

THIRTY-FOURTH DAY

St. Paul, Minnesota, Thursday, April 16, 2009

The Senate met at 11:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Senator Pogemiller imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Monsignor James D. Habiger.

The roll was called, and the following Senators answered to their names:

Anderson	Doll	Kelash	Olseen	Saxhaug
Bakk	Erickson Ropes	Koch	Olson, G.	Scheid
Berglin	Fischbach	Koering	Olson, M.	Senjem
Betzold	Fobbe	Kubly	Ortman	Sheran
Bonoff	Foley	Langseth	Pappas	Sieben
Carlson	Frederickson	Latz	Pariseau	Skoe
Chaudhary	Gerlach	Limmer	Pogemiller	Skogen
Clark	Gimse	Lourey	Prettner Solon	Sparks
Cohen	Hann	Lynch	Rest	Stumpf
Dahle	Higgins	Marty	Robling	Tomassoni
Day	Ingebrigtsen	Metzen	Rosen	Torres Ray
Dibble	Johnson	Michel	Rummel	Vickerman
Dille	Jungbauer	Moua	Saltzman	Wiger

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 265 and 757.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 14, 2009

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 936 and 1209.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted April 14, 2009

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 936: A bill for an act relating to human services; specifying criteria for communities for a lifetime; requiring the Minnesota Board on Aging to study and report on communities for a lifetime; amending Minnesota Statutes 2008, section 256.975, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 839, now on General Orders.

H.F. No. 1209: A bill for an act relating to motor vehicles; removing expiration date relating to corporate deputy registrars; amending Minnesota Statutes 2008, section 168.33, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 973, now on General Orders.

REPORTS OF COMMITTEES

Senator Pogemiller moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Senator Pappas from the Committee on Higher Education, to which was referred

S.F. No. 1315: A bill for an act relating to taxation; individual income; providing a refundable credit for payment of principal and interest on student loans; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 290.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [290.0678] EDUCATION OPPORTUNITY CREDIT.

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

(b) "Eligible individual" means an individual is a Minnesota resident who graduated from a postsecondary educational institution located in Minnesota or from a public postsecondary educational institution located in a state with which a tuition reciprocity agreement under section 136A.08 was in effect when the individual graduated.

(c) "Qualified education loan" means a Federal Direct Stafford Loan issued under United States Code, title 20, section 1078, whose terms are governed by United States Code, title 20, section 1087e, as amended by Public Law 110-315, section 451.

(d) "Postsecondary educational institution" means a postsecondary institution as defined in section 136A.101, subdivision 4.

(e) "Maximum qualifying amount" is the allowance for tuition and fees calculated for the cost of attendance under section 136A.121, subdivision 6. For an eligible individual who graduated from a four-year postsecondary educational institution, the maximum qualifying amount equals the average of undergraduate tuition and required fees at the University of Minnesota Twin Cities campus determined under section 136A.121, subdivision 6.

Subd. 2. **Credit allowed.** (a) An eligible individual is allowed a credit against the tax due under this chapter.

(b) The maximum credit amount for an eligible individual equals the lesser of:

(1) the amount the individual paid during the taxable year to pay principal and interest on qualified education loans, not to exceed \$4,000; or

(2) the maximum qualifying amount.

Subd. 3. **Limitations.** The amount of credit allowed under this section is reduced by \$1 for every \$9 that the eligible individual's household income exceeds \$39,000. For the purposes of this section, "household income" has the meaning given in section 290.067, subdivision 2a. In the case of a married eligible individual, a credit is not allowed unless a joint income tax return is filed.

Subd. 4. **Credit carryover.** If the credit provided under this section exceeds the tax liability of the eligible individual for the taxable year, the excess amount of the credit may be carried over to each of the ten taxable years succeeding the taxable year. The entire amount of the credit must be carried to the earliest taxable year in which the amount may be carried. The unused portion of the credit must be carried forward to the following taxable year. No credit may be carried to a taxable year more than ten years after the taxable year in which the credit was earned.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2008."

Amend the title as follows:

Page 1, line 2, delete "a refundable" and insert "an income tax"

Page 1, line 3, delete "appropriating money;"

And when so amended the bill do pass and be re-referred to the Committee on Taxes. Amendments adopted. Report adopted.

Senator Cohen from the Committee on Finance, to which was re-referred

S.F. No. 1764: A bill for an act relating to economic development; creating a Minnesota business venture capital program; creating a revolving fund; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 19, after "sustainable" insert "living wage"

Page 2, delete subdivision 7

Page 2, delete section 2

Page 3, line 5, delete "Sections 1 and 2 are" and insert "Section 1 is"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "creating a revolving fund; appropriating money;"

And when so amended the bill be re-referred to the Committee on Taxes without recommendation. Amendments adopted. Report adopted.

Senator Cohen from the Committee on Finance, to which was re-referred

S.F. No. 913: A bill for an act relating to greenhouse gas emissions reduction; prohibiting new municipal incorporations; authorizing city growth areas; limiting densities in certain unincorporated areas; modifying tax increment financing standards; providing standards for new school siting; amending Minnesota Statutes 2008, sections 123B.70, subdivision 1; 462.352, by adding a subdivision; 462.357, subdivision 1, by adding subdivisions; 462.358, subdivision 1a; 469.174, by adding a subdivision; 469.176, subdivision 1b, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 394; 414; repealing Minnesota Statutes 2008, section 414.02.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1

Page 2, line 18, delete "tracks" and insert "tracts"

Page 3, line 4, after "subdivision" insert a comma

Page 3, line 6, delete the comma

Page 6, line 20, after "area" insert a comma

Page 6, line 22, after "from" insert "the"

Page 6, line 30, delete "same"

Page 6, line 31, delete ", which" and insert "that"

Page 9, line 4, delete "only" and after "used" insert "only"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "providing"

Page 1, line 5, delete everything before the semicolon

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Taxes. Amendments adopted. Report adopted.

Senator Cohen from the Committee on Finance, to which was re-referred

S.F. No. 292: A bill for an act relating to taxation; insurance; providing a credit for investment in start-up and emerging Minnesota businesses; proposing coding for new law in Minnesota Statutes, chapters 116J; 297I.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes. Report adopted.

Senator Cohen from the Committee on Finance, to which was re-referred

S.F. No. 1298: A bill for an act relating to state government; changing the name of a state agency.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 15.01, is amended to read:

15.01 DEPARTMENTS OF THE STATE.

The following agencies are designated as the departments of the state government: the Department of Administration; the Department of Agriculture; the Department of Commerce; the Department of Corrections; the Department of Education; the Department of Employment and Economic Development; ~~the Department of Finance~~; the Department of Health; the Department of Human Rights; the Department of Labor and Industry; the Department of Management and Budget; the Department of Military Affairs; the Department of Natural Resources; the Department of Public Safety; the Department of Human Services; the Department of Revenue; the Department of Transportation; the Department of Veterans Affairs; and their successor departments.

Sec. 2. Minnesota Statutes 2008, section 15.06, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** This section applies to the following departments or agencies: the Departments of Administration, Agriculture, Commerce, Corrections, Education, Employment and Economic Development, ~~Finance~~, Health, Human Rights, Labor and Industry, Management and Budget, Natural Resources, Public Safety, Human Services, Revenue, Transportation, and Veterans Affairs; the Housing Finance and Pollution Control Agencies; the Office of Commissioner of Iron Range Resources and Rehabilitation; the Bureau of Mediation Services; and their successor departments and agencies. The heads of the foregoing departments or agencies are "commissioners."

Sec. 3. Minnesota Statutes 2008, section 15A.0815, subdivision 2, is amended to read:

Subd. 2. **Group I salary limits.** The salaries for positions in this subdivision may not exceed 95 percent of the salary of the governor:

Commissioner of administration;
Commissioner of agriculture;
Commissioner of education;
Commissioner of commerce;
Commissioner of corrections;
~~Commissioner of finance;~~
Commissioner of health;
Executive director, Minnesota Office of Higher Education;
Commissioner, Housing Finance Agency;
Commissioner of human rights;
Commissioner of human services;
Commissioner of labor and industry;
Commissioner of management and budget;
Commissioner of natural resources;
Director of Office of Strategic and Long-Range Planning;
Commissioner, Pollution Control Agency;
Executive director, Public Employees Retirement Association;
Commissioner of public safety;
Commissioner of revenue;
Executive director, State Retirement System;
Executive director, Teachers Retirement Association;
Commissioner of employment and economic development;
Commissioner of transportation; and
Commissioner of veterans affairs.

Sec. 4. Minnesota Statutes 2008, section 16A.01, subdivision 1, is amended to read:

Subdivision 1. **Commissioner.** The commissioner of ~~finance~~ management and budget manages the Department of Finance Management and Budget, which may also be known as Minnesota Management and Budget. The commissioner is the state's controller and chief accounting and financial officer.

Sec. 5. Minnesota Statutes 2008, section 31.60, subdivision 1, is amended to read:

Subdivision 1. **Division duties; director; personnel.** A Meat Industry Division is created in the Department of Agriculture which shall enforce and administer laws enforced and administered by the commissioner of agriculture relating to meat, fish, and dressed poultry, except laws enforced and administered by the Division of Poultry Industries. The Meat Industry Division is under the supervision of a director in the classified service. The commissioner shall appoint the director ~~from the register as certified by the Minnesota Department of Finance~~, who shall be experienced and knowledgeable in the meat industry.

Sec. 6. Minnesota Statutes 2008, section 128C.15, subdivision 3, is amended to read:

Subd. 3. **Comparable worth.** The league is a political subdivision under sections 471.992 to 471.999, ~~except that the league must report to the commissioner of employee relations by February 1, 1989, on its implementation plan.~~ A cause of action against the league does not arise before August 1, 1989, for failure to comply with sections 471.992 to 471.999.

Sec. 7. Minnesota Statutes 2008, section 144E.40, subdivision 2, is amended to read:

Subd. 2. **Administration.** (a) Unless paragraph (c) applies, consistent with the responsibilities of the State Board of Investment and the various ambulance services, the Cooper/Sams volunteer ambulance program must be administered by the Emergency Medical Services Regulatory Board. The administrative responsibilities of the board for the program relate solely to the record keeping, award application, and award payment functions. The State Board of Investment is responsible for the investment of the Cooper/Sams volunteer ambulance trust. The applicable ambulance service is responsible for determining, consistent with this chapter, who is a qualified ambulance service person, what constitutes a year of credited ambulance service, what constitutes sufficient documentation of a year of prior service, and for submission of all necessary data to the board in a manner consistent with this chapter. Determinations of an ambulance service are final.

(b) The board may administer its assigned responsibilities regarding the program directly or may retain a qualified governmental or nongovernmental plan administrator under contract to administer those responsibilities regarding the program. A contract with a qualified plan administrator must be the result of an open competitive bidding process and must be reopened for competitive bidding at least once during every five-year period after July 1, 1993.

(c) The commissioner of ~~employee relations~~ management and budget shall review the options within state government for the most appropriate administration of pension plans or similar arrangements for emergency service personnel and recommend to the governor the most appropriate future pension plan or nonpension plan administrative arrangement for this chapter. If the governor concurs in the recommendation, the governor shall transfer the future administrative responsibilities relating to this chapter to that administrative agency.

Sec. 8. Minnesota Statutes 2008, section 176.571, subdivision 1, is amended to read:

Subdivision 1. **Preliminary investigation.** When the head of a department has filed a report or the commissioner of administration has otherwise received information of the occurrence of an injury to a state employee for which liability to pay compensation may exist, the commissioner of administration shall make a preliminary investigation to determine the question of probable liability.

In making this investigation, the commissioner of administration may require the assistance of the head of any department or any employee of the state. The commissioner of ~~employee relations~~

management and budget may require that all facts be furnished which appear in the records of any state department bearing on the issue.

Sec. 9. Minnesota Statutes 2008, section 480.181, subdivision 2, is amended to read:

Subd. 2. **Election to retain insurance and benefits; retirement.** (a) Before a person is transferred to state employment under this section, the person may elect to do either or both of the following:

(1) keep life insurance; hospital, medical, and dental insurance; and vacation and sick leave benefits and accumulated time provided by the county instead of receiving benefits from the state under the judicial branch personnel rules; or

(2) remain a member of the Public Employees Retirement Association or the Minneapolis employees retirement fund instead of joining the Minnesota State Retirement System.

Employees who make an election under clause (1) remain on the county payroll, but the state shall reimburse the county on a quarterly basis for the salary and cost of the benefits provided by the county. The state shall make the employer contribution to the Public Employees Retirement Association or the employer contribution under section 422A.101, subdivision 1a, to the Minneapolis Employees Retirement Fund on behalf of employees who make an election under clause (2).

(b) An employee who makes an election under paragraph (a), clause (1), may revoke the election, once, at any time, but if the employee revokes the election, the employee cannot make another election. An employee who makes an election under paragraph (a), clause (2), may revoke the election at any time within six months after the person becomes a state employee. Once an employee revokes this election, the employee cannot make another election.

(c) The Supreme Court, after consultation with the Judicial Council, the commissioner of ~~employee relations~~ management and budget, and the executive directors of the Public Employees Retirement Association and the Minnesota State Retirement Association, shall adopt procedures for making elections under this section.

(d) The Supreme Court shall notify all affected employees of the options available under this section. The executive directors of the Public Employees Retirement Association and the Minnesota State Retirement System shall provide counseling to affected employees on the effect of making an election to remain a member of the Public Employees Retirement Association.

Sec. 10. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall change any reference to the commissioner of finance or the Department of Finance, or any derivation of those terms, to the commissioner of management and budget or the Department of Management and Budget wherever these terms appear in Minnesota Statutes or Minnesota Rules.

Sec. 11. **REPEALER.**

Minnesota Statutes 2008, section 471.9981, subdivision 1, is repealed."

Delete the title and insert:

"A bill for an act relating to state agencies; changing the name of the commissioner of finance to the commissioner of management and budget and making conforming changes; amending Minnesota Statutes 2008, sections 15.01; 15.06, subdivision 1; 15A.0815, subdivision 2; 16A.01, subdivision 1; 31.60, subdivision 1; 128C.15, subdivision 3; 144E.40, subdivision 2; 176.571, subdivision 1; 480.181, subdivision 2; repealing Minnesota Statutes 2008, section 471.9981, subdivision 1."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Cohen from the Committee on Finance, to which was re-referred

S.F. No. 657: A bill for an act relating to energy; providing direction for the use of federal stimulus funding for energy programs.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations made in this act.

<u>Weatherization Assistance Program</u>	\$	<u>131,937,000</u>
<u>State Energy Program</u>		<u>54,172,000</u>
<u>Energy Efficiency and Conservation Block Grants</u>		<u>10,644,000</u>
<u>Federal Fund Total</u>	\$	<u>196,753,000</u>

Sec. 2. **APPROPRIATIONS OF FEDERAL STIMULUS MONEY FOR ENERGY.**

The sums shown in the columns marked "Appropriations" are appropriated to the commissioner of commerce for the purposes specified in this act. The appropriations are from the federal fund from federal stimulus money allocated to the state under the American Recovery and Reinvestment Act of 2009, Public Law 111-5, for:

(1) the Weatherization Assistance Program authorized under part A of title IV of the Energy Conservation and Production Act, United States Code, title 42, section 6861, et seq.;

(2) the State Energy Program authorized under part D of title III of the Energy Policy and Conservation Act, United States Code, title 42, section 6321, et seq.; and

(3) energy efficiency and conservation block grants authorized under subtitle E of title V of the Energy Independence and Security Act of 2007, United States Code, title 42, section 17151 et seq.

The appropriations are available until spent.

APPROPRIATIONS

Sec. 3. COMMISSIONER OF COMMERCE

Subdivision 1. Total Appropriation

\$ 196,753,000

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

Subd. 2. Weatherization Assistance Program

131,937,000

(a) To continue the low-income weatherization assistance program under Minnesota Statutes, section 216C.264.

