
 - ▶ \$6,466,000 in the first year and \$6,467,000 in the second year is for fish and wildlife habitat projects
 - ▶ \$7,926,000 in the first year and \$5,925,000 in the second year is for recreation projects
 - ▶ \$998,000 in the first year and \$942,000 in the second year is for water resources projects
 - ▶ \$691,000 each year is for land use and resource information projects
 - ▶ \$644,000 in the first year and \$125,000 in the second year is for energy projects
 - ▶ \$189,000 each year is for environmental education projects
 - ▶ \$282,000 in the first year and \$283,000 in the second year are for projects relating to children's environmental health
- 9 Transfer.** Requires the commissioner of pollution control to transfer \$5,000,000 each year from the environmental fund to the commissioner of finance for cancellation to the general fund.
- 10 License and inspection fees.** Specifies fees for aquatic farming and inspections, as well as for aquarium facilities.
- 11 Game and fish rules.** Allows the commissioner of natural resources to adopt rules relating to the prevention and control of wildlife disease.
- 12 Law enforcement.** Specifies in section 12 and sections 27 to 30 that the commissioner of natural resources has the authority to employ and designate individuals under the provisions of section 34 to enforce laws governing the use of recreational areas, game preserves, and department-managed projects and areas.
- 13 Grants.** Authorizes the commissioner of natural resources to make grants to private individuals and private organizations.
- 14 Harvesting wild rice.** Raises the age under which a person can harvest wild rice without a license, from 16 to 18.

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- 15 **Harvesting wild rice; license fees.** Specifies license fees for harvesting wild rice.
- 16 **Wild rice management account.** Moves the wild rice management account into the game and fish fund.
- 17 **Off highway vehicle safety and conservation grant program.** Establishes an off-highway vehicle safety and conservation grant program for the purpose of encouraging off-highway vehicle clubs to assist in safety and environmental education, and in improving, maintaining, and monitoring trails on public lands.
- 18 **Registration for off-highway motorcycles.** Repeals exemption from registration for certain uses of off-highway motorcycles.
- 19 **Off-highway motorcycles; conforming amendment.**
- 20 **Off-highway motorcycle account.** Authorizes use of funds in the off-highway motorcycle account for enforcement and public education grants to local law enforcement agencies.
- 21 **Off-highway vehicle account.** Authorizes use of funds in the off-highway vehicle account for enforcement and public education grants to local law enforcement agencies.
- 22 **Motorized forest roads and trails.** Specifies the process by which a forest road and trail open to use by off-highway vehicles on the effective date of this act may be closed to such use.
- 23 **Definition of all terrain vehicle.** Amends the definition of all terrain vehicle to increase the total dry weight from less than 800 pounds to less than 900.
- 24 **All-terrain vehicle account.** Authorizes use of funds in the all-terrain vehicle account for enforcement and public education grants to local law enforcement agencies.
- 25 **Motorized trail grants.** Allows the DNR commissioner to withhold any grant payments, if a recipient has violated the grant terms or state or federal law.
- 26 **Minnesota conservation corps.** Section 26, 155 and 156 transfers the Minnesota conservation corps to a nonprofit organization named the friends of the Minnesota conservation corps.
- 27 **See section 12 .**
- 28 **See section 12.**
- 29 **See section 12.**
- 30 **See section 12.**
- 31 **Citizens council on Voyageurs national park.** Authorizes the reinstatement of the citizens council at Voyageurs national park, without funding. Specifies that the council expires June 30, 2007.
- 32 **Technical.**
- 33 **Nonmotorized trail use.** Allows physically disabled persons who may use a motorized wheelchair to use it on a state trail.
- 34 **Enforcement employees.** Authorizes the commissioner of natural resources to designate employees to monitor laws governing the use of state parks, monuments, recreation areas, waysides and state forests, and specifies the limited authority of designated employees to enforce those laws.
- 35 **Fee for special parking spur, tent camping and special auto trailer coach parking; senior discount.** Eliminates the senior discount for certain state park parking and camping uses.
- 36 **State park permits; motorcycle permit.** Authorizes a separate motorcycle state park permit. Requires state park permits to be available and on sale by January 1 of the calendar year the permit is to be available, instead of October 1 of the preceding year as under current law.

