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## State of Minnesota

## HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No.

1437

03/04/2015 Authored by Hamilton

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

1.1	A bill for an act
1.2	relating to state government; appropriating money for agriculture, animal health,
1.3	and agricultural utilization research; providing retail food establishment and
1.4	food handler license fees; making policy and technical changes to various
1.5	agricultural related provisions, including provisions related to pesticide control,
1.6	plant protection, nursery law, seeds, food handlers, food, farmland, farming,
1.7	and loans; establishing the farm opportunity loan program; modifying fees and
1.8	surcharges; creating accounts; amending Minnesota Statutes 2014, sections
1.9	13.643, subdivision 1; 18B.01, subdivisions 28, 29; 18B.32, subdivision 1;
1.10	18B.33, subdivision 1; 18B.34, subdivision 1; 18C.425, subdivision 6; 18G.10,
1.11	subdivisions 3, 4, 5; 18H.02, subdivision 20, by adding subdivisions; 18H.06,
1.12	subdivision 2; 18H.07; 21.81, by adding subdivisions; 21.82, subdivisions 2, 4;
1.13	21.85, subdivision 2, by adding a subdivision; 21.89, subdivision 2; 21.891,
1.14	subdivisions 2, 5; 25.39, subdivision 1; 28A.03, by adding subdivisions;
1.15	28A.08, subdivision 1, by adding subdivisions; 28A.082, subdivision 1; 31.39,
1.16	subdivision 1; 32.394, subdivisions 8, 8b; 41B.03, subdivision 6, by adding
1.17	a subdivision; 41B.04, subdivision 17; 41B.043, subdivision 3; 41B.045,
1.18	subdivisions 3, 4; 41B.046, subdivision 5; 41B.047, subdivisions 1, 4; 41B.048,
1.19	subdivision 6; 41B.049, subdivision 4; 41B.055, subdivision 3; 41B.056,
1.20	subdivision 2; 41B.06; 500.24, subdivision 4; proposing coding for new law
1.21	in Minnesota Statutes, chapters 15; 41B; repealing Minnesota Statutes 2014,
1.22	sections 17.115; 28A.08, subdivision 3; 41A.12, subdivision 4.
1.23	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
1.24	ARTICLE 1
1.25	AGRICULTURE APPROPRIATIONS
1.26	Section 1. AGRICULTURE APPROPRIATIONS.
1.27	The sums shown in the columns marked "Appropriations" are appropriated to the

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appropriations listed under them are available for the fiscal year ending June 30, 2016, or

agencies and for the purposes specified in this article. The appropriations are from the

general fund, or another named fund, and are available for the fiscal years indicated

for each purpose. The figures "2016" and "2017" used in this article mean that the

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June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal

year 2017. "The bie	nnium" is fiscal yea	ars 2016 and 201	7.	
			APPROPRIATE  Available for the  Ending June  2016	e Year
Sec. 2. <b>DEPARTM</b>	ENT OF AGRICU	<u>lture</u>		
Subdivision 1. Tota	l Appropriation	<u>\$</u>	<u>31,329,000</u> §	31,539,000
Appro General Remediation Agricultural	2016 29,951,000 388,000 990,000	2017 30,161,000 388,000 990,000		
The amounts that m	av be spent for eac	h		
purpose are specifie		_		
subdivisions.	<u> </u>			
Subd. 2. Protection	Services		10,733,000	10,733,000
Appro	priations by Fund			
	2016	<u>2017</u>		
<u>General</u>	10,155,000	10,155,000		
Agricultural	<u>190,000</u>	<u>190,000</u>		
Remediation	388,000	388,000		
\$388,000 the first ye	ear and \$388,000 th	<u>ne</u>		
second year are fror	n the remediation fi	<u>und</u>		
for administrative fu	inding for the volur	<u>itary</u>		
cleanup program.				
\$150,000 the first y	ear and \$150,000			
the second year are	for compensation			
for destroyed or crip	opled animals unde	<u>r</u>		
Minnesota Statutes,	section 3.737. If th	<u>ne</u>		
amount in the first y	ear is insufficient,	<u>the</u>		
amount in the secon	d year is available i	n the		
first year.				
\$50,000 the first yea	r and \$50.000 the so	econd		
		<del></del>		