(b) Past providers of weatherization services must be fully used based on their capacity as determined by the commissioner of commerce for stimulus-funded activity before additional providers of weatherization services are added. The commissioner shall develop programs that include shelters, as defined in the Code of Federal Regulations, title 10, section 440.3, and rental units. The commissioner shall develop procedures to streamline participation of low-income rental units in the programs. Programs that include solar heat through the Renewable Energy Equipment Program are eligible for grants. The commissioner shall give priority to high-consumption households and to serving the largest number of new weatherization clients and the greatest number of homes possible.

(c) The commissioner must use a variety of strategies to fund weatherization with federal stimulus money.

(d) To further address neighborhood saturation in areas affected by foreclosure, the commissioner must apply for a waiver or otherwise seek authority from the United States Department of Energy to use money for weatherization services for abandoned and foreclosed homes and residential properties acquired and rehabilitated with money provided through the federal Neighborhood Stabilization Program, provided the home

becomes occupied by a resident who meets the federal eligibility requirements.

Subd. 3. State Energy Program

(a) Residential Energy

13,500,000

For transfer to the Minnesota Housing Finance Agency. The Minnesota Housing Finance Agency shall develop and implement a residential energy program to fund an energy-efficient loan product using the lender network of the Minnesota Housing Finance Agency. Loan items must include energy efficiency improvements recommended by an energy auditor certified by the commissioner of commerce. Energy efficiency improvements include, but are not limited to, heating system replacements, air-to-air heat exchangers, attic air sealing and insulation, wall insulation, water heating system replacements, air conditioning system replacements, window repair and replacement, and electric appliance replacements.

The commissioner must use a variety of strategies for residential energy programs funded with federal stimulus money, including without limitation:

(1) neighborhood saturation on a multiprogram basis, including without limitation, outreach to homeowners eligible for residential energy programs, utility conservation programs, weatherization programs, and state and local government energy programs; and

(2) a quick-fix component that provides a lower level of energy-efficiency improvements to a larger number of residences at a lower cost than a more comprehensive energy-efficiency improvement package.

A portion of this appropriation may be used for direct rebates. Stimulus money may not be used to pay more than 25 percent of the total

project cost, with the balance provided by the property owner, utility-funded conservation investment programs, financing from the Minnesota Housing Finance Agency, local lenders, or another housing-related program.

A contract for window repairs or replacement or related services to be paid from grant money provided under this paragraph must be awarded to the best value bidder that has its principal place of business in this state or that uses a majority of parts manufactured or produced in this state in the assembly of a final product, unless the local government grantee determines that it would be inconsistent with the public interest, the cost would be unreasonable, or the products or materials of the class or kind to be used are not produced or manufactured in this state in commercial quantities and of a satisfactory quality.

(b) Innovative Residential Energy Efficiency

1,500,000

For an innovative residential energy efficiency program for the city of Duluth that must use funding from the state energy program, local government, weatherization program, utility conservation improvement program, and private nonprofit sources. This appropriation must be matched \$1 for every \$4 of the appropriation and is available to the extent of the match. The program must include the following elements:

(1) performance-based provision of basic energy conservation measures, such as air-sealing;

(2) an environmental and carbon footprint awareness campaign;

(3) a beyond-the-basics component of additional and more comprehensive energy conservation measures including, without limitation, deep energy retrofits and appliance upgrades;

(4) a plan to use revolving loan funds so that the program is sustainable over time;

(5) innovative financing options allowing residents to finance improvements at least in part with energy savings; and

(6) measurement and assessment of program effectiveness and energy savings.

(c) School District and Local Government Renewable Energy

10,000,000

For the school district and local government renewable energy grant program established in Minnesota Statutes, section 216C.147, if 2009 Senate File 1006 or 2009 House File 1553 is enacted. Before entering into a power purchase agreement for wind energy projects exceeding 60 megawatts, the purchasing utility shall contact school district and local government entities in the county where the project will be located to determine whether the school district or local government wants to partner with the wind developer and utility for a publicly owned wind project of 3.3 megawatts or smaller.

(d) Former School Building Energy Conversion

100,000

For a grant to the city of Kennedy for the energy conversion of a former school building to use geothermal, wind, and solar energy and to house the Go Green Business Center.

(e) Renewable Electric Generation Facilities

250,000

For grants to owners of qualifying renewable electric generation facilities. A "qualifying facility" means an electric facility that meets the specifications of Minnesota Statutes, section 216B.164, subdivision 3, paragraph (a), and that generates electricity from a renewable energy source. "Renewable energy source" means:

(1) solar;

(2) wind;

(3) hydroelectric;

(4) hydrogen, provided that after January 1,

2010, the hydrogen must be generated from the resources listed in this paragraph; or

(5) biomass, which includes, without limitation, landfill gas; an anaerobic digester system; biomass gasification; the predominantly organic components of wastewater effluent, sludge, or related by-products from publicly owned treatment works, but not including incineration of wastewater sludge to produce electricity. Grants may be awarded, in order of receipt of a completed application, for the lesser of \$2,500 or 35 percent of the cost of the facility, including installation.

(f) Commercial and Industrial Energy Efficiency

7,000,000

For grants to local government units and a port authority created under Minnesota Statutes, section 469.084, to develop and implement a program to provide for the design, financing, and installation of energy efficiency improvements in commercial facilities, industrial facilities, and facilities owned by community-based nonprofit organizations established under section 501(c)(3) of the Internal Revenue Code of 1986, receiving energy from a utility that provides natural gas or electric services for customers within the utility's service area. Program financing must include a revolving loan component. Money may also be used to improve the energy efficiency of biofuel facilities and displace fossil fuel energy inputs with energy derived from renewable resources via anaerobic digestion, biomass gasification, or other technologies. Grant recipients may use up to two percent of the grant for the costs of administration of the commercial-industrial program. Grant recipients may take actions and enter into agreements necessary to develop and implement a program under this paragraph. A utility participating through its conservation improvement program is entitled to claim the energy savings attributable to its participating investment toward its energy-savings goal

established in Minnesota Statutes, section 216B.241. Priority must be given to energy efficiency improvements that achieve the following objectives:

(1) reduction in total energy use and energy costs of facilities;

(2) improvement in the economic competitiveness of facilities; and

(3) creation or retention of jobs at improved facilities.

The commissioner of commerce shall report to the NextGen Energy Board established in Minnesota Statutes, section 41A.105, on the grants made under this paragraph.

(g) Energy Efficiency and Renewable Energy Outreach

1,000,000

For a grant to the organization established under Minnesota Statutes, section 216C.385, to develop and conduct a statewide door-to-door campaign to identify two percent of homeowners in this state to implement energy efficiency and renewable energy projects. The organization shall, in its planning, training, and hiring, work with a broad-based coalition of 50 or more groups. The coalition must have the capacity to develop and conduct outreach programs that will connect low-income persons, including women and persons of color, with opportunities to have their homes audited for energy efficiency and weatherized. The coalition must use paid and volunteer youth and seniors from local communities to perform the outreach.

(h) Solar Energy Installation

7,000,000

For grants to increase the installation of solar energy projects in this state. Of this amount, at least \$3,000,000 must be used for concentrated installation of large and small-scale solar projects, including innovative storage technology, located in

the proposed light-rail central corridor and nearby low-income neighborhoods in cities that have been designated solar cities by the United State Department of Energy to demonstrate and research grid, cost, and technical impacts of highly concentrated solar projects. The remaining amounts allocated must be used for solar projects, including use of the solar rebate program, statewide.

A contract, grant, loan, or other financial assistance for solar photovoltaic installations must:

(1) require payment at the prevailing wage rate as defined in Minnesota Statutes, section 177.42;

(2) require that the installation of all listed electrical equipment is performed by licensed electrical contractors in compliance with Minnesota Statutes, chapter 326B; and

(3) give preference to projects that will be installed by licensed electrical contractors with employees who have obtained an installer's certification from a nationally recognized solar photovoltaic certification body or who have employees that are enrolled in a certification course.

(i) Government Building Renovation

13,000,000

To renovate local government and school district buildings under section 5 and state government buildings under section 6.

(j) Evaluating Energy Efficiency

822,000

For grants to evaluate energy-saving equipment, research, and processes that will help the state of Minnesota reach its renewable energy and energy savings goals. The commissioner shall award grants to public and nonprofit institutions for eligible projects, including, but not limited to, projects that:

(1) develop a solar rating and certification program to test, rate, and certify the

performance of equipment and devices that use solar energy;

(2) apply research at Minnesota State University, Mankato, in renewable energy, including residential-scale biomass, and energy efficiency to aid the transfer of technology from outside of the United States to Minnesota, and to support technology commercialization from companies located in Minnesota; and

(3) develop an advanced energy-efficiency center that will conduct energy-efficiency testing and coordinate other energy-efficiency efforts with state agencies, educational institutions and programs, and public and private organizations to provide energy-related services.

Subd. 4. Energy Efficiency and Conservation Block Grant Programs

(a) Energy Efficiency and Conservation

6,386,000

For a competitive grant program for local units of government not otherwise receiving direct federal energy efficiency and conservation block grant money. The Office of Energy Security shall make grants to cities to enhance energy efficiency and reduce energy use through:

(1) planning;

(2) consultant services;

(3) energy audits;

(4) implementing energy-efficient building codes;

(5) energy-efficient renovations;

(6) energy-efficient street lighting; and

(7) installation of renewable energy devices used in public buildings.

(b) Government Building Renovation

4,258,000

To renovate local government and school district buildings under section 5 and state government buildings under section 6.

Subd. 5. Administrative Costs, Public Information, and Contracting Requirements

Unless a lower percentage is specified under federal requirements, the Office of Energy Security may use no more than five percent of the federal grants authorized under the American Recovery and Reinvestment Act of 2009 for the cost of developing and administering the programs funded by this act. Administrative costs include:

(1) the personnel costs for new and existing employees administering the programs for the Office of Energy Security;

(2) the development of grant applications, information, data collection, and other federal and state reporting requirements to administer the programs;

(3) the education and training of local and other nonstate personnel used to administer programs;

(4) the development and implementation of a telephone hotline and Web site that is focused solely on assisting the public and local units of government in accessing grant information and applications for competitive grants; the telephone hotline and Web site shall be implemented and operating by July 15, 2009; and

(5) the dissemination of information about contract and employment opportunities generated by the programs. Particular effort must be made to publicize employment, job training, home energy auditing, weatherization, outreach, and other opportunities to community organizations, nongovernmental organizations, and media outlets that target disadvantaged groups, including, but not limited to, low-income, rural, tribal communities, and communities

of color.

Contracts funded in whole or in part by this act must ensure that bidding contractors are qualified and participate in available apprenticeship and training programs. Bidding for contracts must, to the extent practicable, use the process established in Minnesota Statutes, chapter 16C.

Sec. 4. [216C.147] SCHOOL DISTRICT AND LOCAL GOVERNMENT RENEWABLE ENERGY GRANT PROGRAM.

Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Local government" means a home rule charter or statutory city, county, park district, port authority, or town.

(c) "Renewable energy systems" mean solar thermal water heating, solar electric or photovoltaic equipment, wind energy conversion systems of 3.3 megawatts nameplate capacity or less, and heating and cooling applications using geothermal energy.

Subd. 2. **Program established.** The commissioner of commerce shall develop, implement, and administer a school district and local government renewable energy system grant program under this section.

Subd. 3. **Grant purposes.** The commissioner may make grants to school districts and local government to finance the purchase and installation of renewable energy systems.

Subd. 4. **Technical standards.** The commissioner shall determine technical standards for renewable energy systems to qualify for grants under this section.

Subd. 5. **Grant proposals.** At least once a year, the commissioner shall publish in the State Register a request for proposals from local governments and school districts for a grant under this section. Within 45 days after the deadline for receipt of proposals, the commissioner shall select grant proposals based on the following criteria:

(1) the reliability and cost-effectiveness of the renewable technology to be installed under the proposal, including integration of energy storage;

(2) the extent to which the proposal effectively integrates with the conservation and energy efficiency programs of the energy utilities serving the local government or school district;

(3) the extent to which the local government or school district has maximized other cost-effective energy efficiency and conservation improvements;

(4) the total life-cycle energy use and greenhouse gas emissions reductions per dollar of installed cost;

(5) the geographic distribution of grant recipients throughout the state;

(6) the percentage of total project cost requested; and

(7) other criteria the commissioner may determine to be necessary and appropriate.

Subd. 6. **Educational programming.** A school district must integrate information about the renewable energy system for which a grant is received under this section in its educational programming.

Subd. 7. **Minnesota product preference.** A contract for the purchase of renewable energy systems or related services to be paid from grant money provided under this section must be awarded to the best value bidder having its principal place of business in this state or who uses a majority of parts manufactured or produced in this state in the assembly of a final product, unless the local government or school district grantee determines that it would be inconsistent with the public interest, the cost would be unreasonable, or the products or materials of the class or kind to be used are not produced or manufactured in this state in commercial quantities and of a satisfactory quality.

Subd. 8. **Grant terms.** The maximum grant to a school district or local government under this section may not exceed the greater of 50 percent of the total project cost for solar projects, 20 percent of the total project cost for wind projects, or \$10,000.

Sec. 5. **LOCAL GOVERNMENT AND SCHOOL DISTRICT BUILDING RENOVATIONS.**

The commissioner of commerce must coordinate the use of stimulus money with the public building enhanced energy-efficiency program under Minnesota Statutes, section 216C.43. The commissioner shall prioritize buildings identified as high energy users for improvements such as lighting upgrades, energy recommissioning, and other cost-effective energy projects that are ready for immediate implementation. Energy-efficiency conservation block grants and state energy program money may be used to advance local public building enhanced energy-efficiency program projects by either increasing the net operating savings during the prepayment period or by decreasing the number of years for payback of energy improvement investments. State energy plan money may not be used to pay more than 25 percent of the total project cost, with the balance of funding provided by the local governmental unit or school district, the local public building enhanced energy-efficiency program under Minnesota Statutes, section 216C.43, or another local governmental unit or school district financing program in conjunction with utility conservation investment program money to the maximum extent possible. The commissioner shall coordinate with the commissioner of education to prioritize school district projects, consistent with the principles of statewide geographic distribution of projects, optimized energy savings, and an improved learning environment for school children.

Sec. 6. **STATE GOVERNMENT BUILDING RENOVATIONS.**

The commissioner of commerce, in consultation with the commissioner of administration, shall develop a joint plan and procedures to select, fund, and implement state government building renovation projects using federal stimulus money. The joint plan and procedures shall prioritize buildings identified as high energy users for such improvements as lighting upgrades, energy recommissioning, and other cost-effective energy projects that are ready for immediate implementation. Energy-efficiency conservation block grants and state energy program money may be used to advance public building enhanced energy-efficiency program projects under Minnesota

Statutes, section 16B.32, by either increasing the net operating savings during the repayment period or decreasing the number of years for payback of energy improvement investments, provided that state energy plan money may not be used to pay more than 25 percent of the total project cost, with the balance of funding provided through the state public building enhanced energy-efficiency program, or other financing, including conservation investment program money to the maximum extent possible.

Grants under this section may be used to develop a system and procedures for setting energy reduction goals for state buildings; to automate utility bill data and analysis; and to develop a system for reporting monthly energy use relative to these goals. By January 15, 2011, and annually thereafter, the director of the Office of Energy Security, in consultation with the commissioner of administration, must issue a report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over energy policy and finance on the progress toward these goals.

Sec. 7. APPLIANCE REPLACEMENT.

To the extent consistent with federal law, the commissioner of commerce may use federal stimulus money to develop a program that supplements and enhances the rebates provided to residential utility customers through a conservation investment program.

Sec. 8. TRAINING AND WORKFORCE DEVELOPMENT.

Subdivision 1. **Home energy auditors and technicians.** The director of the Office of Energy Security shall oversee training of energy auditors necessary for energy projects using federal stimulus money and may spend federal stimulus money for that purpose. Technical skills training must include insulation, air sealing, and mechanical work.