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- 37 State park permit fees.** Increases state park permit fees.
- 38 Minnesota zoo entrance fee; elementary school children.** Authorizes the zoo to charge reduced entrance fee to elementary school children when they are part of an organized school activity. Current law requires the zoo to charge no fee.
- 39 Burning permits.** Specifies that only a forest officer, fire warden or other person designated by the commissioner of the DNR may issue a burning permit. Authorizes electronic permits.
- 40 Electronic burning permit fee.** Specifies the amount of an electronic burning permit.
- 41 Mourning doves.** Sections 41 to 43 and 74 classify mourning doves as game birds, and directs the commissioner of the DNR to encourage the purchase of mourning dove stamps by persons interested in dove management and habitat improvement.
- 42 See section 41.**
- 43 See section 41.**
- 44 Power to prevent or control wildlife disease.** Authorizes the commissioner of the DNR to take certain specified actions to prevent or control a wildlife disease in a species of wild animal.
- 45 Revenue from small game license surcharge and lifetime license.** Increases the portion of the lifetime license that must be credited to the wildlife acquisition account annually, from \$4 to \$6.50.
- 46 Wild cervidae health management.** Changes references in the statute directing use of a portion of certain hunting license fees, from use of these funds for addressing "chronic wasting disease" to use for addressing "wild cervidae health management." Increases the rolling cap on such funds from \$1,500,000 to \$2,500,000.
- 47 Migratory waterfowl stamp.** Authorizes use of proceeds from the sale of migratory waterfowl stamps for the promotion of waterfowl habitat development and maintenance.
- 48 Pheasant stamp.** Authorizes use of proceeds from the sale of pheasant stamps for the acquisition of lands suitable for pheasant habitat management and public hunting.
- 49 Mourning dove stamps.** Specifies uses of proceeds from the sale of mourning dove stamps.
- 50 Game and fur farms.** Removes the ability for a person to breed and propagate moose, elk, caribou and deer on private land (a game farm) by merely obtaining a license from the DNR.
- 51 Taking, possessing and transporting wild animals.** Allows the commissioner of the DNR to issue special permits for wildlife health management.
- 52 Mourning dove; conforming amendment.**
- 53 Technical.**
- 54 Taking wild animals for wildlife health management.** Allows the commissioner of the DNR to issue a no-cost license to take wild animals for purposes of wildlife health management.
- 55 Resident hunting license fee increases.**
- 56 Nonresident hunting license fee increases.**
- 57 Small game surcharge increase.**
- 58 Hunting stamp increase.**
- 59 Trout and salmon stamp increase.**
- 60 Fishing guide fee increase.**
- 61 Minnow dealer fee increase.**
- 62 Minnow retailer fee increase.**
- 63 Nonresident minnow hauling fee increase.**
- 64 Private fish hatchery fee increase.**
- 65 Commercial netting of fish fee increase.**

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- 66** **Fish buyer fee increase.**
- 67** **Fish packer fee increase.**
- 68** **Fish vendor fee increase.**
- 69** **Frog dealer fee increase.**
- 70** **Camp Ripley deer hunt application fee increase.**
- 71** **Importation of hunter-harvested cervidae.** Limits the portions of a hunter-harvested cervidae carcass that can be imported into Minnesota from another state.
- 72** **Possession of live cervidae.** Makes it illegal for a person to possess a live cervidae except as authorized by laws and rules of the board of animal health, after January 1, 2004.
- 73** **Special hunting seasons.** Authorizes the commissioner of the DNR to establish special hunting seasons at any time of year.
- 74** **Mourning doves.** Requires the commissioner of the DNR to establish an open season for mourning doves and requires stamp purchase.
- 75** **Comprehensive local water management plans.** Sections 75 to 103 amend the planning process for water management, and how state entities interact with the local planning process.
- 76** **See section 75.**
- 77** **See section 75.**
- 78** **See section 75.**
- 79** **See section 75.**
- 80** **See section 75.**
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- 99** **See section 75.**
- 100** **See section 75.**
- 101** **See section 75.**
- 102** **See section 75.**
- 103** **See section 75.**
- 104** **Board of soil and water resources; public transportation authorities.** Sections 104 to 109 amend the process by which public transportation authorities are notified of board wetland mitigation decisions, and the process by which those authorities may appeal such decisions.