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grown account and may be used as grants

4.1	for Minnesota grown promotion under
4.2	Minnesota Statutes, section 17.102. Grants
4.3	may be made for one year. Notwithstanding
4.4	Minnesota Statutes, section 16A.28, the
4.5	appropriations encumbered under contract
4.6	on or before June 30, 2017, for Minnesota
4.7	grown grants in this paragraph are available
4.8	until June 30, 2019.
4.9	\$634,000 the first year and \$634,000 the
4.10	second year are for continuation of the dairy
4.11	development and profitability enhancement
4.12	and dairy business planning grant programs
4.13	established under Laws 1997, chapter
4.14	216, section 7, subdivision 2, and Laws
4.15	2001, First Special Session chapter 2,
4.16	section 9, subdivision 2. The commissioner
4.17	may allocate the available sums among
4.18	permissible activities, including efforts to
4.19	improve the quality of milk produced in the
4.20	state in the proportions that the commissioner
4.21	deems most beneficial to Minnesota's
4.22	dairy farmers. The commissioner must
4.23	submit a detailed accomplishment report
4.24	and a work plan detailing future plans for,
4.25	and anticipated accomplishments from,
4.26	expenditures under this program to the
4.27	chairs and ranking minority members of the
4.28	legislative committees with jurisdiction over
4.29	agricultural policy and finance on or before
4.30	the start of each fiscal year. If significant
4.31	changes are made to the plans in the course
4.32	of the year, the commissioner must notify the
4.33	chairs and ranking minority members.
4.34	The commissioner may use funds
4.35	appropriated in this subdivision for annual
4.36	cost-share payments to resident farmers

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5.1	or entities that sell, process, or package			
5.2	agricultural products in this state for the c	osts		
5.3	of organic certification. The commission	<u>er</u>		
5.4	may allocate these funds for assistance for	<u>or</u>		
5.5	persons transitioning from conventional	<u>to</u>		
5.6	organic agriculture.			
5.7 5.8	Subd. 4. Bioenergy and Value-Added Agriculture		10,235,000	10,235,000
2.0			10,230,000	10,230,000
5.9	\$10,235,000 the first year and \$10,235,00	00		
5.10	the second year are for the agricultural			
5.11	growth, research, and innovation program	<u>n</u>		
5.12	in Minnesota Statutes, section 41A.12. N	<u> 10</u>		
5.13	later than February 1, 2016, and Februar	y		
5.14	1, 2017, the commissioner must report to	<u>)</u>		
5.15	the legislative committees with jurisdicti	<u>on</u>		
5.16	over agriculture policy and finance regard	ding		
5.17	the commissioner's accomplishments			
5.18	and anticipated accomplishments in			
5.19	the following areas: facilitating the			
5.20	start-up, modernization, or expansion of			
5.21	livestock operations including beginning			
5.22	and transitioning livestock operations;			
5.23	developing new markets for Minnesota			
5.24	farmers by providing more fruits, vegetal	oles,		
5.25	meat, grain, and dairy for Minnesota sche	<u>ool</u>		
5.26	children; assisting value-added agricultur	<u>ral</u>		
5.27	businesses to begin or expand, access ne	W		
5.28	markets, or diversify products; facilitating	<u>g</u>		
5.29	the start-up, modernization, or expansion	<u>1</u>		
5.30	of other beginning and transitioning farm	ns;		
5.31	research on conventional and cover crop	<u>s;</u>		
5.32	sustainable agriculture on farm research	and		
5.33	demonstration; and research on bioenerg	<u>y,</u>		
5.34	biobased content, or biobased formulated	<u>1</u>		
5.35	products and other renewable energy			
5.36	development.			