Subd. 2. **Energy manager and building operator training.** The director of the Office of Energy Security shall coordinate and monitor training and certification of energy managers, building operators, and other energy professionals necessary for energy projects using federal stimulus money and may spend federal stimulus money for that purpose. Training strategies must be designed to meet the wide range of facilities managers and the wide range of buildings sizes and types.

Subd. 3. **Training activity guidelines.** In addition to training individuals already employed in implementing energy programs, the director shall recruit individuals for training to perform work in energy projects using federal stimulus money who are unemployed, especially targeting unemployed or underemployed individuals in construction trades and crafts, and communities experiencing disproportionately high rates of unemployment, including, but not limited to, low-income, rural, tribal communities, and communities of color. The director shall use the full capacity of current training providers, including, but not limited to, state colleges and universities, opportunities industrialization centers, skilled trades labor unions, and nonprofit organizations with historic expertise in energy efficiency. Training may include an on-the-job component where the trainee goes to job sites with trained crews. If the director determines that outreach efforts are necessary for the weatherization program, the director shall, at least in part, use paid and volunteer youth to perform the outreach. The director shall ensure that training money is made available to persons who otherwise would be unable to afford the training.

Sec. 9. OFFICE OF ENERGY SECURITY; LOCAL GOVERNMENT ASSISTANCE.

The director of the Office of Energy Security shall designate personnel and may contract to provide advice and assistance to local units of government receiving federal stimulus money, particularly smaller cities. The director shall develop, by contract or otherwise, strategies that local units of government can use to obtain maximum conservation and economic development returns from federal stimulus money. The director shall work with associations of local governmental units to notify local governments of the availability of advice under this section.

Sec. 10. COMPETITIVE ENERGY GRANTS; STATE AND LOCAL GOVERNMENT AUTHORIZATION.

All state agencies and local units of government, in addition to any other authority, are authorized to engage in activities individually and in cooperation with other public or private entities to apply for, accept, and spend competitive grants made available under the American Recovery and Reinvestment Act of 2009, subject to Minnesota Statutes, section 3.3005.

Sec. 11. CONSERVATION IMPROVEMENT PLANS; FEDERAL STIMULUS PLAN.

The commissioner of commerce must consider the impact of federal stimulus money in the administration of the conservation improvement program (CIP) under Minnesota Statutes, section 216B.241. The commissioner may amend plans currently in effect and approve plans to accommodate federal stimulus money.

Sec. 12. ACCOUNTABILITY AND TRANSPARENCY REPORTING.

The director of the Office of Energy Security, after compiling information supplied by the commissioners of administration, education, and employment and economic development, and the Office of Higher Education, shall report on the progress of the programs funded by this act to the house of representatives and senate committees with jurisdiction over energy finance and workforce development policy by September 1, 2009, January 15, 2010, April 1, 2010, and September 1, 2010. The report shall include a complete accounting of all federal stimulus money spent on the programs funded to the extent allowable by federal law, including, but not limited to:

- (1) the specific projects funded, including the location, building owner, and project manager;
- (2) for weatherization projects, the number of units weatherized, including number of rental units weatherized, energy usage information, income data, and type, cost, and funding source of the weatherization measure installed;
- (3) the number of jobs retained or created by each project, including data on hiring from communities experiencing disproportionately high rates of unemployment, including, but not limited to, low-income, rural, tribal communities, and communities of color;
- (4) the total calculated and actual energy savings for each project;
- (5) the remaining balances in each stimulus account;
- (6) the nonstimulus money leveraged by stimulus money for each project;
- (7) the training courses provided, including the location and provider of courses offered, the funding source for each training course, and the total number of trainees; and
- (8) compliance with state prevailing wage, veterans, and disadvantaged business enterprise

requirements.

The reports shall be made available to the public on the Office of Energy Security Web site.

Sec. 13. COMPETITIVE ENERGY ACTIVITIES.

The director of the Office of Energy Security shall coordinate state and local government efforts to obtain competitive grants for energy-related purposes authorized by the American Recovery and Reinvestment Act of 2009, including, without limitation, grants from the Office of Electricity Delivery and Energy Reliability for grid modernization and related technologies. The director must consult with affected public or private entities, including utilities, to identify grant opportunities and timely develop grant applications for those opportunities. The director may assign staff and contract with public or private third parties to assess grant opportunities, prepare grant applications, and participate in the grant process.

Sec. 14. EFFECTIVE DATE.

Sections 1 to 13 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to energy; providing direction for the use of federal stimulus money for energy programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 216C."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Pogemiller, from the Committee on Rules and Administration, to which was referred

H.F. No. 486 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
486	1183				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Senator Pogemiller, from the Committee on Rules and Administration, to which was referred

H.F. No. 819 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
819	759				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 819 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 819, the second engrossment; and insert the language after the enacting clause of S.F. No. 759, the first engrossment; further, delete the title of H.F. No. 819, the second engrossment; and insert the title of S.F. No. 759, the first engrossment.

And when so amended H.F. No. 819 will be identical to S.F. No. 759, and further recommends that H.F. No. 819 be given its second reading and substituted for S.F. No. 759, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Senator Pogemiller, from the Committee on Rules and Administration, to which was referred

H.F. No. 878 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
878	746				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 878 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 878, the second engrossment; and insert the language after the enacting clause of S.F. No. 746, the first engrossment; further, delete the title of H.F. No. 878, the second engrossment; and insert the title of S.F. No. 746, the first engrossment.

And when so amended H.F. No. 878 will be identical to S.F. No. 746, and further recommends that H.F. No. 878 be given its second reading and substituted for S.F. No. 746, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1298 and 657 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 486, 819 and 878 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Skogen introduced—

S.F. No. 2073: A bill for an act relating to capital improvements; appropriating money for infrastructure improvements in the city of Perham; authorizing the issuance of state bonds.

Referred to the Committee on Finance.

Senator Bakk introduced—

S.F. No. 2074: A bill for an act relating to taxation; income and corporate franchise; providing a federal update; amending Minnesota Statutes 2008, sections 289A.02, subdivision 7, as amended; 290.01, subdivisions 19, as amended, 19a, as amended, 19b, 19c, as amended, 19d, as amended, 31, as amended; 290.06, subdivision 2c; 290.067, subdivision 2a, as amended; 290.091, subdivision 2; 290.095, subdivision 11; 290.9727, by adding a subdivision; 290A.03, subdivisions 3, as amended, 15, as amended; 291.005, subdivision 1, as amended.

Referred to the Committee on Taxes.

Senator Bakk introduced—

S.F. No. 2075: A bill for an act relating to cultural heritage; appropriating money for a grant to the Chik-Wauk Museum and Nature Center.

Referred to the Committee on Finance.

Senator Berglin introduced—

S.F. No. 2076: A bill for an act relating to taxation; increasing the rates of the MinnesotaCare taxes; amending Minnesota Statutes 2008, section 295.52, subdivisions 1, 1a, 2, 3.

Referred to the Committee on Taxes.

Senators Koering, Gerlach and Vandever introduced—

S.F. No. 2077: A bill for an act relating to public finance; eliminating authority of municipalities to issue bonds for certain other postemployment benefits; amending Minnesota Statutes 2008, sections 475.51, subdivision 4; 475.52, subdivision 6; 475.58, subdivision 1.

Referred to the Committee on State and Local Government Operations and Oversight.

Senators Metzen, Pogemiller and Bakk introduced–

S.F. No. 2078: A bill for an act relating to economic development; amending tax increment financing requirements; authorizing state investment in a loan guaranty fund; creating a loan guaranty program; authorizing issuance of bonds for nonprofit housing; requiring establishment of a second mortgage loan program; authorizing issuance of bonds for sustainable development projects; limiting environmental review for certain projects; requiring certain projects to comply with procurement regulations; providing income tax credits for historic structure rehabilitation on low-income housing projects; authorizing the use of special assessments for energy improvements; extending the JOBZ program to the metropolitan area; appropriating money; amending Minnesota Statutes 2008, sections 11A.24, by adding a subdivision; 15.99, by adding a subdivision; 16C.16, by adding a subdivision; 429.011, by adding subdivisions; 429.021, subdivision 1; 429.031, subdivision 3; 462A.36, subdivisions 1, 2, 4, by adding a subdivision; 469.176, subdivision 2, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 116J; 290; 462A; repealing Minnesota Statutes 2008, section 469.312, subdivision 3.

Referred to the Committee on Business, Industry and Jobs.

Senators Skogen and Skoe introduced–

S.F. No. 2079: A bill for an act relating to taxation; providing a property tax exemption for personal property of an electric generation facility; amending Minnesota Statutes 2008, section 272.02, by adding a subdivision.

Referred to the Committee on Taxes.

Senators Rummel and Sieben introduced–

S.F. No. 2080: A bill for an act relating to natural resources; appropriating money for the county geologic atlas program.

Referred to the Committee on Finance.

Senators Tomassoni, Dibble, Saxhaug and Sparks introduced–

S.F. No. 2081: A bill for an act relating to state government; appropriating money for economic development and housing; establishing and modifying certain programs; providing for regulation of certain activities and practices; amending certain unemployment insurance provisions; providing for accounts, assessments, and fees; changing codes and licensing provisions; providing penalties; amending Iron Range resources provisions; making technical changes; amending Minnesota Statutes 2008, sections 15.75, subdivision 5; 16B.54, subdivision 2; 45.027, subdivision 1; 60A.315, subdivision 6; 61A.02, subdivisions 2, 2a; 61A.072, subdivision 11; 70A.06, subdivision 2; 84.94, subdivision 3; 115C.08, subdivision 4; 116J.035, subdivisions 1, 6; 116J.401, subdivision 2; 116J.424; 116J.435, subdivisions 2, 3; 116J.551, subdivision 1; 116J.68, subdivision 2; 116J.8731, subdivisions 2, 3; 116L.03, subdivision 5; 116L.05, subdivision 5; 116L.871, subdivision 1; 116L.96; 123A.08, subdivision 1; 124D.49, subdivision 3; 129D.13, subdivisions 1, 2, 3; 129D.14, subdivisions 4, 5, 6; 129D.155; 160.16, by adding a subdivision; 160.276, subdivision 8; 241.27, subdivision 1; 248.061, subdivision 3; 248.07, subdivisions 7, 8; 256J.626, subdivision 4; 256J.66, subdivision 1; 268.031; 268.035, subdivisions 2, 17, by adding

subdivisions; 268.042, subdivision 3; 268.043; 268.044, subdivision 2; 268.047, subdivisions 1, 2; 268.051, subdivisions 1, 4; 268.052, subdivision 2; 268.053, subdivision 1; 268.057, subdivisions 4, 5; 268.0625, subdivision 1; 268.066; 268.067; 268.069, subdivision 1; 268.07, subdivisions 1, 2, 3, 3b; 268.084; 268.085, subdivisions 1, 2, 3, 3a, 4, 5, 6, 15; 268.095, subdivisions 1, 2, 4, 10, 11; 268.101, subdivisions 1, 2; 268.103, subdivision 1, by adding a subdivision; 268.105, subdivisions 1, 2, 3a, 4; 268.115, subdivision 5; 268.125, subdivision 5; 268.135, subdivision 4; 268.145, subdivision 1; 268.18, subdivisions 1, 2, 4a; 268.186; 268.196, subdivisions 1, 2; 268.199; 268.211; 268A.06, subdivision 1; 270.97; 298.22, subdivisions 2, 5a, 6, 7, 8, 10, 11; 298.221; 298.2211, subdivision 3; 298.2213, subdivision 4; 298.2214, by adding a subdivision; 298.223; 298.227; 298.28, subdivision 9d; 298.292, subdivision 2; 298.294; 298.296, subdivision 2; 298.2961; 325E.115, subdivision 1; 325E.1151, subdivisions 1, 3, 4; 326B.33, subdivision 13; 327C.03, by adding a subdivision; 327C.095, subdivision 12; 469.169, subdivision 3; Laws 1998, chapter 404, section 23, subdivision 6, as amended; proposing coding for new law in Minnesota Statutes, chapters 116J; 137; 161; 268; 298; 326B; repealing Minnesota Statutes 2008, sections 60A.315, subdivisions 1, 2, 3, 4, 5; 116J.402; 116J.413; 116J.58, subdivision 1; 116J.59; 116J.61; 116J.656; 116L.16; 116L.88; 116U.65; 129D.13, subdivision 4; 176.135, subdivision 1b; 268.085, subdivision 14; 268.086.

Referred to the Committee on Finance.

Senator Betzold introduced—

S.F. No. 2082: A bill for an act relating to government operations; modifying provisions for general legislative and administrative expenses of state government; regulating state and local government operations; establishing a statewide electronic licensing system; requiring reports; appropriating money; amending Minnesota Statutes 2008, sections 5.12, subdivision 1; 5.29; 5.32; 5A.03; 10A.31, subdivision 4; 16A.133, subdivision 1; 16B.24, subdivision 5; 43A.49; 45.24; 270C.63, subdivision 13; 302A.821; 303.14; 303.16, subdivision 4; 308A.995; 308B.121, subdivisions 1, 2; 317A.823; 321.0206; 321.0210; 321.0810; 322B.960; 323A.1003; 333.055; 336A.04, subdivision 3; 336A.09, subdivision 2; 359.01, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 5; 16E; repealing Minnesota Statutes 2008, section 240A.08.

Referred to the Committee on Finance.

MOTIONS AND RESOLUTIONS

Senator Ingebrigtsen moved that his name be stricken as a co-author to S.F. No. 802. The motion prevailed.

Senator Erickson Ropes moved that the name of Senator Sheran be added as a co-author to S.F. No. 1512. The motion prevailed.

Senator Torres Ray moved that the name of Senator Doll be added as a co-author to S.F. No. 1799. The motion prevailed.

Senators Latz, Cohen, Bonoff and Pappas introduced –

Senate Resolution No. 77: A Senate resolution honoring the 50th Anniversary of the Jewish

Community Center of Greater Minneapolis.

Referred to the Committee on Rules and Administration.

Senator Koch introduced –

Senate Resolution No. 78: A Senate resolution congratulating Joshua Edward Hickman of Montrose, Minnesota, for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

Senator Rest introduced –

Senate Resolution No. 79: A Senate resolution congratulating Eva Mae Slupske of Crystal, Minnesota, on her 90th birthday.

Referred to the Committee on Rules and Administration.

Remaining on the Order of Business of Motions and Resolutions, Senator Pogemiller moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Senator Metzen in the chair.

After some time spent therein, the committee arose, and Senator Metzen reported that the committee had considered the following:

S.F. Nos. 1467, 567, 245 and 1220, which the committee recommends to pass.

S.F. No. 971, which the committee recommends to pass, subject to the following motions:

Senator Limmer moved to amend S.F. No. 971 as follows:

Page 3, after line 27, insert:

"Sec. 3. **CONSTRUCTION OF LAW.**

Nothing in this chapter shall be construed to:

(1) mean the state of Minnesota condones homosexuality or bisexuality or any equivalent lifestyle; or

(2) authorize or permit the promotion of homosexuality or bisexuality in education institutions or require the teaching in education institutions of homosexuality or bisexuality as an acceptable lifestyle."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 37, as follows:

Those who voted in the affirmative were:

Day	Hann	Kubly	Ortman	Senjem
Fischbach	Ingebrigtsen	Limmer	Pariseau	Skogen
Frederickson	Johnson	Lynch	Robling	Sparks
Gerlach	Jungbauer	Michel	Rosen	Vickerman
Gimse	Koch	Olson, G.	Saltzman	

Those who voted in the negative were:

Anderson	Cohen	Latz	Pogemiller	Skoe
Bakk	Dahle	Lourey	Prettner Solon	Stumpf
Berglin	Dibble	Marty	Rest	Tomassoni
Betzold	Erickson Ropes	Metzen	Rummel	Torres Ray
Bonoff	Foley	Moua	Saxhaug	Wiger
Carlson	Higgins	Olseen	Scheid	
Chaudhary	Kelash	Olson, M.	Sheran	
Clark	Langseth	Pappas	Sieben	

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

The question was taken on the recommendation to pass S.F. No. 971.