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- 105** See section 104.
- 106** See section 104.
- 107** See section 104.
- 108** See section 104.
- 109** See section 104.
- 110** **Wetland replacement.** Allows for public transportation projects and certain state areas that are 80+ percent wetlands to, in the metro area, replace at least one acre there and may replace another acre in one of the major watersheds draining into the metro area, at the 2 to 1 ratio.
- 111** **Wetland bank accounts and transactions.** Requires fees to be paid to BWSR for managing wetland bank accounts and transactions and establishes the fees.
- 112** **Conforming amendment.**
- 113** **Water use permit processing fee increase.** Increases the processing fee for a water use permit with additional dollars to fund DNR groundwater analysis in section 112.
- 114** **Payment of fees for past unpermitted water appropriations.** Specifies that the fees for unpermitted appropriations are required for the previous 7 calendar years after being notified of the need for a permit.
- 115** **Groundwater analysis.** Directs the commissioner of the DNR to analyze groundwater flows and aquifer recharge in the state.
- 116** **Aeration system permit fee.**
- 117** **Aquatic plant harvest permit fee increase.**
- 118** **Disclosure; special well construction area in Washington county.** Requires a seller of real property in Washington county to disclose to a potential buyer whether the real property is located within a special well construction area designated as such by the commissioner of health. Applies to transactions entered into on or after January 1, 2004.
- 119** **Storm water regulation and permits.** Sections 119, 120 and 153 relate to the regulation of point source storm water discharge to conform with the federal Clean Water Act.
- 120** See section 119.
- 121** **Termination of obligations for processing grants.** Sections 121 and 160 relate to the termination of obligations of counties under grants made by the Office of Environmental Assistance for the development of processing facilities.
- 122** **Processing payments.** Amends the eligibility of counties for processing credits, and broadens the potential uses for funds received under this section.
- 123** **Motor vehicle transfer fee.** Clarifies that all of the proceeds of the motor vehicle transfer fee is to be deposited into the environmental fund.
- 124** **Petrofund amendments.** Sections 124 to 127, and 129 to 131 make several amendments to the state's petroleum tank release cleanup program, otherwise known as the Petrofund program, to:
- ▶ provide for relief after a natural disaster;
 - ▶ authorize removal of abandoned underground tanks; and
 - ▶ allow the Petrofund board to deny registration to a consultant or contractor in certain specified circumstances.
- 125** See section 124.
- 126** See section 124.
- 127** See section 124.

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- 128** **Stage one vapor recovery systems.** Sections 128 and 132 to 139:
- ▶ requires the installation and use of equipment to recover hydrocarbons emitted during the transfer of gasoline from a delivery vehicle to an underground storage tank in the metropolitan area;
 - ▶ provides for reimbursement of up to 90 percent of reasonable costs incurred to retrofit retail gasoline distribution locations in the metropolitan area, and transport vehicles to comply with these requirements; and
 - ▶ establishes penalties for failure to install, maintain or use this equipment.
- 129** See section 124.
- 130** See section 124.
- 131** See section 124.
- 132** See section 128.
- 133** See section 128.
- 134** See section 128.
- 135** See section 128.
- 136** See section 128.
- 137** See section 128.
- 138** See section 128.
- 139** See section 128.
- 140** **Alternative urban areawide review procedure.** Specifies that the alternative urban areawide review procedure must not be used in lieu of an environmental impact statement or an environmental assessment worksheet where groundwater is at issue. Makes this section retroactive to January 1, 2003.
- 141** **Minnesota future resources fund renamed.** Sections 141 to 148 provide for LCMR oversight of the state land and water conservation account in the natural resources fund, and makes other technical changes relating to that change and to administration provisions of the legislative commission on Minnesota resources.
- 142** See section 141.
- 143** See section 141.
- 144** See section 141.
- 145** See section 141.
- 146** See section 141.
- 147** See section 141.
- 148** See section 141.
- 149** **Lottery in lieu.** Reduces the percentage of the in-lieu tax imposed on the sale of lottery tickets directed to conservation and natural resource purposes, from 87.1 percent to 72.43 percent.
- 150** **Cigarette tax.** Captures the portion of the cigarette tax that currently is directed to the future resources fund, and directs those tax revenues into the general fund.
- 151** **Snowmobile trail grooming.** Adds another year to September 1, 2003, for grooming grants to occur under the snowmobile trails and enforcement account.
- 152** **Water quality assessment process; rulemaking.** Requires the pollution control agency to adopt rules by 2006 relating to water quality assessment for the waters of the state, which shall apply to the determination of impaired waters as required under the federal Clean Water