6.1	The commissioner may use up to 4.5 percent
6.2	of this appropriation for costs incurred to
6.3	administer the program. Any unencumbered
6.4	balance does not cancel at the end of the first
6.5	year and is available for the second year.
6.6	Notwithstanding Minnesota Statutes, section
6.7	16A.28, the appropriations encumbered
6.8	under contract on or before June 30, 2017, for
6.9	agricultural growth, research, and innovation
6.10	grants in this subdivision are available until
6.11	June 30, 2019.
6.12	Funds in this appropriation may be used for
6.13	grants under this paragraph. The NextGen
6.14	Energy Board, established in Minnesota
6.15	Statutes, section 41A.105, shall make
6.16	recommendations to the commissioner on
6.17	grants for owners of Minnesota facilities
6.18	producing bioenergy, biobased content,
6.19	or a biobased formulated product; for
6.20	organizations that provide for on-station,
6.21	on-farm field scale research and outreach to
6.22	develop and test the agronomic and economic
6.23	requirements of diverse strands of prairie
6.24	plants and other perennials for bioenergy
6.25	systems; or for certain nongovernmental
6.26	entities. For the purposes of this paragraph,
6.27	"bioenergy" includes transportation fuels
6.28	derived from cellulosic material, as well as
6.29	the generation of energy for commercial heat,
6.30	industrial process heat, or electrical power
6.31	from cellulosic materials via gasification or
6.32	other processes. Grants are limited to 50
6.33	percent of the cost of research, technical
6.34	assistance, or equipment related to bioenergy,
6.35	biobased content, or biobased formulated
6.36	product production or \$500,000, whichever

7.1	is less. Grants to nongovernmental entities				
7.2	for the development of business plans and				
7.3	structures related to community ownership				
7.4	of eligible bioenergy facilities together may				
7.5	not exceed \$150,000. The board shall make				
7.6	a good-faith effort to select projects that have				
7.7	merit and, when taken together, represent a				
7.8	variety of bioenergy technologies, biomass				
7.9	feedstocks, and geographic regions of the				
7.10	state. Projects must have a qualified engineer				
7.11	provide certification on the technology and				
7.12	fuel source. Grantees must provide reports at				
7.13	the request of the commissioner.				
7.14	Notwithstanding Minnesota Statutes, section				
7.15	41A.12, subdivision 3, of the amount				
7.16	appropriated in this subdivision, \$1,000,000				
7.17	the first year and \$1,000,000 the second year				
7.18	are for distribution in equal amounts to each				
7.19	of the state's county fairs to preserve and				
7.20	promote Minnesota agriculture.				
7.21	Subd. 5. Administration and Financial				
7.22	<u>Assistance</u> <u>6,488,000</u> <u>6,698,000</u>				
7.23	Appropriations by Fund				
7.24	$\frac{2016}{5.6000000000000000000000000000000000000$				
7.25	General 5,688,000 5,898,000				
7.26	<u>Agricultural</u> <u>800,000</u> <u>800,000</u>				
7.27	\$47,000 the first year and \$47,000 the second				
7.28	year are for the Northern Crops Institute.				
7.29	These appropriations may be spent to				
7.30	purchase equipment.				
7.31	\$18,000 the first year and \$18,000 the				
7.32	second year are for a grant to the Minnesota				
7.33	Livestock Breeders Association.				
7.34	\$235,000 the first year and \$235,000 the				
7.35	second year are for grants to the Minnesota				