The roll was called, and there were yeas 43 and nays 22, as follows:

Those who voted in the affirmative were:

Anderson	Dahle	Kubly	Pappas	Sieben
Bakk	Dibble	Langseth	Pogemiller	Skoe
Berglin	Doll	Latz	Prettner Solon	Skogen
Betzold	Erickson Ropes	Lourey	Rest	Stumpf
Bonoff	Fobbe	Marty	Rummel	Tomassoni
Carlson	Foley	Metzen	Saltzman	Torres Ray
Chaudhary	Higgins	Moua	Saxhaug	Wiger
Clark	Kelash	Olseen	Scheid	
Cohen	Koering	Olson, M.	Sheran	

Those who voted in the negative were:

Day	Gimse	Koch	Ortman	Sparks
Dille	Hann	Limmer	Pariseau	Vickerman
Fischbach	Ingebrigtsen	Lynch	Robling	
Frederickson	Johnson	Michel	Rosen	
Gerlach	Jungbauer	Olson, G.	Senjem	

The motion prevailed. So S.F. No. 971 was recommended to pass.

On motion of Senator Pogemiller, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Reports of Committees and Second Reading of Senate Bills.

REPORTS OF COMMITTEES

Senator Betzold moved that the Committee Report at the Desk be now adopted. The motion prevailed.

Senator Cohen from the Committee on Finance, to which was referred

S.F. No. 1779: A bill for an act relating to appropriations; appropriating money for agriculture, the Board of Animal Health, veterans, and the military; changing certain agricultural and animal health requirements and programs; establishing a program; eliminating a sunset; amending Minnesota Statutes 2008, sections 3.737, subdivision 1; 3.7371, subdivision 3; 17.03, subdivision 12; 18B.01, subdivision 8, by adding subdivisions; 18B.065, subdivision 2a, by adding subdivisions; 18B.26, subdivision 3; 18E.03, subdivision 2; 28A.085, subdivision 1; 32.394, subdivision 8; 41A.09, subdivisions 2a, 3a; 197.585, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 18B; 41A; repealing Minnesota Statutes 2008, sections 17.49, subdivision 3; 38.02, subdivisions 3, 4.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1**AGRICULTURE**Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
<u>General</u>	\$ 47,399,000	\$ 44,021,000	\$ 91,420,000
<u>Remediation</u>	\$ 388,000	\$ 388,000	\$ 776,000
<u>Total</u>	\$ 47,787,000	\$ 44,409,000	\$ 92,196,000

Sec. 2. **AGRICULTURE APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this act. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this act mean that the appropriations listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011.

APPROPRIATIONS
Available for the Year
Ending June 30

	<u>2010</u>	<u>2011</u>
Sec. 3. <u>DEPARTMENT OF AGRICULTURE</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>\$ 39,665,000</u>	<u>\$ 36,287,000</u>

Appropriations by Fund

	<u>2010</u>	<u>2011</u>
General	<u>39,277,000</u>	<u>35,899,000</u>
Remediation	<u>388,000</u>	<u>388,000</u>

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

Subd. 2. <u>Protection Services</u>	<u>13,178,000</u>	<u>13,128,000</u>
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Appropriations by Fund

General	<u>12,790,000</u>	<u>12,740,000</u>
Remediation	<u>388,000</u>	<u>388,000</u>

\$388,000 the first year and \$388,000 the second year are from the remediation fund for administrative funding for the voluntary cleanup program.

\$150,000 in the first year and \$150,000 the second year are for compensation payments. \$75,000 each year is available for compensation payments for crop damage caused by elk under Minnesota Statutes, section 3.7371, and \$75,000 each year is available for compensation payments for livestock destroyed or crippled by gray wolves under Minnesota Statutes, section 3.737. If the commissioner determines that claims made under Minnesota Statutes, section 3.737 or 3.7371, are unusually high, amounts appropriated for either program may be transferred to the appropriation for the other program. If the amounts appropriated for each program in fiscal year 2010 are insufficient, the amounts appropriated in fiscal year 2011 are available in 2010.

\$50,000 in the first year is for additional

duties under the noxious weed law changes in this article. This is a onetime appropriation.

Subd. 3. Agricultural Marketing and Development

4,327,000

4,302,000

\$186,000 the first year and \$186,000 the second year are for transfer to the Minnesota grown account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.102. Grants may be made for one year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2011, for Minnesota grown grants in this paragraph are available until June 30, 2013. \$50,000 of the appropriation in each year is for efforts that identify and promote Minnesota grown products in retail food establishments including, but not limited to, restaurants, grocery stores, and convenience stores.

\$60,000 the first year and \$60,000 the second year are for grants to farmers for demonstration projects involving sustainable agriculture as authorized in Minnesota Statutes, section 17.116. Of the amount for grants, up to \$20,000 may be used for dissemination of information about the demonstration projects. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2011, for sustainable agriculture grants in this paragraph are available until June 30, 2013.

\$100,000 the first year and \$100,000 the second year are to provide training and technical assistance to county and town officials relating to livestock siting issues and local zoning and land use planning, including maintenance of the checklist template clarifying the federal, state, and local government requirements for consideration of an animal agriculture modernization or expansion project. For the training and technical assistance program, the commissioner shall continue to seek

guidance, advice, and support of livestock producer organizations, general agricultural organizations, local government associations, academic institutions, other government agencies, and others with expertise in land use and agriculture.

\$100,000 the first year and \$100,000 the second year are for annual cost-share payments to resident farmers or persons who sell, process, or package agricultural products in this state for the costs of organic certification. Annual cost-share payments per farmer must be two-thirds of the cost of the certification or \$350, whichever is less. In any year that a resident farmer or person who sells, processes, or packages agricultural products in this state receives a federal organic certification cost-share payment, that resident farmer or person is not eligible for state cost-share payments. A certified farmer is eligible to receive annual certification cost-share payments for up to five years. \$15,000 each year is for organic market and program development. The commissioner may allocate any excess appropriation in either fiscal year for organic producer education efforts, assistance for persons transitioning from conventional to organic agriculture, or sustainable agriculture demonstration grants authorized under Minnesota Statutes, section 17.116, and pertaining to organic research or demonstration. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

\$25,000 the first year is for a grant to the St. Paul Growers' Association to reimburse up to \$1,000 of membership fees and retail leases for members of the association who farm in and around Dakota County and who incurred crop damages as a result of the hail storm in that area on July 10, 2008.

Subd. 4. **Bioenergy and Value-Added Agriculture**

15,168,000

12,920,000

\$15,168,000 the first year and \$12,920,000

the second year are for ethanol producer payments under Minnesota Statutes, section 41A.09. The second year reduction of \$2,248,000 is a onetime reduction. If the total amount for which all producers are eligible in a quarter exceeds the amount available for payments, the commissioner shall make payments on a pro rata basis. If the appropriation exceeds the total amount for which all producers are eligible in a fiscal year for scheduled payments and for deficiencies in payments during previous fiscal years, the balance in the appropriation is available to the commissioner for value-added agricultural programs, including the value-added agricultural product processing and marketing grant program under Minnesota Statutes, section 17.101, subdivision 5. The appropriation remains available until spent.

Subd. 5. Administration and Financial Assistance

6,992,000

5,937,000

\$705,000 the first year and \$705,000 the second year are for continuation of the dairy development and profitability enhancement and dairy business planning grant programs established under Laws 1997, chapter 216, section 7, subdivision 2, and Laws 2001, First Special Session chapter 2, section 9, subdivision 2. The commissioner may allocate the available sums among permissible activities, including efforts to improve the quality of milk produced in the state in the proportions that the commissioner deems most beneficial to Minnesota's dairy farmers. The commissioner must submit a work plan detailing plans for expenditures under this program to the chairs of the house of representatives and senate committees dealing with agricultural policy and budget on or before the start of each fiscal year. If significant changes are made to the plans in the course of the year, the commissioner must notify the chairs.

\$50,000 the first year and \$50,000 the second year are for the Northern Crops

Institute. These appropriations may be spent to purchase equipment.

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

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

\$474,000 the first year and \$474,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Of this amount, \$4,000 each year is for 4-H premiums. Aid payments to county and district agricultural societies and associations shall be disbursed not later than July 15 of each year. These payments are the amount of aid from the state for an annual fair held in the previous calendar year.

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

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

\$50,000 the first year and \$50,000 the second year are for annual grants to the Minnesota Turf Seed Council for basic and applied agronomic research on native plants, including plant breeding, nutrient management, pest management, disease management, yield, and viability. The grant recipient may subcontract with a qualified third party for some or all of the basic or applied research. The grant recipient must actively participate in the Agricultural

Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2011, must report to the house of representatives and senate committees with jurisdiction over agriculture finance.

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

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

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

Horticultural Society.

\$1,000,000 the first year is for a grant to the Minnesota Veterinary Diagnostic Laboratory. This appropriation is in addition to the allocation of state general fund appropriations for the laboratory. This is a onetime appropriation.

\$30,000 is for star farms program development. The commissioner, in consultation with other state and local agencies, farm groups, conservation groups, legislators, and other interested persons, shall develop a proposal for a star farms program. By January 15, 2010, the commissioner shall submit the proposal to the legislative committees and divisions with jurisdiction over agriculture and environmental policy and finance. This is a onetime appropriation.

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

Sec. 4. BOARD OF ANIMAL HEALTH

<u>\$</u>	<u>5,239,000</u>	<u>\$</u>	<u>5,239,000</u>
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\$2,531,000 the first year and \$2,531,000 the second year are for bovine tuberculosis eradication efforts in cattle herds.

\$100,000 the first year and \$100,000 the second year are for a program to control paratuberculosis (Johne's disease) in domestic bovine herds.

\$40,000 the first year and \$40,000 the second year are for a program to investigate the avian pneumovirus disease and to identify the infected flocks. This appropriation must be matched on a dollar-for-dollar or in-kind basis with nonstate sources and is in addition to money currently designated for turkey disease research. Costs of blood sample collection, handling, and transportation, in addition to costs associated with early diagnosis tests and the expenses of vaccine research trials, may be credited to the match.

\$400,000 the first year and \$400,000 the second year are for the purposes of cervidae inspection as authorized in Minnesota Statutes, section 35.155.

Sec. 5. AGRICULTURAL UTILIZATION RESEARCH INSTITUTE

\$ 2,883,000 \$ 2,883,000

\$650,000 the first year and \$650,000 the second year are for technical assistance and technology transfer to bioenergy crop producers and users.

Sec. 6. Minnesota Statutes 2008, section 3.737, subdivision 1, is amended to read:

Subdivision 1. **Compensation required.** (a) Notwithstanding section 3.736, subdivision 3, paragraph (e), or any other law, a livestock owner shall be compensated by the commissioner of agriculture for livestock that is destroyed by a gray wolf or is so crippled by a gray wolf that it must be destroyed. Except as provided in this section, the owner is entitled to the fair market value of the destroyed livestock as determined by the commissioner, upon recommendation of a university extension agent or a conservation officer. In any fiscal year, a livestock owner may not be compensated for a destroyed animal claim that is less than \$100 in value and may be compensated up to \$20,000, as determined under this section. In any fiscal year, the commissioner may provide compensation for claims filed under this section ~~and section 3.7371 up to a total of \$100,000 for both programs combined~~ the amount expressly appropriated for this purpose.

(b) Either the agent or the conservation officer must make a personal inspection of the site. The agent or the conservation officer must take into account factors in addition to a visual identification of a carcass when making a recommendation to the commissioner. The commissioner, upon recommendation of the agent or conservation officer, shall determine whether the livestock was destroyed by a gray wolf and any deficiencies in the owner's adoption of the best management practices developed in subdivision 5. The commissioner may authorize payment of claims only if the agent or the conservation officer has recommended payment. The owner shall file a claim on forms provided by the commissioner and available at the university extension agent's office.

Sec. 7. Minnesota Statutes 2008, section 3.7371, subdivision 3, is amended to read:

Subd. 3. **Compensation.** The crop owner is entitled to the target price or the market price, whichever is greater, of the damaged or destroyed crop plus adjustments for yield loss determined according to agricultural stabilization and conservation service programs for individual farms, adjusted annually, as determined by the commissioner, upon recommendation of the county extension agent for the owner's county. The commissioner, upon recommendation of the agent, shall determine whether the crop damage or destruction is caused by elk and, if so, the amount of the crop that is damaged or destroyed. In any fiscal year, a crop owner may not be compensated for a damaged or destroyed crop that is less than \$100 in value and may be compensated up to \$20,000, as determined under this section, if normal harvest procedures for the area are followed. In any fiscal year, the commissioner may provide compensation for claims filed under this section ~~and section 3.737 up to a total of \$100,000 for both programs combined~~ the amount expressly appropriated for this purpose.

Sec. 8. Minnesota Statutes 2008, section 17.03, subdivision 12, is amended to read:

Subd. 12. **Contracts; appropriation.** The commissioner may accept money as part of a contract with any public or private entity to provide statutorily prescribed services by the department. A contract must specify the services to be provided by the department and the amount and method of reimbursement. Money generated in a contractual agreement under this section must be deposited in a special revenue fund and is appropriated to the department for purposes of providing services specified in the contracts. Contracts under this section must be processed in accordance with section 16C.05. ~~The commissioner must report revenues collected and expenditures made under this section to the chairs of the Environment and Natural Resources Finance Committee in the house of representatives and the Environment and Agriculture Budget Division in the senate by January 15 of each odd-numbered year.~~

Sec. 9. Minnesota Statutes 2008, section 17.114, subdivision 3, is amended to read:

Subd. 3. **Duties.** (a) The commissioner shall:

(1) establish a clearinghouse and provide information, appropriate educational opportunities and other assistance to individuals, producers, and groups about sustainable agricultural techniques, practices, and opportunities;

(2) survey producers and support services and organizations to determine information and research needs in the area of sustainable agricultural practices;

(3) demonstrate the on-farm applicability of sustainable agriculture practices to conditions in this state;

(4) coordinate the efforts of state agencies regarding activities relating to sustainable agriculture;

(5) direct the programs of the department so as to work toward the sustainability of agriculture in this state;

(6) inform agencies of how state or federal programs could utilize and support sustainable agriculture practices;

(7) work closely with farmers, the University of Minnesota, and other appropriate organizations to identify opportunities and needs as well as assure coordination and avoid duplication of state agency efforts regarding research, teaching, and extension work relating to sustainable agriculture; ~~and~~

(8) work cooperatively with local governments and others to strengthen the connection between farmers who practice sustainable farming methods and urban, rural, and suburban consumers, including, but not limited to, promoting local farmers' markets and community-supported agriculture; and

(9) report to the Environmental Quality Board for review and then to the house of representatives and senate committees with jurisdiction over the environment, natural resources, and agriculture every even-numbered year.

(b) The report under paragraph (a), clause (8), must include:

(1) the presentation and analysis of findings regarding the current status and trends regarding

the economic condition of producers; the status of soil and water resources utilized by production agriculture; the magnitude of off-farm inputs used; and the amount of nonrenewable resources used by Minnesota farmers;

(2) a description of current state or federal programs directed toward sustainable agriculture including significant results and experiences of those programs;

(3) a description of specific actions the Department of Agriculture is taking in the area of sustainable agriculture, including, but not limited to, specific actions to strengthen the connection between sustainable farmers and consumers under paragraph (a), clause (8);

(4) a description of current and future research needs at all levels in the area of sustainable agriculture; and

(5) suggestions for changes in existing programs or policies or enactment of new programs or policies that will affect farm profitability, maintain soil and water quality, reduce input costs, or lessen dependence upon nonrenewable resources.