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- 153** See section 119.
- 154** **Utility licenses fee increases.** Establishes fee increases for a license to construct a utility that crosses over or under public lands or waters.
- 155** See section 26.
- 156** See section 26.
- 157** **State forest motorized trail system planning process; implementation.** Requires the commissioner of the DNR to complete implementation of the existing system planning process for motorized trails in state forests by March 1, 2006, provides for different environmental review, and to build a 70 mile long trail on state land by April 1, 2007.
- 158** **Phosphorus study.** Requires the commissioner of pollution control to study lowering phosphorus in the wastewater stream, and to review the existing rules on nutrients in cleaning agents established under sections 116.23 and 116.24, and to report the results to the legislature by February 1, 2004.
- 159** **ISTS study.** Requires the commissioner of pollution control to develop and submit a five-year plan to the legislature to work with counties locate and address individual sewage treatment systems that are imminent threats to public health and safety.
- 160** See section 121.
- 161** **North Ottawa flood review.** Specifies that before any additional state funds are allocated and expended for the North Ottawa water impoundment project, a local task force in Grant county must assess the costs and benefits to affected landowners and report to the legislature.
- 162** **Mourning dove report.** Requires the commissioner of the DNR to report to the legislature by August 1, 2004 on the results of the mourning dove season.
- 163** **Report.** Requires clarification of conservation officer authority by the commissioner of natural resources by February 1, 2004.
- 164** **Technical instruction to the revisor.**
- 165** **Repealer.** Repeals several sections of state law and rule, relating to:
- ▶ the Minnesota-Wisconsin boundary compact;
 - ▶ the use of snares, traps, set guns or swivel guns;
 - ▶ the Minnesota conservation corps;
 - ▶ taconite mining grants;
 - ▶ youth deer hunting licenses;
 - ▶ water planning and management; and
 - ▶ wild cervidae game farms.
- 166** **Effective date.** Makes article one effective July 1, 2003, unless otherwise specified.

Article 2: Pollution Control Agency Funding

This article provides for the consolidation of a number of accounts and funds that are currently used for funding the pollution control agency, into 2 funds, the environmental fund and the remediation fund. Fees, taxes, and special revenues currently used for funding ongoing:

- ▶ environmental protection activities of the agency would be pooled into the

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environmental fund and appropriated by the legislature for those purposes;
and

- ▶ emergency response and environmental clean-up activities of the agency would be pooled into the remediation fund, and appropriated by the legislature for those purposes.

This article also authorizes increases in the PCA's water quality and hazardous waste fees, and repeals laws relating to:

- ▶ the state Superfund account (now in the remediation fund);
- ▶ statutory instructions relating to the solid waste management tax;
- ▶ education and reimbursement programs under the used motor oil and used motor oil filter collection program; and
- ▶ the metropolitan landfill contingency action fund (now in the remediation fund).

Article 3: Agriculture and Rural Development

1 1 Agriculture and rural development appropriations. Summarizes total appropriations in fiscal year 2004 of \$45,538,000 and in FY 2005 \$44,973,000.

2 Department of agriculture.

Subd. 1. Total appropriation. \$42,735,000 and \$42,170,000

Subd. 2. Protection services. \$9,138,000 and \$9,138,000

Subd. 3. Marketing and development. \$5,209,000 and \$5,209,000. Of this total, \$71,000 each year is designated for the Minnesota grown matching account. \$80,000 each year is for sustainable agriculture demonstration projects.

The funding for county fairs is shifted slightly. Fairs did not receive the annual payment scheduled for March, 2003 (in reimbursement for prizes awarded in August, 2002) because of unallotment. Beginning in fiscal year 2004, payments are to be made not later than July 15th for prizes awarded in the previous calendar year.

The commissioner of agriculture is also instructed to find a new private sector or public sector home for the Ag in the Classroom program.

Subd. 4. Ethanol development. \$22,962,000 and \$21,428,000 is for ethanol producer payments. In fiscal years 2004 through 2007 ethanol producer payments for eligible production will be disbursed at the rate of \$0.13 per gallon.