8.1	Agricultural Education and Leadership
8.2	Council for programs of the council under
8.3	Minnesota Statutes, chapter 41D.
8.4	\$474,000 the first year and \$474,000 the
8.5	second year are for payments to county and
8.6	district agricultural societies and associations
8.7	under Minnesota Statutes, section 38.02,
8.8	subdivision 1. Aid payments to county and
8.9	district agricultural societies and associations
8.10	shall be disbursed no later than July 15 of
8.11	each year. These payments are the amount of
8.12	aid from the state for an annual fair held in
8.13	the previous calendar year.
8.14	\$1,000 the first year and \$1,000 the second
8.15	year are for grants to the Minnesota State
8.16	Poultry Association.
8.17	\$108,000 the first year and \$108,000 the
8.18	second year are for annual grants to the
8.19	Minnesota Turf Seed Council for basic
8.20	and applied research on: (1) the improved
8.21	production of forage and turf seed related to
8.22	new and improved varieties; and (2) native
8.23	plants, including plant breeding, nutrient
8.24	management, pest management, disease
8.25	management, yield, and viability. The grant
8.26	recipient may subcontract with a qualified
8.27	third party for some or all of the basic or
8.28	applied research.
8.29	\$500,000 the first year and \$500,000 the
8.30	second year are for grants to Second Harvest
8.31	Heartland on behalf of Minnesota's six
8.32	Second Harvest food banks for the purchase
8.33	of milk for distribution to Minnesota's food
8.34	shelves and other charitable organizations
8.35	that are eligible to receive food from the food

9.1	banks. Milk purchased under the grants must
9.2	be acquired from Minnesota milk processors
9.3	and based on low-cost bids. The milk must be
9.4	allocated to each Second Harvest food bank
9.5	serving Minnesota according to the formula
9.6	used in the distribution of United States
9.7	Department of Agriculture commodities
9.8	under The Emergency Food Assistance
9.9	Program (TEFAP). Second Harvest
9.10	Heartland must submit quarterly reports
9.11	to the commissioner on forms prescribed
9.12	by the commissioner. The reports must
9.13	include, but are not limited to, information
9.14	on the expenditure of funds, the amount
9.15	of milk purchased, and the organizations
9.16	to which the milk was distributed. Second
9.17	Harvest Heartland may enter into contracts
9.18	or agreements with food banks for shared
9.19	funding or reimbursement of the direct
9.20	purchase of milk. Each food bank receiving
9.21	money from this appropriation may use up to
9.22	two percent of the grant for administrative
9.23	expenses.
9.24	\$94,000 the first year and \$94,000 the
9.25	second year are for transfer to the Board of
9.26	Trustees of the Minnesota State Colleges
9.27	and Universities for statewide mental health
9.28	counseling support to farm families and
9.29	business operators through farm business
9.30	management programs at Central Lakes
9.31	College and Ridgewater College.
9.32	\$17,000 the first year and \$17,000 the
9.33	second year are for grants to the Minnesota
9.34	Horticultural Society.

10.1	Notwithstanding Minnesota Statutes,						
10.2	section 18C.131, \$800,000 the first year						
10.3	and \$800,000 the second year are from the						
10.4	fertilizer account in the agricultural fund						
10.5	for grants for fertilizer research as awarded						
10.6	by the Minnesota Agricultural Fertilizer						
10.7	Research and Education Council under						
10.8	Minnesota Statutes, section 18C.71. The						
10.9	amount appropriated in either fiscal year						
10.10	must not exceed 57 percent of the inspection						
10.11	fee revenue collected under Minnesota						
10.12	Statutes, section 18C.425, subdivision 6,						
10.13	during the previous fiscal year. No later						
10.14	than February 1, 2017, the commissioner						
10.15	shall report to the legislative committees						
10.16	with jurisdiction over agriculture finance.						
10.17	The report must include the progress and						
10.18	outcome of funded projects as well as the						
10.19	sentiment of the council concerning the need						
10.20	for additional research funds.						
10.21	Sec. 3. <b>BOARD OF ANIMAL HEALTH</b>	<u>\$</u>	<u>5,318,000</u> <u>\$</u>	5,384,000			
10.22 10.23	Sec. 4. <u>AGRICULTURAL UTILIZATION</u> <u>RESEARCH INSTITUTE</u>	<u>\$</u>	3,643,000 \$	3,643,000			
10.24	ARTICLE	2					
10.25	AGRICULTURE	POLIC	Y				
10.26	Section 1. Minnesota Statutes 2014, section 13	.643, sul	odivision 1, is amend	ded to read:			
10.27	Subdivision 1. Department of Agriculture	data. (a	a) Loan and grant a	applicant			
10.28	data. The following data on applicants, collected	by the D	Department of Agricu	ulture in its			
10.29	sustainable agriculture revolving loan and grant pro	ograms u	inder <del>sections 17.115</del>	sand section			
10.30	17.116, are private or nonpublic: nonfarm income	e; credit	history; insurance co	overage;			
10.31	machinery and equipment list; financial information	on; and o	eredit information re	quests.			
10.32	(b) Farm advocate data. The following data supplied by farmer clients to						
10.33	Minnesota farm advocates and to the Department	of Agric	culture are private d	ata on			