Sec. 10. Minnesota Statutes 2008, section 17.115, subdivision 2, is amended to read:

Subd. 2. **Loan criteria.** (a) The shared savings loan program must provide loans for purchase of new or used machinery and installation of equipment for projects that make environmental improvements ~~or~~ and enhance farm profitability. Eligible loan uses do not include seed, fertilizer, or fuel.

(b) Loans may not exceed ~~\$25,000~~ \$40,000 per individual applying for a loan and may not exceed ~~\$100,000~~ \$160,000 for loans to four or more individuals on joint projects. The loan repayment period may be up to seven years as determined by project cost and energy savings. The interest rate on the loans must not exceed six percent. ~~For loans made from May 1, 2004, to June 30, 2007, the interest rate must not exceed three percent.~~

(c) Loans may only be made to residents of this state engaged in farming.

Sec. 11. Minnesota Statutes 2008, section 18.75, is amended to read:

18.75 PURPOSE.

It is the policy of the legislature that residents of the state be protected from the injurious effects of noxious weeds on public health, the environment, public roads, crops, livestock, and other property. Sections 18.76 to ~~18.88~~ 18.91 contain procedures for controlling and eradicating noxious weeds on all lands within the state.

Sec. 12. Minnesota Statutes 2008, section 18.76, is amended to read:

18.76 CITATION.

Sections 18.76 to ~~18.88~~ 18.91 may be cited as the "Minnesota Noxious Weed Law."

Sec. 13. Minnesota Statutes 2008, section 18.77, subdivision 1, is amended to read:

Subdivision 1. **Scope.** The definitions in this section apply to sections 18.76 to ~~18.88~~ 18.91.

Sec. 14. Minnesota Statutes 2008, section 18.77, is amended by adding a subdivision to read:

Subd. 2a. **Certified noxious weed free.** "Certified noxious weed free" means that the material being certified has been inspected, tested, or processed to devitalize or remove the noxious weed propagating parts in order to verify that viable noxious weed propagating parts are not present in the material.

Sec. 15. Minnesota Statutes 2008, section 18.77, is amended by adding a subdivision to read:

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

Sec. 16. Minnesota Statutes 2008, section 18.77, subdivision 3, is amended to read:

Subd. 3. **Control.** "Control" means to destroy all or part of the aboveground growth of noxious weeds by a lawful method that does not cause unreasonable adverse effects on the environment as defined in section 18B.01, subdivision 31, and prevents the maturation and spread of noxious weed propagating parts from one area to another.

Sec. 17. Minnesota Statutes 2008, section 18.77, subdivision 5, is amended to read:

Subd. 5. **Growing crop.** "Growing crop" means an agricultural, horticultural, or forest crop that has been planted or regularly maintained and intended for harvest. It does not mean a permanent pasture, hay meadow, woodlot, or other noncrop area that contains native or seeded perennial plants used for grazing or hay purposes, and which is not harvested on a regular basis.

Sec. 18. Minnesota Statutes 2008, section 18.77, is amended by adding a subdivision to read:

Subd. 5a. **Inspector.** "Inspector" means the commissioner, agent of the commissioner, county agricultural inspector, local weed inspector, or assistant weed inspector.

Sec. 19. Minnesota Statutes 2008, section 18.77, is amended by adding a subdivision to read:

Subd. 5b. **County-designated employee.** "County-designated employee" means a person designated by a county board to oversee the responsibilities listed in section 18.81, subdivision 1a.

Sec. 20. Minnesota Statutes 2008, section 18.77, is amended by adding a subdivision to read:

Subd. 8a. **Noxious weed management plan.** "Noxious weed management plan" means controlling or eradicating noxious weeds in the manner designated in a management plan developed for the area or site where the infestations are found using specific strategies or methods that are to be used singly or in combination to achieve control or eradication.

Sec. 21. Minnesota Statutes 2008, section 18.77, is amended by adding a subdivision to read:

Subd. 13. **Weed management area.** "Weed management area" means a designated area where special or unique noxious weed control or eradication strategies or methods are used according to a specific management plan developed for each management area established.

Sec. 22. Minnesota Statutes 2008, section 18.78, subdivision 1, is amended to read:

Subdivision 1. **Generally.** A person owning land, a person occupying land, or a person responsible for the maintenance of public land shall control or eradicate all noxious weeds on the land at a time and in a manner ordered by ~~the county agricultural inspector or a local weed~~ an inspector or county-designated employee.

Sec. 23. Minnesota Statutes 2008, section 18.78, is amended by adding a subdivision to read:

Subd. 3. **Cooperative weed control agreement.** The commissioner, township, or county agricultural inspector or county-designated employee may enter into a cooperative weed control agreement with a landowner or weed management area group to establish a mutually agreed upon noxious weed management plan for up to three years duration, whereby a noxious weed problem will be controlled without additional enforcement action. If a property owner fails to comply with the noxious weed management plan, an individual notice can be served.

Sec. 24. Minnesota Statutes 2008, section 18.79, is amended to read:

18.79 DUTIES OF COMMISSIONER.

Subdivision 1. **Enforcement.** The commissioner ~~of agriculture~~ shall administer and enforce sections 18.76 to ~~18.88~~ 18.91.

Subd. 2. **Authorized agents.** County agricultural inspectors may administer and enforce sections 18.76 to ~~18.88~~ 18.91. County-designated employees may enforce sections 18.78; 18.82; 18.83; 18.84; 18.86; and 18.87.

Subd. 3. **Entry upon land.** To administer and enforce sections 18.76 to ~~18.88~~ 18.91, ~~county agricultural inspectors and local weed inspectors~~ an inspector may enter upon land without consent of the owner and without being subject to an action for trespass or any damages.

Subd. 4. **Rules.** The commissioner may adopt necessary rules under chapter 14 for the proper enforcement of sections 18.76 to ~~18.88~~ 18.91.

Subd. 5. **Order for control or eradication of noxious weeds.** ~~A county agricultural inspector or a local weed~~ An inspector or county-designated employee may order the control or eradication of noxious weeds on any land within the ~~state~~ inspector's or county-designated employee's jurisdiction.

Subd. 6. ~~**Initial Training for control or eradication of noxious weeds.**~~ The commissioner shall conduct initial training considered necessary for weed inspectors and county-designated employees in the enforcement of the Minnesota Noxious Weed Law. The director of the Minnesota Extension Service may conduct educational programs for the general public that will aid compliance with the Minnesota Noxious Weed Law.

Subd. 7. **Meetings and reports.** The commissioner shall designate by rule ~~the reports that are~~ required to be made and ~~the meetings that must be attended by weed inspectors.~~

Subd. 8. **Prescribed forms.** The commissioner shall prescribe the forms to be used by weed inspectors and county-designated employees in the enforcement of sections 18.76 to ~~18.88~~ 18.91.

Subd. 9. **Injunction.** If the county agricultural inspector or county-designated employee applies to a court for a temporary or permanent injunction restraining a person from violating or continuing to violate sections 18.76 to ~~18.88~~ 18.91, the injunction may be issued without requiring a bond.

Subd. 10. **Prosecution.** On finding that a person has violated sections 18.76 to ~~18.88~~ 18.91, the county agricultural inspector or county-designated employee may start court proceedings in the locality in which the violation occurred. The county attorney may prosecute actions under sections 18.76 to ~~18.88~~ 18.91 within the county attorney's jurisdiction.

Subd. 12. **Noxious-weed-free forage and mulch certification agency.** The official certification agency for noxious-weed-free forage and mulch shall, soil, gravel, and other material must be determined by the commissioner of agriculture in consultation with the director of the Minnesota agricultural experiment station. The commissioner may also certify forage, mulch, soil, gravel, or other material as noxious-weed-free.

Subd. 13. **Noxious weed designation.** The commissioner, in consultation with the Noxious Weed Advisory Committee, shall determine which plants are noxious weeds subject to control under sections 18.76 to 18.91. The commissioner shall prepare, publish, and revise as necessary, but at least once every three years, a list of noxious weeds and their designated classification. The list must be distributed to the public by the commissioner who may request the help of the University of Minnesota Extension, the county agricultural inspectors, and any other organization the commissioner considers appropriate to assist in the distribution. The commissioner may, in consultation with the Noxious Weed Advisory Committee, accept and consider noxious weed designation petitions from Minnesota citizens or Minnesota organizations or associations.

Subd. 14. **County petition.** A county may petition the commissioner to designate specific noxious weeds which are a control problem in the county.

Subd. 15. **Noxious weed management.** The commissioner, in consultation with the Noxious Weed Advisory Committee, shall develop management strategies and criteria for each noxious weed category.

Subd. 16. **Gifts; grants; contracts; funds.** The commissioner, counties, and municipalities may apply for and accept any gift, grant, contract, or other funds or grants-in-aid from the federal government or other public and private sources for noxious weed control purposes.

Subd. 17. **Noxious weed investigation.** The commissioner shall investigate the subject of noxious weeds and conduct investigations outside this state to protect the interest of the agricultural industry, forests, or the environment of this state from noxious weeds not generally growing in Minnesota.

Subd. 18. **Noxious weed education.** The commissioner shall disseminate information and conduct educational campaigns with respect to control of noxious weeds or invasive plants to enhance regulatory compliance and voluntary efforts to eliminate or manage these plants. The commissioner shall call and attend meetings and conferences dealing with the subject of noxious weeds.

Subd. 19. **State and federal lands.** The commissioner shall inform and direct state and federal agencies regarding their responsibility to manage and control noxious weeds on land that those agencies own, control, or manage.

Subd. 20. **Interagency cooperation.** The commissioner shall cooperate with agencies of federal, state, and local governments and other persons in carrying out duties under sections 18.76 to 18.91.

Subd. 21. **Weed management area.** The commissioner, in consultation with the Noxious Weed Advisory Committee, may establish a weed management area to include a part of one or more counties or all of one or more counties of this state and shall include all the land within the boundaries of the area established. Weed management plans developed for a weed management area must be reviewed and approved by the commissioner and the Noxious Weed Advisory Committee. Weed

management areas may seek funding under section 18.90.

Sec. 25. Minnesota Statutes 2008, section 18.80, subdivision 1, is amended to read:

Subdivision 1. **County agricultural inspectors.** ~~The county board shall appoint at least one or more county agricultural inspectors that meet the qualifications prescribed by rule. The appointment must be for a period of time which is sufficient to accomplish the duties assigned to this position~~ inspector to carry out the duties specified in section 18.81, subdivisions 1 and 1a, or a county-designated employee to carry out the duties specified in section 18.81, subdivision 1a. A notice of the appointment must be delivered to the commissioner within ten days of the appointment and it must establish the initial number of hours to be worked annually within 30 days.

Sec. 26. Minnesota Statutes 2008, section 18.81, subdivision 1, is amended to read:

Subdivision 1. **County agricultural inspectors; optional duties.** ~~It is The duty of~~ In addition to the mandatory duties specified in subdivision 1a, the county board shall specify the responsibilities of the county agricultural inspectors ~~inspector in the annual work plan, which may include:~~

(1) ~~to see that sections 18.76 to 18.88~~ 18.91 and rules adopted under those sections are carried out within their jurisdiction;

(2) to see that sections 21.80 to 21.92 and rules adopted under those sections are carried out within their jurisdiction;

(3) to see that sections 21.71 to 21.78 and rules adopted under those sections are carried out within their jurisdiction;

(4) to participate in the control programs for invasive plant species, feed, fertilizer, pesticide, and plant and insect pests when requested, in writing, to do so by the commissioner;

(5) to participate in other agricultural programs under the control of the commissioner when requested by the commissioner in writing to do so, ~~subject to veto by the county board;~~

(6) to administer the distribution of funds allocated by the county board to the county agricultural inspector or county-designated employee for noxious weed control and eradication within the county;

(7) to submit reports and attend meetings that the commissioner requires; ~~and~~

(8) to publish a general weed notice of the legal duty to control noxious weeds in one or more legal newspapers of general circulation throughout the county; and

(9) to be the primary contact in the county for all plant biological control agents.

Sec. 27. Minnesota Statutes 2008, section 18.81, is amended by adding a subdivision to read:

Subd. 1a. **County agricultural inspectors and county-designated employees; mandatory duties.** The county agricultural inspector or county-designated employee shall be responsible for:

(1) the enforcement of sections 18.78; 18.82; 18.83; 18.84; 18.86; and 18.87; and

(2) providing a point of contact within the county for noxious weeds.

Sec. 28. Minnesota Statutes 2008, section 18.81, subdivision 3, is amended to read:

Subd. 3. **Nonperformance by inspectors; reimbursement for expenses.** If local weed inspectors neglect or fail to do their duty as prescribed in this section, the county agricultural inspector ~~shall~~ or county-designated employee, in consultation with the commissioner, may issue a notice to the inspector providing instructions on how and when to do their duty. If, after the time allowed in the notice, the local weed inspector has not complied as directed, the county agricultural inspector or county-designated employee may consult with the commissioner to perform the duty for the local weed inspector. A claim for the expense of doing the local weed inspector's duty is a legal charge against the municipality in which the inspector has jurisdiction. The county agricultural inspector ~~doing~~ or county-designated employee overseeing the work may file an itemized statement of costs with the clerk of the municipality in which the work was performed. The municipality shall immediately issue proper warrants to the county for the work performed. If the municipality fails to issue the warrants, the county auditor may include the amount contained in the itemized statement of costs as part of the next annual tax levy in the municipality and withhold that amount from the municipality in making its next apportionment.

Sec. 29. Minnesota Statutes 2008, section 18.82, subdivision 1, is amended to read:

Subdivision 1. **Permits.** Except as provided in section 21.74, if a person wants to transport along a public highway materials or equipment containing the propagating parts of weeds designated as noxious by the commissioner, the person must secure a written permit for transportation of the material or equipment from ~~a local weed inspector or county agricultural~~ an inspector or county-designated employee. Inspectors or county-designated employees may issue permits to persons residing or operating within their jurisdiction. If the noxious weed propagating parts are removed from materials and equipment or devitalized before being transported, a permit is not needed.

Sec. 30. Minnesota Statutes 2008, section 18.82, subdivision 3, is amended to read:

Subd. 3. **Duration of permit; revocation.** A permit under subdivision 1 is valid for up to one year after the date it is issued unless otherwise specified by the weed inspector or county-designated employee issuing the permit. The permit may be revoked if ~~a county agricultural inspector or local weed~~ an inspector or county-designated employee determines that the applicant has not complied with this section.

Sec. 31. Minnesota Statutes 2008, section 18.83, is amended to read:

18.83 CONTROL; ERADICATION; NOTICES; EXPENSES.

Subdivision 1. **General weed notice.** A general notice for noxious weed control or eradication must be published on or before May 15 of each year ~~and at other times the commissioner directs~~. Failure of the county agricultural weed inspector or county-designated employee to publish the general notice does not relieve a person from the necessity of full compliance with sections 18.76 to ~~18.88~~ 18.91 and related rules. The published notice is legal and sufficient notice when an individual notice cannot be served.

Subd. 2. **Individual notice.** ~~A weed~~ An inspector or county-designated employee may find it necessary to secure more prompt or definite control or eradication of noxious weeds than is accomplished by the published general notice. In these special or individual instances, involving one or a limited number of persons, the weed inspector or county-designated employee having jurisdiction shall serve individual notices in writing upon the person who owns the land and the

person who occupies the land, or the person responsible for or charged with the maintenance of public land, giving specific instructions on when and how named noxious weeds are to be controlled or eradicated. Individual notices provided for in this section must be served in the same manner as a summons in a civil action in the district court or by certified mail. Service on a person living temporarily or permanently outside of the weed inspector's or county-designated employee's jurisdiction may be made by sending the notice by certified mail to the last known address of the person, to be ascertained, if necessary, from the last tax list in the county treasurer's office.