Subd. 5. Administration and financial assistance. \$5,426,000 and \$6,395,000. Of this amount \$1,005,000 each year is for dairy profitability grants. \$50,000 each year is to the northern crops institute. \$500,000 and \$1,535,000 are for operation of AURI, which is being incorporated into the agriculture department and being renamed the Agricultural Innovation Center.

3 Board of animal health. The general fund appropriation is \$2,803,000 each year.

4 Agricultural utilization research institute. The direct general fund appropriation to AURI is zeroed out.

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5 **Definitions.**

Subd. 1. Cervidae. Clarifies the definition of cervidae to include all members of the cervid family and names several species.

Subd. 2. Farmed cervidae. Amends the existing definition of farmed cervidae so that it will include all cervid animals raised for any purpose.

Subd. 3. Owner. This definition remains unchanged.

Subd. 4. Herd. This new definition establishes the common (herd) relationship.

6 **Slaughter of farmed cervidae.** Allows slaughtered cervidae to be inspected under the state meat inspection program in addition to the federal inspection program.

7 **Fencing.** Increases the standards for fencing of cervidae herds and requires that fences built to lower standards in years past must be brought up to new standards by January 1, 2004.

8 **Disease control programs.** The headnote on this section is changed to more accurately reflect the purpose of board of animal health rules for management of farmed cervidae.

9 **Farmed cervidae identification.** A change in current law requires that after January 1, 2004, the identification tag of each farmed cervidae animal must be visible from a distance of 50 yards and the identification must be applied to all animals by December 31 of the year of birth or before the animal is moved from the birth premises.

10 **Inspection.** The division of authority for inspection of farmed cervidae is more clearly delineated between the commissioner of agriculture, the board of animal health, and the commissioner of natural resources. Specific authority to inspect "farmed cervidae facilities" is added. A new inspection fee is imposed - \$10 per animal with a maximum of \$100 per herd.

11 **Cervidae inspection account .** Creates the cervidae inspection account in the state treasury. Fees go in and the board of animal health uses the account for enforcement.

12 **Mandatory registration.** New language requires that as of January 1, 2004, no person may possess live cervidae in Minnesota unless the person is registered with the board of animal health. Illegally possessed cervidae can be seized and destroyed by the commissioner of natural resources.

13 **Mandatory surveillance for chronic wasting disease.** New language that will become effective January 1, 2004, requires that each farmed cervidae herd must be inventoried by a veterinarian every 12 months; movement of farmed cervidae from one location to another must be reported to the board of animal health within 14 days after the move; and all farmed cervidae over 16 months old must be tested for CWD upon slaughter or if they die.

14 **Nursery stock fee schedule.** Increases various fees for nursery stock growers, dealers, etc. beginning January 1, 2004.

15 **Exempt nursery sales.** In addition to sales currently exempt from the requirement to obtain a nursery stock dealer certificate, "hobbyist sales" are exempted so long as gross annual sales do not exceed \$2,000 annually.

16 **Nursery and phytosanitary account.** Establishes the nursery and phytosanitary account in the agriculture fund. The fund is to collect fees that will be used by the commissioner for administration and enforcement of the nursery program.

17 **Export certification, inspections, certificates, permits, and fees.** Articulates the need for continued access to domestic and foreign markets that can be accomplished through phytosanitary inspection and certification services. Makes the nursery and phytosanitary

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account the repository of all fees and for payment of costs. Authorizes the commissioner to enter into cooperative agreements with state and federal agencies to administer the export certification program. Specifies how the commissioner is to conduct inspections and issue export certificates. Imposes fees for the inspection and certification services. Lists circumstances in which an export certification can be denied.