individuals: financial history, including listings of assets and debts, and personal and emotional status information.

Sec. 2. [	[15.445]	RETAIL FOO	D ESTABLISHMENT FEES.
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Subdivision 1. Fees. The fees in this section are required for retail food handler
and food and beverage service establishments, licensed under chapters 28A and 157.
Permanent retail food handler and food and beverage service establishments must pay
the applicable fee under subdivision 2, paragraph (a), (b), (c), or (d), and all applicable
fees under subdivision 4. Temporary food establishments and special events must pay the
applicable fee under subdivision 3.

- Subd. 2. **Permanent food establishments.** (a) The Category 1 establishment license fee is \$210 annually. "Category 1 establishment" means an establishment that does one or more of the following:
- 11.13 (1) sells only prepackaged nonpotentially hazardous foods as defined in Minnesota
  11.14 Rules, chapter 4626;
  - (2) provides cleaning for eating, drinking, or cooking utensils, when the only food served is prepared off-site;
- 11.17 (3) operates a childcare facility licensed under section 245A.03 and Minnesota
  11.18 Rules, chapter 9503; or
- 11.19 (4) operates as a retail food handler classified in section 28A.05 and has gross annual sales of \$250,000 or less.
  - (b) The Category 2 establishment license fee is \$270. "Category 2 establishment" means an establishment that is not a Category 1 establishment and is either:
  - (1) a food establishment where the method of food preparation meets the definition of a low-risk establishment in section 157.20; or
- 11.25 (2) an elementary or secondary school as defined in section 120A.05.
- 11.26 (c) The Category 3 establishment license fee is \$460 annually. "Category 3 establishment" means an establishment that is not a Category 1 or 2 establishment and the method of food preparation meets the definition of a medium-risk establishment in section 157.20.
  - (d) The Category 4 establishment license fee is \$690 annually. "Category 4 establishment" means an establishment that is not a Category 1, 2, or 3 establishment and is either:
- 11.33 (1) a food establishment where the method of food preparation meets the definition 11.34 of a high-risk establishment in section 157.20; or

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12.1	(2) an establishment where 500 or more meals per day are prepared at one location
12.2	and served at one or more separate locations.
12.3	Subd. 3. Temporary food establishments and special events. (a) The special
12.4	event food stand license fee is \$50 annually. Special event food stand is where food is
12.5	prepared or served in conjunction with celebrations, county fairs, or special events from a
12.6	special event food stand as defined in section 157.15.
12.7	(b) The temporary food and beverage service license fee is \$210 annually. A
12.8	temporary food and beverage service includes food carts, mobile food units, seasonal
12.9	temporary food stands, retail food vehicles, portable structures, and seasonal permanent
12.10	<u>food stands.</u>
12.11	Subd. 4. Additional applicable fees. (a) The individual private sewer or individual
12.12	private water license fee is \$60 annually. Individual private water is a water supply other
12.13	than a community public water supply as covered in Minnesota Rules, chapter 4720.
12.14	Individual private sewer is an individual sewage treatment system which uses subsurface
12.15	treatment and disposal.
12.16	(b) The additional food or beverage service license fee is \$165 annually. Additional
12.17	food or beverage service is a location at a food service establishment, other than the
12.18	primary food preparation and service area, used to prepare or serve food or beverages to
12.19	the public. Additional food service does not apply to school concession stands.
12.20	(c) The large retail food handler license fee is .02 percent of gross sales or service
12.21	including food service with a maximum fee of \$5,000 annually. Large retail food handler
12.22	is a fee category added to a license for retail food handlers as classified in section 28A.05
12.23	with gross annual sales over \$10,000,000.
12.24	(d) The specialized processing license fee is \$400 annually. Specialized processing
12.25	is a business that performs one or more specialized processes that require a HACCP as
12.26	required in Minnesota Rules, chapter 4626.
12.27	Sec. 3. Minnesota Statutes 2014, section 18B.01, subdivision 28, is amended to read:
12.28	Subd. 28. <b>Structural pest.</b> "Structural pest" means a an invertebrate pest, other
12.29	than a plant, or commensal rodent in, on, under, or near a structure such as a residential
12.30	or commercial building.
12.31	Sec. 4. Minnesota Statutes 2014, section 18B.01, subdivision 29, is amended to read:
12.31	Subd. 29. <b>Structural pest control.</b> "Structural pest control" means the control of
12.32	any structural pest through the use of a device, a procedure, or application of pesticides of
	through other means in or around a building or other structures, including trucks, boxcars
12.34	unough other means in or around a bunding or other structures, including trucks, boxcars