Subd. 3. Appeal of individual notice; appeal committee. (1) A recipient of an individual notice may appeal, in writing, the order for control or eradication of noxious weeds. This appeal must be filed with a member of the appeal committee in the county where the land is located within two working days of the time the notice is received. The committee must inspect the land specified in the notice and report back to the recipient and the inspector or county-designated employee who issued the notice within five working days, either agreeing, disagreeing, or revising the order. The decision may be appealed in district court. If the committee agrees or revises the order, the control or eradication specified in the order, as approved or revised by the committee, may be carried out.

(2) The county board of ~~commissioners~~ shall appoint members of the appeal committee. The membership must include a county commissioner or municipal official and a landowner residing in the county. The expenses of the members may be reimbursed by the county upon submission of an itemized statement to the county auditor. At its option, the county board of ~~commissioners~~, by resolution, may delegate the duties of the appeal committee to its board of adjustment established pursuant to section 394.27. When carrying out the duties of the appeal committee, the zoning board of adjustment shall comply with all of the procedural requirements of this section.

Subd. 4. Control or eradication by inspector or county-designated employee. If a person does not comply with an individual notice served on the person or an individual notice cannot be served, the weed inspector or county-designated employee having jurisdiction shall have the noxious weeds controlled or eradicated within the time and in the manner the weed inspector or county-designated employee designates.

Subd. 5. Control or eradication by inspector or county-designated employee in growing crop. A ~~weed~~ An inspector or county-designated employee may consider it necessary to control or eradicate noxious weeds along with all or a part of a growing crop to prevent the maturation and spread of noxious weeds within the inspector's or county-designated employee's jurisdiction. If this situation exists, the weed inspector or county-designated employee may have the noxious weeds controlled or eradicated together with the crop after the appeal committee has reviewed the matter as outlined in subdivision 3 and reported back agreement with the order.

Subd. 6. Authorization for person hired to enter upon land. The weed inspector or county-designated employee may hire a person to control or eradicate noxious weeds if the person who owns the land, the person who occupies the land, or the person responsible for the maintenance of public land has failed to comply with an individual notice or with the published general notice when an individual notice cannot be served. The person hired must have authorization, in writing, from the weed inspector or county-designated employee to enter upon the land.

Subd. 7. Expenses; reimbursements. A claim for the expense of controlling or eradicating noxious weeds, which may include the costs of serving notices, is a legal charge against the county in which the land is located. The officers having the work done must file with the county auditor a

verified and itemized statement of cost for all services rendered on each separate tract or lot of land. The county auditor shall immediately issue proper warrants to the persons named on the statement as having rendered services. To reimburse the county for its expenditure in this regard, the county auditor shall certify the total amount due and, unless an appeal is made in accordance with section 18.84, enter it on the tax roll as a tax upon the land and it must be collected as other real estate taxes are collected.

If public land is involved, the amount due must be paid from funds provided for maintenance of the land or from the general revenue or operating fund of the agency responsible for the land. Each claim for control or eradication of noxious weeds on public lands must first be approved by the commissioner of agriculture.

Sec. 32. Minnesota Statutes 2008, section 18.84, subdivision 1, is amended to read:

Subdivision 1. **Counties and municipalities.** Counties and municipalities are not liable for damages from the noxious weed control program for actions conducted in accordance with sections 18.76 to ~~18.88~~ 18.91.

Sec. 33. Minnesota Statutes 2008, section 18.84, subdivision 2, is amended to read:

Subd. 2. **Appeal of charges to county board.** A person who is ordered to control noxious weeds under sections 18.76 to ~~18.88~~ 18.91 and is charged for noxious weed control may appeal the cost of noxious weed control to the county board of the county where the noxious weed control measures were undertaken within 30 days after being charged. The county board shall determine the amount and approve the charge and filing of a lien against the property if it determines that the owner, or occupant if other than the owner, responsible for controlling noxious weeds did not comply with the order of the inspector or county-designated employee.

Sec. 34. Minnesota Statutes 2008, section 18.84, subdivision 3, is amended to read:

Subd. 3. **Court Appeal of costs to district court; petition.** (a) ~~A landowner who has appealed~~ person who is ordered to control noxious weeds under sections 18.76 to 18.91 and is charged for the cost of noxious weed control measures under subdivision 2 may petition for judicial review of the charges. The petition must be filed within 30 days after the conclusion of the hearing before the county board being charged. The petition must be filed with the court administrator in the county in which the land where the noxious weed control measures were undertaken is located, together with proof of service of a copy of the petition on the county auditor. No responsive pleadings may be required of the county, and no court fees may be charged for the appearance of the county in this matter.

(b) The petition must be captioned in the name of the person making the petition as petitioner and respective county as respondents. The petition must include the petitioner's name, the legal description of the land involved, a copy of the notice to control noxious weeds, and the date or dates on which appealed control measures were undertaken.

(c) The petition must state with specificity the grounds upon which the petitioner seeks to avoid the imposition of a lien for the cost of noxious weed control measures.

Sec. 35. Minnesota Statutes 2008, section 18.86, is amended to read:

18.86 UNLAWFUL ACTS.

No person may:

(1) hinder or obstruct in any way ~~the county agricultural inspectors or local weed inspectors an inspector or county-designated employee~~ in the performance of their duties ~~as provided in~~ sections 18.76 to 18.88 18.91 or related rules;

(2) neglect, fail, or refuse to comply with section 18.82 or related rules in the transportation and use of material or equipment infested with noxious weed propagating parts;

(3) sell material containing noxious weed propagating parts to a person who does not have a permit to transport that material or to a person who does not have a screenings permit issued in accordance with section 21.74; or

(4) neglect, fail, or refuse to comply with a general notice or an individual notice to control or eradicate noxious weeds.

Sec. 36. Minnesota Statutes 2008, section 18.87, is amended to read:

18.87 PENALTY.

A violation of section 18.86 or a rule adopted under that section is a misdemeanor. ~~County agricultural inspectors, local weed~~ Inspectors, county-designated employees, or their appointed assistants are not subject to the penalties of this section for failure, neglect, or refusal to perform duties imposed on them by sections 18.76 to 18.88 18.91.

Sec. 37. Minnesota Statutes 2008, section 18.88, is amended to read:

18.88 NOXIOUS WEED PROGRAM FUNDING.

Subdivision 1. **County.** The county board shall pay, from the general revenue or other fund for the county, the expenses for the county agricultural inspector or county-designated employee position, for noxious weed control or eradication on all land owned by the county or on land that for which the county is responsible for the its maintenance of, and for the expenses of the appeal committee, and for necessary expenses as required for quarantines within the county. Use of funding from grants and other sources for the administration and enforcement of the noxious weed law must be approved by the county board.

Subd. 2. **Municipality.** The municipality shall pay, from the general revenue or other fund for the municipality, the necessary expenses of the local weed inspector or county-designated employee in the performance of duties required for quarantines within the municipality, and for noxious weed control or eradication on land owned by the municipality or on land for which the municipality is responsible for its maintenance. Use of funding from grants and other sources for the administration and enforcement of the noxious weed law must be approved by the town board or city mayor.

Subd. 3. **Funding.** Funding in the form of grants or cost sharing may be provided to the counties for the performance of their activities under section 18.81, subdivision 1.

Sec. 38. [18.89] NOXIOUS WEED AND INVASIVE PLANT SPECIES ASSISTANCE ACCOUNT.

The noxious weed and invasive plant species assistance account is created in the agricultural fund. The account may be used to carry out the purposes of section 18.90. Any money transferred

to the account and any money received by the account as gifts or grants or other private or public funds obtained for the purposes in section 18.91 must be credited to the account. The money in the account is annually appropriated to the commissioner to implement section 18.90.

Sec. 39. **[18.90] GRANT PROGRAM.**

(a) From funds available in the noxious weed and invasive plant species assistance account established in section 18.89, the commissioner shall administer a grant program to assist counties and municipalities and other weed management entities in the cost of implementing and maintaining noxious weed control programs and in addressing special weed control problems. The commissioner shall receive applications by counties, municipalities, weed management areas, and weed management entities for assistance under this section and, in consultation with the Noxious Weed Advisory Committee, award grants for any of the following eligible purposes:

(1) to conduct applied research to solve locally significant weed management problems;

(2) to demonstrate innovative control methods or land management practices which have the potential to reduce landowner costs to control noxious weeds or improve the effectiveness of noxious weed control;

(3) to encourage the ongoing support of weed management areas;

(4) to respond to introductions or infestations of invasive plants that threaten or potentially threaten the productivity of cropland and rangeland over a wide area;

(5) to respond to introductions or infestations of invasive plant species that threaten or potentially threaten the productivity of biodiversity of wildlife and fishery habitats on public and private lands;

(6) to respond to special weed control problems involving weeds not included in the list of noxious weeds published and distributed by the commissioner;

(7) to conduct monitoring or surveillance activities to detect, map, or determine the distribution of invasive plant species and to determine susceptible locations for the introduction or spread of invasive plant species; and

(8) to conduct educational activities.

(b) The commissioner shall select and prioritize applications for assistance under this section based on the following considerations:

(1) the seriousness of the noxious weed or invasive plant problem or potential problem addressed by the project;

(2) the ability of the project to provide timely intervention to save current and future costs of control and eradication;

(3) the likelihood that the project will prevent or resolve the problem or increase knowledge about resolving similar problems in the future;

(4) the extent to which the project will leverage federal funds and other nonstate funds;

(5) the extent to which the applicant has made progress in addressing noxious weed or invasive plant problems;

(6) the extent to which the project will provide a comprehensive approach to the control or eradication of noxious weeds;

(7) the extent to which the project will reduce the total population or area of infestation of a noxious weed;

(8) the extent to which the project uses the principles of integrated vegetation management and sound science; and

(9) other factors that the commissioner determines to be relevant.

(c) Nothing in this section may be construed to relieve a person of the duty or responsibility to control the spread of noxious weeds on lands owned and controlled by the person.

Sec. 40. [18.91] ADVISORY COMMITTEE; MEMBERSHIP.

Subdivision 1. **Duties.** The commissioner shall consult with the Noxious Weed Advisory Committee to advise the commissioner concerning responsibilities under the noxious weed control program. The committee shall also evaluate species for invasiveness, difficulty of control, cost of control, benefits, and amount of injury caused by them. For each species evaluated, the committee shall recommend to the commissioner on which noxious weed list or lists, if any, the species should be placed. Species currently designated as prohibited or restricted noxious weeds must be reevaluated every three years for a recommendation on whether or not they need to remain on the noxious weed lists. Members of the committee are not entitled to reimbursement of expenses nor payment of per diem. Members shall serve two-year terms with subsequent reappointment by the commissioner.

Subd. 2. **Membership.** The commissioner shall appoint members, which shall include representatives from the following:

(1) horticultural science, agronomy, and forestry at the University of Minnesota;

(2) the nursery and landscape industry in Minnesota;

(3) the seed industry in Minnesota;

(4) the Department of Agriculture;

(5) the Department of Natural Resources;

(6) a conservation organization;

(7) an environmental organization;

(8) at least two farm organizations;

(9) the county agricultural inspectors;

(10) city, township, and county governments;

(11) the Department of Transportation;

(12) the University of Minnesota Extension;

(13) the timber and forestry industry in Minnesota;

(14) the Board of Water and Soil Resources; and

(15) soil and water conservation districts.

Subd. 3. **Additional duties.** The committee shall conduct evaluations of terrestrial plant species to recommend if they need to be designated as noxious weeds and into which noxious weed classification they should be designated, advise the commissioner on the implementation of the Noxious Weed Law, and assist the commissioner in the development of management criteria for each noxious weed category.

Subd. 4. **Organization.** The committee shall select a chair from its membership. Meetings of the committee may be called by or at the direction of the commissioner or upon direction of its chair.

Subd. 5. **Expiration.** Notwithstanding section 15.059, subdivision 3, the committee expires June 30, 2013.

Sec. 41. Minnesota Statutes 2008, section 18B.01, is amended by adding a subdivision to read:

Subd. 1a. **Agricultural pesticide.** "Agricultural pesticide" means a pesticide that bears labeling that meets federal worker protection agricultural use requirements established in Code of Federal Regulations, title 40, parts 156 and 170.

Sec. 42. Minnesota Statutes 2008, section 18B.01, subdivision 8, is amended to read:

Subd. 8. **Distribute.** "Distribute" means offer for sale, sell, barter, ship, deliver for shipment, receive and deliver, and offer to deliver pesticides in this state or into this state.

Sec. 43. Minnesota Statutes 2008, section 18B.01, is amended by adding a subdivision to read:

Subd. 14b. **Nonagricultural pesticide.** "Nonagricultural pesticide" means a pesticide that does not bear labeling that meets federal worker protection agricultural use requirements established in Code of Federal Regulations, title 40, parts 156 and 170.

Sec. 44. Minnesota Statutes 2008, section 18B.065, subdivision 2, is amended to read:

Subd. 2. **Implementation.** (a) The commissioner may obtain a United States Environmental Protection Agency hazardous waste identification number to manage the waste pesticides collected.

(b) The commissioner may ~~not~~ limit the type and quantity of waste pesticides accepted for collection and may ~~not~~ assess pesticide end users for portions of the costs incurred.

Sec. 45. Minnesota Statutes 2008, section 18B.065, subdivision 2a, is amended to read:

Subd. 2a. **Disposal site requirement.** (a) For agricultural waste ~~pesticides~~ pesticide collections, the commissioner must designate a place in each county of the state that is available ~~at least every year~~ periodically for persons to dispose of unused portions of agricultural pesticides. The commissioner shall consult with the person responsible for solid waste management and disposal in each county to determine an appropriate location and to advertise each collection event.

(b) For residential waste ~~pesticides~~ pesticide collections, the commissioner must provide periodic disposal opportunities ~~each year~~ in each county. As provided under subdivision 7, the

commissioner may enter into agreements with county or regional solid waste management entities to provide these collections and shall provide these entities with funding. Reimbursement shall be made for reasonable costs incurred including, but not limited to, related supplies, transportation, advertising, and disposal costs as well as reasonable overhead costs.

(c) A person who collects waste pesticide under paragraph (a) or (b) shall, on a form provided by the commissioner, record information on each waste pesticide product collected including, but not limited to, the quantity collected and either the product name, and its active ingredient or ingredients, quantity, and or the product's United States Environmental Protection Agency registration number, on a form provided by the commissioner. The person must submit this information to the commissioner at least annually.

Sec. 46. [18B.346] PESTICIDE APPLICATION ON RAILROAD PROPERTY.

Subdivision 1. **Applicability.** This section applies only to common carrier railroads.

Subd. 2. **Safety information.** (a) In coordination with common carrier railroad companies operating in this state, the commissioner shall provide annual pesticide safety outreach opportunities for railroad employees.

(b) A common carrier railroad that operates in this state must provide annual employee pesticide safety training opportunities.

Subd. 3. **Pesticide applications.** (a) A person may not directly apply a restricted-use pesticide to occupied or unoccupied locomotives, track repair equipment, or on-track housing units unless the pesticide is specifically labeled for that use.

(b) Employees of common carrier railroads must not be required to work in affected areas in a manner that is inconsistent with the pesticide label.

Subd. 4. **Misuse reporting.** A common carrier railroad or a commercial applicator hired by the common carrier railroad to apply pesticide must report to the commissioner within four hours, or as soon as practicable, any pesticide misuse known to the railroad company or commercial applicator that occurred on railroad property or to other property under the control of the railroad company. For the purposes of this section "misuse" means a pesticide application that violates subdivision 3 or any provision in section 18B.07.

Sec. 47. Minnesota Statutes 2008, section 18C.415, subdivision 3, is amended to read:

Subd. 3. **Effective period.** ~~Other~~ Licenses are for the period from January 1 to the following December 31 and must be renewed annually by the licensee before January 1. A license is not transferable from one person to another, from the ownership to whom issued to another ownership, or from one location to another location.

Sec. 48. Minnesota Statutes 2008, section 18C.421, is amended to read:

18C.421 ~~DISTRIBUTOR'S~~ TONNAGE REPORT.