- 18 **Crediting of penalties, fees, and costs.** Fees, reimbursements, penalties, and other money collected must be deposited to the appropriate account.
- 19 **Control or eradication of noxious weeds.** Removes the commissioner of agriculture from noxious weed inspection and eradication programs. Makes the commissioner of natural resources responsible for control of purple loosestrife.
- 20 **Authorized agents.** Turns weed control over to county agricultural inspectors, at the option of the county.
- 21 **Entry upon land.** Removes officers of the department of agriculture from authority to enter private land to look for weeds.
- 22 **Order for control or eradication of noxious weeds.** Eliminates the commissioner as one who can order the control of noxious weeds.
- 23 **Initial training for control or eradication of noxious weeds.** Reduces the commissioner's responsibility for noxious weed education to be initial training only.
- 24 **Injunction.** Deletes the commissioner and adds the county agricultural inspector as authorized to apply to a court for enforcement of weed laws.
- 25 **Prosecution.** Deletes the commissioner and adds the county agricultural inspector as authorized to apply to a court for enforcement of weed laws.
- 26 **Local weed inspectors.** Removes duties of local weed inspectors concerning attending meetings with the commissioner.
- 27 **Nonperformance by inspectors; reimbursement for expenses.** Deletes the commissioner and adds the county agricultural inspector to ensure that inspectors perform duties as noxious weed inspectors.
- 28 **Court appeal of costs; petition.** Deletes the commissioner and adds the county agricultural inspector when dealing with county costs for weed inspection.
- 29 **Unlawful acts.** Deletes the commissioner as one whose duties cannot be hindered or obstructed.
- 30 **Pesticides in groundwater.** Allows the commissioner of agriculture to monitor private wells, with owner's permission, for the presence of pesticides and industrial chemicals.
- 31 **Pesticide registration application fee.** Removes an annual transfer of \$600,000 of fees collected for registration of pesticides to the waste pesticide account. New language requires the commissioner to spend \$300,000 per fiscal year from the pesticide regulatory account for purposes of the waste pesticide collection program.
- 32 **Pesticide application information.** Allows licensed physicians or veterinarians in Minnesota to request from the commissioner of agriculture available information on pesticide application when a patient is under their care. The commissioner may release the information, but not the name of the applicator.
- 33 **Permits; issuance and revocation.** Adds wildflowers to Minnesota seed law to remove confusion about whether they are covered or not. Requires registration of seed labelers who sell 50,000 pounds or less of seed annually.
- 34 **Charges under Minnesota seed law - sampling of export seed.** Allows the commissioner to sample and examine seed to be exported. A fee may be charged for the service. Otherwise, adds specific permit fees for seed labelers of various sizes. Requires reports from seed fee

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permit holders.

- 35 Fees.** Amends procedures for recording hybrid seed field corn varieties. Appropriates and transfers 60 percent of the revenue from hybrid seed field corn to the Minnesota agricultural experiment station.
- 36 Brand name registration.** Removes a specific fee for registering a brand name on nonhybrid seed.
- 37 Fees for food handlers.** Fees are increased for various classes of food handlers, brokers, and processors, based on annual gross sales.
- 38 Violations; prohibited acts.** Increases fees for reinspections of food handlers.
- 39 Annual fee; exceptions.** Increases fees for vending machine operators.
- 40 Grade A inspection fees.** Increases fees for reinspections on dairy farms and eliminates a goal of maintaining the user fee for inspections at no more than 40 percent of the department's actual average cost for inspections.
- 41 Manufacturing grade farm certification.** Increases reinspection fees on manufacturing grade farms and eliminates a cap at 40 percent of the actual inspection costs.
- 42 Processor assessment.** Clarifies the authority of the commissioner to set processor assessments within the range of five cents and nine cents per hundredweight of milk. Establishes the rate on July 1, 2003, at seven cents and limits changes thereafter to no more than one cent per year.
- 43 Cervidae import restrictions.** Makes permanent a ban on the import of cervids from a herd infected with or exposed to chronic wasting disease.
- 44 County and district agricultural societies; aid distribution; conditions.** Amends current language making state aid payments to county and district agricultural societies and associations. Provides that the aid will be disbursed by July 15 of the calendar year following the annual fair.
- 45 Appropriation; ethanol producer payments.** Maintains an open and standing appropriation for ethanol development in the state.
- 46 Ethanol development; definitions.** Updates definitions in the ethanol producer payment program.
- 47 Payments; ethanol producers.** Amends the ethanol producer payment schedule by allowing the payment of ethanol producer payments even after the expiration date of the program if inadequate appropriation amounts have resulted in reduced payments in prior quarters. Restores the target payment rate to \$0.20 per gallon. Requires disclosure of the ownership of each producer applicant. Requires at least 40 percent farmer ownership to retain eligibility for payments. Eliminates an expired program that provided direct payment for electricity generated at an ethanol plant by the burning of biomass.
- 48 Limitation on eligibility for payments.** Provides that only an ethanol producer that complies with the business association organization structures prescribed in section 47 is eligible to receive producer payments.
- 49 Business associations producing ethanol; shareholder rights.** In addition to other requirements of law controlling an ethanol producer, the shareholders of the company, and the spouse of the shareholder, are assured specific rights.
- ▶ Records of all meetings of shareholders and the board of directors must be maintained for at least three years.