ships, aircraft, docks, and fumigation vaults, and the business activity related to use of a device, a procedure, or application of a pesticide.

- Sec. 5. Minnesota Statutes 2014, section 18B.32, subdivision 1, is amended to read: Subdivision 1. **Requirement.** (a) A person may not engage in structural pest control applications:
  - (1) for hire without a structural pest control license; and

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- (2) as a sole proprietorship, company, partnership, or corporation unless the person is or employs a licensed master in structural pest control operations.
- (b) A structural pest control licensee must have a valid license identification card when applying to purchase a restricted use pesticide or apply pesticides for hire and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The license identification card must contain information required by the commissioner.
- (e) Notwithstanding the licensing requirements of this subdivision, a person may control the following nuisance or economically damaging wild animals, by trapping, without a structural pest control license:
- (1) fur-bearing animals, as defined in section 97A.015, with a valid trapping license or special permit from the commissioner of natural resources; and
  - (2) skunks, woodehueks, gophers, poreupines, coyotes, moles, and weasels.
- Sec. 6. Minnesota Statutes 2014, section 18B.33, subdivision 1, is amended to read:

  Subdivision 1. **Requirement.** (a) A person may not apply a pesticide for hire

  without a commercial applicator license for the appropriate use categories or a structural pest control license.
  - (b) A commercial applicator licensee must have a valid license identification card when applying to purchase a restricted use pesticide or apply pesticides for hire and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The commissioner shall prescribe the information required on the license identification card.
- Sec. 7. Minnesota Statutes 2014, section 18B.34, subdivision 1, is amended to read:

  Subdivision 1. **Requirement.** (a) Except for a licensed commercial applicator,

  certified private applicator, or licensed structural pest control applicator, a person,

  including a government employee, may not <u>purchase or use</u> a restricted use pesticide in

performance of official duties without having a noncommercial applicator license for an appropriate use category.