Subdivision 1. ~~Semiannual statement~~ **Annual tonnage report.** (a) Each licensed distributor of fertilizer and each registrant of a specialty fertilizer, soil amendment, or plant amendment must file a semiannual statement for the periods ending December 31 and June 30 with the commissioner on forms furnished by the commissioner stating the number of net tons and grade of each raw fertilizer

~~material distributed or the number of net tons of each brand or grade of fertilizer, soil amendment, or plant amendment~~ registrant under section 18C.411 and licensee under section 18C.415 shall file an annual tonnage report for the previous year ending June 30 with the commissioner, on forms provided or approved by the commissioner, stating the number of net tons of each brand or grade of fertilizer, soil amendment, or plant amendment distributed in this state or the number of net tons and grade of each raw fertilizer material distributed in this state during the reporting period.

(b) ~~A tonnage reports are report is~~ not required to be filed with submitted, and an inspection fee under section 18C.425, subdivision 6, is not required to be paid to the commissioner ~~from licensees by a licensee who distributed~~ distributes fertilizer solely by custom application.

(c) ~~A report from a licensee who sells to an ultimate consumer must be accompanied by records or invoice copies indicating the name of the distributor who paid the inspection fee, the net tons received, and the grade or brand name of the products received.~~

~~(d)~~ (d) The annual tonnage report is due must be submitted to the commissioner on or before the last day of the month following the close of each reporting period July 31 of each calendar year.

~~(e)~~ (d) The inspection fee at the rate stated in section 18C.425, subdivision 6, must accompany the statement.

Subd. 2. **Additional reports.** The commissioner may by rule require additional reports for the purpose of gathering statistical data relating to fertilizer, soil amendments, and plant amendments distribution in the state.

Subd. 3. **Late annual report and inspection fee penalty.** (a) If a distributor ~~does not file the semiannual statement~~ registrant or licensee fails to submit an annual tonnage report or pay the inspection fees ~~fee~~ under section 18C.425, subdivision 6, by 31 days after the end of the reporting period July 31, the commissioner shall assess ~~the registrant or licensee~~ a penalty of the greater of ~~\$25~~ \$50 or ten percent of the amount due ~~against the licensee or registrant.~~

(b) The fees due, plus the penalty, may be recovered in a civil action against the licensee or registrant.

(c) The assessment of the penalty does not prevent the commissioner from taking other actions as provided in this chapter and sections 18D.301 to 18D.331.

Subd. 4. **Responsibility for inspection fees.** ~~If more than one person is involved in the distribution of a fertilizer, soil amendment, or plant amendment, the distributor who imports, manufactures, or produces the fertilizer or who has the specialty fertilizer, soil amendment, or plant amendment registered is responsible for the inspection fee on products produced or brought into this state. The distributor must separately list the inspection fee on the invoice to the licensee. The last licensee must retain the invoices showing proof of inspection fees paid for three years and must pay the inspection fee on products brought into this state before July 1, 1989, unless the reporting and paying of fees have been made by a prior distributor of the fertilizer.~~

Subd. 5. **Verification of statements annual tonnage report.** The commissioner may verify the records on which the ~~statement of annual~~ tonnage report is based.

Sec. 49. Minnesota Statutes 2008, section 18C.425, subdivision 4, is amended to read:

Subd. 4. **Fee for late application.** ~~If an application for renewal of a fertilizer license or registration of a specialty fertilizer, soil amendment, or plant amendment under section 18C.411 or a license under section 18C.415 is not filed before January 1 or July 1 of a year, as required submitted to the commissioner after December 31, an additional application late fee of one-half of the amount due must be paid in addition to the application fee before the renewal license or registration may be issued.~~

Sec. 50. Minnesota Statutes 2008, section 18C.425, subdivision 6, is amended to read:

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

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

(c) The person responsible for payment of the inspection fees for fertilizers, soil amendments, or plant amendments sold and used in this state must pay an inspection fee of 30 cents per ton of fertilizer, soil amendment, and plant amendment sold or distributed in this state, with a minimum of \$10 on all tonnage reports. Products sold or distributed to manufacturers or exchanged between them are exempt from the inspection fee imposed by this subdivision if the products are used exclusively for manufacturing purposes.

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

Sec. 51. Minnesota Statutes 2008, section 18E.03, subdivision 2, is amended to read:

Subd. 2. **Expenditures.** (a) Money in the agricultural chemical response and reimbursement account may only be used:

(1) to pay for the commissioner's responses to incidents under chapters 18B, 18C, and 18D that are not eligible for payment under section 115B.20, subdivision 2;

(2) to pay for emergency responses that are otherwise unable to be funded;

(3) to reimburse and pay corrective action costs under section 18E.04; and

(4) by the board to reimburse the commissioner for board staff and other administrative costs up to \$225,000 per fiscal year; and

(5) to pay costs for the commissioner's incident response program related to ACRRA-eligible sites.

(b) Money in the agricultural chemical response and reimbursement account is appropriated to the commissioner to make payments as provided in this subdivision.

Sec. 52. Minnesota Statutes 2008, section 28A.085, subdivision 1, is amended to read:

Subdivision 1. **Violations; prohibited acts.** The commissioner may charge a reinspection fee for each reinspection of a food handler that:

(1) is found with a major violation of requirements in chapter 28, 29, 30, 31, 31A, 32, 33, or 34, or rules adopted under one of those chapters;

(2) is found with a violation of section 31.02, 31.161, or 31.165, and requires a follow-up inspection after an administrative meeting held pursuant to section 31.14; or

(3) fails to correct equipment and facility deficiencies as required in rules adopted under chapter 28, 29, 30, 31, 31A, 32, or 34. The first reinspection of a firm with gross food sales under \$1,000,000 must be assessed at ~~\$75~~ \$150. The fee for a firm with gross food sales over \$1,000,000 is ~~\$100~~ \$200. The fee for a subsequent reinspection of a firm for the same violation is 50 percent of their current license fee or ~~\$200~~ \$300, whichever is greater. The establishment must be issued written notice of violations with a reasonable date for compliance listed on the notice. An initial inspection relating to a complaint is not a reinspection.

Sec. 53. [31.97] FEEDING MINNESOTA TASK FORCE.

Subdivision 1. **Establishment; purpose.** The commissioner of agriculture shall establish the Feeding Minnesota Task Force to make proposals to maximize the consumption of Minnesota grown produce and livestock by facilitating the donation of harvested products to charities that provide food for hungry people.

Subd. 2. **Members.** The commissioner shall appoint members of the task force to represent the following organizations and industries, with consideration given to geographic diversity:

- (1) the Minnesota grown program;
- (2) the Second Harvest food bank organization;
- (3) the Minnesota Fruit and Vegetable Growers Association;
- (4) the Minnesota Apple Growers Association;
- (5) the Minnesota Milk Producers Association;
- (6) the Minnesota Pork Producers Association;
- (7) the Minnesota Beef Council;
- (8) the Minnesota Egg and Poultry Association;
- (9) the Minnesota Agri-Growth Council;
- (10) the Minnesota Farmers' Market Association;
- (11) the Minnesota Trucking Association;
- (12) the Area 2 Potato Growers Association;
- (13) University of Minnesota Extension;
- (14) the food canning and processing industry;
- (15) the meatpacking and processing industry; and
- (16) youth corps organizations.

Subd. 3. **Administrative support.** The commissioner shall provide staff and other administrative support for the task force.

Subd. 4. **Report.** The task force shall make policy recommendations, including any necessary draft legislation, to the chairs and ranking minority members of the legislative committees having jurisdiction over agricultural finance by February 1, 2010, and thereafter as necessary.

Subd. 5. **Expiration.** The task force and this section expire June 30, 2011.

Sec. 54. Minnesota Statutes 2008, section 32.394, subdivision 8, is amended to read:

Subd. 8. **Grade A inspection fees.** A processor or marketing organization of milk, milk products, sheep milk, or goat milk who wishes to market Grade A milk or use the Grade A label must apply for Grade A inspection service from the commissioner. A pasteurization plant requesting Grade A inspection service must hold a Grade A permit and pay an annual inspection fee of no more than \$500. For Grade A farm inspection service, the fee must be no more than \$50 per farm, paid annually by the processor or by the marketing organization on behalf of its patrons. For a farm requiring a reinspection in addition to the required biannual inspections, an additional fee of ~~\$45 per reinspection~~ must be paid by the processor or by the marketing organization on behalf of its patrons. The fee for reinspection of a farm with fewer than 100 cows is \$60 per reinspection. The fee for reinspection of a farm with 100 or more cows is \$150 per reinspection.

Sec. 55. Minnesota Statutes 2008, section 41A.09, subdivision 3a, is amended to read:

~~Subd. 3a. **Ethanol producer payments.** (a) The commissioner shall make cash payments to producers of ethanol located in the state that have begun production at a specific location by June 30, 2000. For the purpose of this subdivision, an entity that holds a controlling interest in more than one ethanol plant is considered a single producer. The amount of the payment for each producer's annual production, except as provided in paragraph (c), is 20 cents per gallon for each gallon of ethanol produced at a specific location on or before June 30, 2000, or ten years after the start of production, whichever is later. Annually, within 90 days of the end of its fiscal year, an ethanol producer receiving payments under this subdivision must file a disclosure statement on a form provided by the commissioner. The initial disclosure statement must include a summary description of the organization of the business structure of the claimant, a listing of the percentages of ownership by any person or other entity with an ownership interest of five percent or greater, and a copy of its annual audited financial statements, including the auditor's report and footnotes. The disclosure statement must include information demonstrating what percentage of the entity receiving payments under this section is owned by farmers or other entities eligible to farm or own agricultural land in Minnesota under the provisions of section 500.24. Subsequent annual reports must reflect noncumulative changes in ownership of ten percent or more of the entity. The report need not disclose the identity of the persons or entities eligible to farm or own agricultural land with ownership interests, individuals residing within 30 miles of the plant, or of any other entity with less than ten percent ownership interest, but the claimant must retain information within its files confirming the accuracy of the data provided. This data must be made available to the commissioner upon request. Not later than the 15th day of February in each year the commissioner shall deliver to the chairs of the standing committees of the senate and the house of representatives that deal with agricultural policy and agricultural finance issues an annual report summarizing aggregated data from plants receiving payments under this section during the preceding calendar year. Audited financial statements and notes and disclosure statements submitted to the commissioner are~~

~~nonpublic data under section 13.02, subdivision 9. Notwithstanding the provisions of chapter 13 relating to nonpublic data, summaries of the submitted audited financial reports and notes and disclosure statements will be contained in the report to the committee chairs and will be public data.~~

(b) No payments shall be made for ethanol production that occurs after June 30, 2010. A producer of ethanol shall not transfer the producer's eligibility for payments under this section to an ethanol plant at a different location.

(c) If the level of production at an ethanol plant increases due to an increase in the production capacity of the plant, the payment under paragraph (a) applies to the additional increment of production until ten years after the increased production began. Once a plant's production capacity reaches 15,000,000 gallons per year, no additional increment will qualify for the payment.

(d) Total payments under paragraphs (a) and (c) to a producer in a fiscal year may not exceed \$3,000,000.

(e) By the last day of October, January, April, and July, each producer shall file a claim for payment for ethanol production during the preceding three calendar months. A producer that files a claim under this subdivision shall include a statement of the producer's total ethanol production in Minnesota during the quarter covered by the claim. For each claim and statement of total ethanol production filed under this subdivision, the volume of ethanol production must be examined by an independent certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants.

(f) Payments shall be made November 15, February 15, May 15, and August 15. A separate payment shall be made for each claim filed. Except as provided in paragraph (g), the total quarterly payment to a producer under this paragraph may not exceed \$750,000.

(g) Notwithstanding the quarterly payment limits of paragraph (f), the commissioner shall make an additional payment in the fourth quarter of each fiscal year to ethanol producers for the lesser of: (1) 20 cents per gallon of production in the fourth quarter of the year that is greater than 3,750,000 gallons; or (2) the total amount of payments lost during the first three quarters of the fiscal year due to plant outages, repair, or major maintenance. Total payments to an ethanol producer in a fiscal year, including any payment under this paragraph, must not exceed the total amount the producer is eligible to receive based on the producer's approved production capacity. The provisions of this paragraph apply only to production losses that occur in quarters beginning after December 31, 1999.

(h) The commissioner shall reimburse ethanol producers for any deficiency in payments during earlier quarters if the deficiency occurred because of unallotment or because appropriated money was insufficient to make timely payments in the full amount provided in paragraph (a). Notwithstanding the quarterly or annual payment limitations in this subdivision, the commissioner shall begin making payments for earlier deficiencies in each fiscal year that appropriations for ethanol payments exceed the amount required to make eligible scheduled payments. Payments for earlier deficiencies must continue until the deficiencies for each producer are paid in full, except the commissioner shall not make a deficiency payment to an entity that no longer produces ethanol on a commercial scale at the location for which the entity qualified for producer payments, or to an assignee of the entity.

(i) The commissioner may make direct payments to producers of rural economic infrastructure with any amount of the annual appropriation for ethanol producer payments and rural economic

infrastructure that is in excess of the amount required to make scheduled ethanol producer payments and deficiency payments under paragraphs (a) to (h).

Sec. 56. Minnesota Statutes 2008, section 41B.039, subdivision 2, is amended to read:

Subd. 2. **State participation.** The state may participate in a new real estate loan with an eligible lender to a beginning farmer to the extent of 45 percent of the principal amount of the loan or ~~\$200,000~~ \$300,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 57. Minnesota Statutes 2008, section 41B.04, subdivision 8, is amended to read:

Subd. 8. **State's State participation.** With respect to loans that are eligible for restructuring under sections 41B.01 to 41B.23 and upon acceptance by the authority, the authority shall enter into a participation agreement or other financial arrangement whereby it shall participate in a restructured loan to the extent of 45 percent of the primary principal or ~~\$225,000~~ \$400,000, whichever is less. The authority's portion of the loan must be protected during the authority's participation by the first mortgage held by the eligible lender to the extent of its participation in the loan.

Sec. 58. Minnesota Statutes 2008, section 41B.042, subdivision 4, is amended to read:

Subd. 4. **Participation limit; interest.** The authority may participate in new seller-sponsored loans to the extent of 45 percent of the principal amount of the loan or ~~\$200,000~~ \$300,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the seller's retained portion of the loan.

Sec. 59. Minnesota Statutes 2008, section 41B.043, subdivision 1b, is amended to read:

Subd. 1b. **Loan participation.** The authority may participate in an agricultural improvement loan with an eligible lender to a farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who is actively engaged in farming. Participation is limited to 45 percent of the principal amount of the loan or ~~\$200,000~~ \$300,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 60. Minnesota Statutes 2008, section 41B.045, subdivision 2, is amended to read:

Subd. 2. **Loan participation.** The authority may participate in a livestock expansion loan with an eligible lender to a livestock farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in a livestock operation. A prospective borrower must have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$660,000 in 2004 and an amount in subsequent years which is adjusted for inflation by multiplying that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index.

Participation is limited to 45 percent of the principal amount of the loan or ~~\$275,000~~ \$400,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different from the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 61. Minnesota Statutes 2008, section 583.215, is amended to read:

583.215 EXPIRATION.

~~(a)~~ Sections 336.9-601, subsections (h) and (i); 550.365; 559.209; 582.039; and 583.20 to 583.32, expire June 30, ~~2009~~ 2013.

~~(b) Laws 1986, chapter 398, article 1, section 18, as amended, is repealed.~~

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

Sec. 62. Laws 2008, chapter 274, section 5, is amended to read:

Sec. 5. BOVINE TUBERCULOSIS CONTROL ASSESSMENT; TEMPORARY ASSESSMENT; APPROPRIATION.