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- ▶ Roll call votes must be taken on certain business issues, and records must include the roll call vote of each director.
- ▶ Any director can demand a roll call vote on any matter that comes before the board.
- ▶ An elected director has the right personally to inspect any business records of the company at any reasonable time.
- ▶ Notice must be given to shareholders of all scheduled meetings of the board, and meetings must be open to shareholders (except portions of meetings dealing with litigation, personnel matters and the like).
- ▶ A matter may be brought before an annual or special meeting of shareholders by a petition signed by 50 shareholders (or five percent of the shareholders).
- ▶ If the board of directors distributes to shareholders information intended to persuade voting on a matter, the organizers of a petition must be given equal time and opportunity to share their views.
- ▶ The bylaws of an ethanol producer company must specifically allow each board member access to current ethanol marketing contracts and operating contracts.
- ▶ Ethanol marketing contracts and operating contracts must also be made available to the commissioner of agriculture. Data accessed by the commissioner is nonpublic data.
- ▶ A newly organized ethanol producer company must include the provisions of this section in its bylaws. An existing ethanol producer company must amend its bylaws to be in compliance with these provisions within 12 months.

- 50** **Notice of application for livestock feedlot permit.** Amends existing language to require that the notice to neighbors within 5,000 feet must be delivered not less than 10 days before the permit is issued by the pollution control agency or a county feedlot officer.
- 51** **Environmental impact statements; environmental assessment worksheets.** Amends the current statutory process for determining if an EAW or an EIS is needed by stipulating that an EAW cannot be required for an animal feedlot with a capacity of less than 1,000 animal units (or an expansion by less than 1,000 AU) if the application includes a written commitment from the proposer to design, construct, and operate the facility in compliance with Minnesota feedlot rules (7020 rules).
- 52** **Review of decisions to require an EAW or EIS.** Moves legal action regarding an EQB decision about the need for an environmental assessment worksheet or an environmental impact statement from the county district court to the court of appeals.
- 53** **Timely action by a local governmental unit.** Moves the venue for seeking relief for failure of a local "responsible governmental unit" to timely act on a feedlot application from the district court to the court of appeals.
- 54** **Enforcement.** Moves actions for enforcement from a district court to the court of appeals.
- 55** **Establishment; agricultural utilization research institute [Agricultural Innovation Center].** Merges AURI with the department of agriculture and changes the name to Agricultural Innovation Center.
- 56** **Board of directors.** Adjusts membership on the AIC board to include additional members. Appointed members are limited to a maximum of two three-year terms. Legislators serving

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on the board are non-voting members.

- 57** **Duties.** The specific duties and role of the AIC are clarified and broadened in areas of policy development and technical assistance, but restricted somewhat in areas of direct financial involvement. The center is required to report annually to the legislature.
- 58** **Staff.** Authorizes the commissioner of agriculture to provide staff, including a division director, to carry out the duties of the center.
- 59** **Meetings.** Meetings of the center's board of directors are to be governed largely by Minnesota Statutes, chapter 13D (the Minnesota open meeting law).
- 60** **Funds.** Transfers to the center all rights AURI once had to accept gifts, grants, and contributions.
- 61** **Agricultural innovation center account; establishment.** Creates the center's dedicated account in the agricultural fund and appropriates the proceeds to the center's purposes.
- 62** **Definitions.** Defines the agricultural innovation center and clarifies that "commissioner" means the commissioner of agriculture.
- 63** **Transfer.** The functions, assets, and liabilities of AURI are transferred to AIC.
- 64** **Water well tests.** Requires a certified laboratory doing a private well test to also provide information on other tests that may be beneficial.
- 65** **Revisor instruction.** The Revisor's office is instructed to change the name in statute from AURI to AIC.
- 66** **Repealer.** Repeals the value-added agricultural product processing and marketing grant program, beaver damage control grants, replaced language concerning nursery law, noxious weed law provisions, and obsolete provisions of the ethanol development program.
- 67** **Repealer; Minnesota Rules.** Repeals Minnesota Rules, part 1510.0281 (seed law permits and fees).
- 68** **Effective date.** Unless otherwise specified in a section, the act is effective July 1, 2003.