- (b) A licensee must have a valid license identification card when applying pesticides and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The license identification card must contain information required by the commissioner.
- Sec. 8. Minnesota Statutes 2014, section 18C.425, subdivision 6, is amended to read:
- Subd. 6. **Payment of inspection fee.** (a) The person who registers and distributes in the state a specialty fertilizer, soil amendment, or plant amendment under section 18C.411 shall pay the inspection fee to the commissioner.
- (b) The person licensed under section 18C.415 who distributes a fertilizer to a person not required to be so licensed shall pay the inspection fee to the commissioner, except as exempted under section 18C.421, subdivision 1, paragraph (b).
- (c) The person responsible for payment of the inspection fees for fertilizers, soil amendments, or plant amendments sold and used in this state must pay an inspection fee of 30 39 cents per ton, and until June 30, 2019, an additional 40 cents per ton, of fertilizer, soil amendment, and plant amendment sold or distributed in this state, with a minimum of \$10 on all tonnage reports. Products sold or distributed to manufacturers or exchanged between them are exempt from the inspection fee imposed by this subdivision if the products are used exclusively for manufacturing purposes.
- (d) A registrant or licensee must retain invoices showing proof of fertilizer, plant amendment, or soil amendment distribution amounts and inspection fees paid for a period of three years.
  - Sec. 9. Minnesota Statutes 2014, section 18G.10, subdivision 3, is amended to read:
- Subd. 3. **Cooperative agreements.** The commissioner may enter into cooperative agreements with federal and state agencies for administration of the export certification program. An exporter of plants or plant products desiring to originate shipments from Minnesota to a foreign country requiring a phytosanitary certificate or export certificate must submit an application to the commissioner.
- Sec. 10. Minnesota Statutes 2014, section 18G.10, subdivision 4, is amended to read:
  - Subd. 4. **Phytosanitary and export certificates.** An exporter of plants or plant products desiring to originate shipments from Minnesota to a foreign country requiring a phytosanitary certificate or export certificate must submit an application to the

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<u>commissioner.</u> Application for phytosanitary certificates or export certificates must be made on forms provided or approved by the commissioner. The commissioner <u>shall may</u> conduct inspections of plants, plant products, or facilities for persons that have applied for or intend to apply for a phytosanitary certificate or export certificate from the commissioner. <u>Inspections must include one or more of the following as requested or required:</u>

- (1) an inspection of the plants or plant products intended for export under a phytosanitary certificate or export certificate;
- (2) field inspections of growing plants to determine presence or absence of plant diseases, if necessary;
  - (3) laboratory diagnosis for presence or absence of plant diseases, if necessary;
- (4) observation and evaluation of procedures and facilities utilized in handling plants and plant products, if necessary; and
- (5) review of United States Department of Agriculture, Federal Grain Inspection Service Official Export Grain Inspection Certificate logs.

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

- Sec. 11. Minnesota Statutes 2014, section 18G.10, subdivision 5, is amended to read:
- Subd. 5. **Certificate fees.** (a) The commissioner shall assess the fees in paragraphs (b) to (f) fees sufficient to recover all costs for the inspection, service, and work performed in carrying out the issuance of a phytosanitary certificate or export certificate. The inspection fee must be based on mileage and inspection time.
  - (b) Mileage charge: current United States Internal Revenue Service mileage rate.
- (e) Inspection time: \$50 per hour minimum or fee necessary to cover department costs. Inspection time includes the driving time to and from the location in addition to the time spent conducting the inspection.
- (d) (b) If laboratory analysis or other technical analysis is required to issue a certificate, the commissioner must set and collect the fee to recover this additional cost.
- (e) (c) The certificate fee for product value greater than \$250: is \$75 or a fee amount, not to exceed \$300, that is sufficient to recover all processing costs for each phytosanitary or export certificate issued for any single shipment valued at more than \$250 in addition to any mileage or inspection time charges that are assessed.