(a) From January 1, 2009, to December 31, 2009, a person who purchases ~~a beef cow, heifer, or steer in~~ cattle that were raised or fed within this state shall collect a bovine tuberculosis control assessment of \$1 per head from the seller and shall submit all assessments collected to the commissioner of agriculture at least once every 30 days. If cattle that were raised or fed within this state are sold outside of the state and the assessment is not collected by the purchaser, the seller is responsible for submitting the assessment to the commissioner. For the purposes of this section, "a person who purchases a beef cow, heifer, or steer in cattle that were raised or fed within this state" includes the first purchaser, as defined in Minnesota Statutes, section 17.53, subdivision 8, paragraph (a), and any subsequent purchaser of the living animal.

(b) Money collected under this section shall be deposited in an account in the special revenue fund and is appropriated to the Board of Animal Health for bovine tuberculosis control activities.

(c) Notwithstanding paragraph (a), a person may not collect a bovine tuberculosis control assessment from a person whose cattle operation is located within a modified accredited zone established under Minnesota Statutes, section 35.244, unless the cattle owner voluntarily pays the assessment. The commissioner of agriculture shall publish and make available a list of cattle producers exempt under this paragraph.

(d) This section may be enforced under Minnesota Statutes, sections 17.982 to 17.984.

EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively to cattle purchased on January 1, 2009, and thereafter.

Sec. 63. DEADLINE FOR APPOINTMENTS.

The commissioner shall complete the appointments required under Minnesota Statutes, section 31.97, by September 1, 2009. The commissioner or the commissioner's designee shall convene the first meeting of the Feeding Minnesota Task Force no later than October 1, 2009.

Sec. 64. DEADLINE FOR APPOINTMENTS.

The commissioner shall complete the appointments required under Minnesota Statutes, section 18.91 by September 1, 2009. The commissioner or the commissioner's designee shall convene the first meeting of the committee no later than October 1, 2009.

Sec. 65. REPEALER.

Minnesota Statutes 2008, sections 17.49, subdivision 3; 38.02, subdivisions 3 and 4; 41.51; 41.52; 41.53; 41.55; 41.56; 41.57; 41.58, subdivisions 1 and 2; 41.59, subdivision 1; 41.60; 41.61, subdivision 1; 41.62; 41.63; 41.65; and 84.02, are repealed.

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

ARTICLE 2

RURAL FINANCE AUTHORITY BONDS

Section 1. **RURAL FINANCE AUTHORITY.**

Subdivision 1. **Appropriation.** \$35,000,000 is appropriated from the bond proceeds fund for the purposes set forth in the Minnesota Constitution, article XI, section 5, clause (h), to the Rural Finance Authority to purchase participation interests in or to make direct agricultural loans to farmers under Minnesota Statutes, chapter 41B. This appropriation is for the beginning farmer program under Minnesota Statutes, section 41B.039; the loan restructuring program under Minnesota Statutes, section 41B.04; the seller-sponsored program under Minnesota Statutes, section 41B.042; the agricultural improvement loan program under Minnesota Statutes, section 41B.043; and the livestock expansion loan program under Minnesota Statutes, section 41B.045. All debt service on bond proceeds used to finance this appropriation must be repaid by the Rural Finance Authority under Minnesota Statutes, section 16A.643. Loan participations must be priced to provide full interest and principal coverage and a reserve for potential losses. Priority for loans must be given first to basic beginning farmers loans; second, to seller-sponsored loans; and third, to agricultural improvement loans. The authority may use a portion of this appropriation to pay bond sales expenses under Minnesota Statutes, section 16A.641, subdivision 8.

Subd. 2. **Bond sale.** To provide the money appropriated in this section from the bond proceeds fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$35,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

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

ARTICLE 3

VETERANS AFFAIRS

Section 1. **VETERANS AFFAIRS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011.

APPROPRIATIONS
Available for the Year

		Ending June 30	
		2010	2011
Sec. 2. <u>VETERANS AFFAIRS</u>	\$	<u>14,152,000</u>	<u>\$ 14,152,000</u>

\$250,000 each year is for a grant to the Minnesota Assistance Council for Veterans. This appropriation is in addition to the existing agency base appropriation and must be added to the agency appropriation base for fiscal years 2012 and later.

\$100,000 each year is for the costs of administering the Minnesota GI Bill program under Minnesota Statutes, section 197.791.

Sec. 3. [168.1253] GOLD STAR LICENSE PLATE.

Subdivision 1. **Definitions.** (a) The terms used in this section have the meanings given them in this subdivision.

(b) "Active service" has the meaning given in section 190.05, subdivision 5.

(c) "Eligible person" means a surviving spouse or parent of a person who has died while serving honorably in active service.

(d) "Motor vehicle" means a vehicle for personal use, not used for commercial purposes, and may include a passenger automobile, motorcycle, recreational vehicle, pickup truck, or van.

Subd. 2. **Issuance; eligibility.** Beginning October 1, 2009, the commissioner shall issue special plates bearing the inscription "GOLD STAR" to an applicant who:

(1) is an owner or joint owner of a motor vehicle;

(2) is an eligible person; and

(3) complies with all laws relating to the registration and licensing of motor vehicles and drivers.

Subd. 3. **Design.** The special plates issued under this section must be of a design and size determined by the commissioner, in consultation with the commissioner of veterans affairs. The commissioner may design the plates in accordance with section 168.1291, subdivision 2.

Subd. 4. **Transfer.** On payment of a fee of \$5 and notification to the commissioner, special plates issued under this section may be transferred to another motor vehicle owned or jointly owned by the eligible person.

Subd. 5. **Costs of production.** The commissioner of finance may transfer money in the "Support Our Troops" account under section 190.19, subdivision 2a, to the driver and vehicle services account under section 299A.705, subdivision 1, to pay for the cost of production of the license plates authorized under this section. The commissioner of veterans affairs and the commissioner of public safety must agree on a payment schedule before any money may be transferred under this subdivision.

Sec. 4. Minnesota Statutes 2008, section 190.19, subdivision 2a, is amended to read:

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

- (1) grants to veterans service organizations; ~~and~~
- (2) outreach to underserved veterans; and
- (3) transfers to the vehicle services account for gold star license plates under section 168.1253.

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

Subd. 5. **Expiration.** This section expires at the end of the first fiscal year in which the number of veterans enrolled in Minnesota public institutions of higher education is fewer than 4,000, but no later than June 30, ~~2011~~ 2013.

Sec. 6. Minnesota Statutes 2008, section 197.791, subdivision 6, is amended to read:

Subd. 6. **Insufficient Appropriation.** ~~If The amount appropriated is determined by the commissioner to be insufficient necessary to pay the benefit amounts in subdivision 5, is appropriated from the general fund to the commissioner must reduce the amounts specified in subdivision 5, paragraph (c), clauses (1) and (2). During any fiscal year beginning on or after July 1, 2013, the amount paid under this subdivision must not exceed \$6,000,000.~~

ARTICLE 4

MILITARY AFFAIRS

Section 1. MILITARY APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011.

APPROPRIATIONS	
Available for the Year	
Ending June 30	
<u>2010</u>	<u>2011</u>

Sec. 2. MILITARY AFFAIRS

<u>Subdivision 1. Total Appropriation</u>	\$	<u>20,894,000</u>	\$	<u>19,374,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <u>Maintenance of Training Facilities</u>	<u>6,660,000</u>	<u>6,660,000</u>
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Subd. 3. <u>General Support</u>	<u>2,386,000</u>	<u>2,366,000</u>
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\$20,000 is for a grant to a nonprofit organization supporting the morale of deployed service personnel. This appropriation is available until June 30, 2011, to the extent it is matched by nonstate money. This is a onetime appropriation.

Subd. 4. <u>Enlistment Incentives</u>	<u>11,848,000</u>	<u>10,348,000</u>
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\$1,500,000 the first year is for additional costs of enlistment incentives. This is a onetime appropriation.

If appropriations for either year of the biennium are insufficient, the appropriation from the other year is available. The appropriations for enlistment incentives are available until expended."

Delete the title and insert:

"A bill for an act relating to appropriations; appropriating money for agriculture, the Board of Animal Health, veterans, and the military; changing certain agricultural and animal health requirements and programs; amending Minnesota Statutes 2008, sections 3.737, subdivision 1; 3.7371, subdivision 3; 17.03, subdivision 12; 17.114, subdivision 3; 17.115, subdivision 2; 18.75; 18.76; 18.77, subdivisions 1, 3, 5, by adding subdivisions; 18.78, subdivision 1, by adding a subdivision; 18.79; 18.80, subdivision 1; 18.81, subdivisions 1, 3, by adding a subdivision; 18.82, subdivisions 1, 3; 18.83; 18.84, subdivisions 1, 2, 3; 18.86; 18.87; 18.88; 18B.01, subdivision 8, by adding subdivisions; 18B.065, subdivisions 2, 2a; 18C.415, subdivision 3; 18C.421; 18C.425, subdivisions 4, 6; 18E.03, subdivision 2; 28A.085, subdivision 1; 32.394, subdivision 8; 41A.09, subdivision 3a; 41B.039, subdivision 2; 41B.04, subdivision 8; 41B.042, subdivision 4; 41B.043, subdivision 1b; 41B.045, subdivision 2; 190.19, subdivision 2a; 197.585, subdivision 5; 197.791, subdivision 6; 583.215; Laws 2008, chapter 274, section 5; proposing coding for new law in Minnesota Statutes, chapters 18; 18B; 31; 168; repealing Minnesota Statutes 2008, sections 17.49, subdivision 3; 38.02, subdivisions 3, 4; 41.51; 41.52; 41.53; 41.55; 41.56; 41.57; 41.58, subdivisions 1, 2; 41.59, subdivision 1; 41.60; 41.61, subdivision 1; 41.62; 41.63; 41.65; 84.02."

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. No. 1779 was read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Torres Ray moved that S.F. No. 1797, No. 101 on General Orders, be stricken and re-referred to the Committee on Education. The motion prevailed.

Senator Prettnner Solon moved that the name of Senator Lourey be added as a co-author to S.F. No. 1229. The motion prevailed.

RECESS

Senator Pogemiller moved that the Senate do now recess until 2:45 p.m. The motion prevailed.

The hour of 2:45 p.m. having arrived, the President called the Senate to order.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time.

Senator Cohen, for the Committee on Finance, introduced—

S.F. No. 2083: A bill for an act relating to higher education; classifying data; amending postsecondary education provisions; setting deadlines; allowing certain advertising; establishing the Minnesota P-20 education partnership; regulating course equivalency guides; requiring notice to prospective students; requiring lists of enrolled students; amending Minnesota Office of Higher Education responsibilities; establishing programs; defining terms; regulating grants, scholarships, and work-study; requiring an annual certificate; regulating certain board membership provisions; requiring job placement impact reviews; regulating oral health care practitioner provisions; establishing fees; providing criminal penalties; requiring reports; appropriating money; amending Minnesota Statutes 2008, sections 13.3215; 124D.09, subdivision 9; 135A.08, subdivision 1; 135A.17, subdivision 2; 135A.25, subdivision 4; 136A.08, subdivision 1, by adding a subdivision; 136A.101, subdivision 5a; 136A.121, by adding subdivisions; 136A.127, subdivisions 2, 4, 9, 10, 12, 14, by adding a subdivision; 136A.1701, subdivision 10; 136A.87; 136F.02, subdivision 1; 136F.03, subdivision 4; 136F.04, subdivision 4; 136F.045; 136F.19, subdivision 1; 136F.31; 137.0245, subdivision 2; 137.0246, subdivision 2; 137.025, subdivision 1; 150A.01, by adding subdivisions; 150A.05, subdivision 2, by adding subdivisions; 150A.06, subdivisions 2d, 5, 6, by adding subdivisions; 150A.08, subdivisions 1, 3a, 5; 150A.09, subdivisions 1, 3; 150A.091,

subdivisions 2, 3, 5, 8, 10; 150A.10, subdivisions 1, 2, 3, 4; 150A.11, subdivision 4; 150A.12; 150A.21, subdivisions 1, 4; 151.01, subdivision 23; 151.37, subdivision 2; 201.061, subdivision 3; 299A.45, subdivision 1; Laws 2007, chapter 144, article 1, section 4, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 127A; 135A; 136A; 136F; 150A; repealing Minnesota Statutes 2008, sections 136A.127, subdivisions 8, 13; 150A.061.

Referred to the Committee on Rules and Administration.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Cohen moved that his name be stricken as chief author, shown as a co-author, and the name of Senator Pappas be added as chief author to S.F. No. 2083. The motion prevailed.

RECESS

Senator Pogemiller moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Reports of Committees.

REPORTS OF COMMITTEES

Senator Pogemiller moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Senator Pogemiller from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 2010: A bill for an act relating to housing; creating a pilot program to stabilize market values of residential real estate in certain areas; providing a five-year guarantee against depreciation in value of certain properties; providing incentives to restructure mortgage loans; authorizing rulemaking; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 462A.

Reports the same back with the recommendation that the report from the Committee on Health, Housing and Family Security, shown in the Journal for April 14, 2009, be adopted; that committee

recommendation being:

"the bill be amended and when so amended the bill do pass and be re-referred to the Committee on Finance". Amendments adopted. Report adopted.

Senator Pogemiller from the Committee on Rules and Administration, to which was referred

S.F. No. 2083: A bill for an act relating to higher education; classifying data; amending postsecondary education provisions; setting deadlines; allowing certain advertising; establishing the Minnesota P-20 education partnership; regulating course equivalency guides; requiring notice to prospective students; requiring lists of enrolled students; amending Minnesota Office of Higher Education responsibilities; establishing programs; defining terms; regulating grants, scholarships, and work-study; requiring an annual certificate; regulating certain board membership provisions; requiring job placement impact reviews; regulating oral health care practitioner provisions; establishing fees; providing criminal penalties; requiring reports; appropriating money; amending Minnesota Statutes 2008, sections 13.3215; 124D.09, subdivision 9; 135A.08, subdivision 1; 135A.17, subdivision 2; 135A.25, subdivision 4; 136A.08, subdivision 1, by adding a subdivision; 136A.101, subdivision 5a; 136A.121, by adding subdivisions; 136A.127, subdivisions 2, 4, 9, 10, 12, 14, by adding a subdivision; 136A.1701, subdivision 10; 136A.87; 136F.02, subdivision 1; 136F.03, subdivision 4; 136F.04, subdivision 4; 136F.045; 136F.19, subdivision 1; 136F.31; 137.0245, subdivision 2; 137.0246, subdivision 2; 137.025, subdivision 1; 150A.01, by adding subdivisions; 150A.05, subdivision 2, by adding subdivisions; 150A.06, subdivisions 2d, 5, 6, by adding subdivisions; 150A.08, subdivisions 1, 3a, 5; 150A.09, subdivisions 1, 3; 150A.091, subdivisions 2, 3, 5, 8, 10; 150A.10, subdivisions 1, 2, 3, 4; 150A.11, subdivision 4; 150A.12; 150A.21, subdivisions 1, 4; 151.01, subdivision 23; 151.37, subdivision 2; 201.061, subdivision 3; 299A.45, subdivision 1; Laws 2007, chapter 144, article 1, section 4, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 127A; 135A; 136A; 136F; 150A; repealing Minnesota Statutes 2008, sections 136A.127, subdivisions 8, 13; 150A.061.

Reports the same back with the recommendation that the bill be amended as follows:

Page 22, line 17, delete everything before the period and insert "expires June 30, 2013"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Pogemiller moved that S.F. No. 2083 be laid on the table. The motion prevailed.

MEMBERS EXCUSED

Senators Murphy and Vandever were excused from the Session of today. Senator Koering was excused from the Session of today from 12:30 to 12:40 p.m.

34TH DAY]

THURSDAY, APRIL 16, 2009

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ADJOURNMENT

Senator Pogemiller moved that the Senate do now adjourn until 11:30 a.m., Friday, April 17, 2009. The motion prevailed.

Peter S. Wattson, Secretary of the Senate (Legislative)

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