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(f) Certificate fee for product value less than \$250: \$25 for each phytosanitary or 16.1 export certificate issued for any single shipment valued at less than \$250 in addition to 16.2 any mileage or inspection time charges that are assessed. 16.3 (g) (d) For services provided for in subdivision 7 that are goods and services 16.4 provided for the direct and primary use of a private individual, business, or other entity, 16.5 the commissioner must set and collect the fees to cover the cost of the services provided. 16.6 Sec. 12. Minnesota Statutes 2014, section 18H.02, subdivision 20, is amended to read: 16.7 Subd. 20. Nursery stock. "Nursery stock" means a plant intended for planting or 16.8 propagation, including, but not limited to, trees, shrubs, vines, perennials, biennials, grafts, 16.9 cuttings, and buds that may be sold for propagation, whether cultivated or wild, and all 16.10 viable parts of these plants. Nursery stock does not include: 16.11 (1) field and forage crops or sod; 16.12 (2) the seeds of grasses, cereal grains, vegetable crops, and flowers; 16.13 16.14 (3) vegetable plants, bulbs, or tubers; (4) cut flowers, unless stems or other portions are intended for propagation; 16.15 (5) annuals; or 16.16 (6) Christmas trees. 16.17 Sec. 13. Minnesota Statutes 2014, section 18H.02, is amended by adding a subdivision 16.18 to read: 16.19 Subd. 32a. Sod. "Sod" means the upper portion of soil that contains the roots of 16.20 16.21 grasses and the living grass plants. Sec. 14. Minnesota Statutes 2014, section 18H.02, is amended by adding a subdivision 16.22 16.23 to read: Subd. 35. **Tropical plant.** "Tropical plant" means a plant that has a United States 16.24 Department of Agriculture hardiness zone designation of zone 6 or greater, or an annual 16.25 minimum hardiness temperature of -9 degrees Fahrenheit. 16.26 Sec. 15. Minnesota Statutes 2014, section 18H.06, subdivision 2, is amended to read: 16.27 Subd. 2. Occasional sales. (a) An individual may offer nursery stock for sale and be 16.28 exempt from the requirement to obtain a nursery stock <del>dealer</del> certificate if: 16.29 (1) the gross sales of all nursery stock in a calendar year do not exceed \$2,000; 16.30

in Minnesota;

Article 2 Sec. 15.

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(2) all nursery stock sold or distributed by the individual is intended for planting

(3) all nursery stock purchased or procured for resale or distribution was grown in Minnesota and has been certified by the commissioner; and

- (4) conducts sales or distributions of nursery stock on ten or fewer days in a calendar year.
- (b) The commissioner may prescribe the conditions of the exempt nursery sales under this subdivision and may conduct routine inspections of the nursery stock offered for sale.
  - Sec. 16. Minnesota Statutes 2014, section 18H.07, is amended to read:

#### 18H.07 FEE SCHEDULE.

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

- Subd. 2. **Nursery stock grower certificate.** (a) A nursery stock grower must pay an annual fee based on the area of all acreage on which nursery stock is grown for eertification as follows:
- 17.19 (1) less than one-half acre, \$150;
- 17.20 (2) from one-half acre to two acres, \$200;
- 17.21 (3) over two acres up to five acres, \$300;
- 17.22 (4) over five acres up to ten acres, \$350;
- 17.23 (5) over ten acres up to 20 acres, \$500;
- 17.24 (6) over 20 acres up to 40 acres, \$650;
- 17.25 (7) over 40 acres up to 50 acres, \$800;
- 17.26 (8) over 50 acres up to 200 acres, \$1,100;
- 17.27 (9) over 200 acres up to 500 acres, \$1,500; and
- 17.28 (10) over 500 acres, \$1,500 plus \$2 for each additional acre.
  - (b) In addition to the fees in paragraph (a), a penalty of ten percent of the fee due must be charged for each month, or portion thereof, that the fee is delinquent up to a maximum of 30 percent for any application for renewal not postmarked by December 31 of the current year.
- 17.33 (c) A nursery stock grower found operating without a valid nursery stock grower
  17.34 certificate cannot offer for sale or sell nursery stock until (1) payment is received by the

commissioner for (i) the certificate fee due and (ii) a penalty equal to the certificate fee owed, and (2) a new certificate is issued to the nursery stock grower by the commissioner.

- Subd. 3. **Nursery stock dealer certificate.** (a) A nursery stock dealer must pay an annual fee based on the dealer's gross sales of certified nursery stock per location during the most recent certificate year. A certificate applicant operating for the first time must pay the minimum fee. The fees per sales location are:
- 18.7 (1) gross sales up to \$5,000, \$150;

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- 18.8 (2) gross sales over \$5,000 up to \$20,000, \$175;
- 18.9 (3) gross sales over \$20,000 up to \$50,000, \$300;
- 18.10 (4) gross sales over \$50,000 up to \$75,000, \$425;
- 18.11 (5) gross sales over \$75,000 up to \$100,000, \$550;
- 18.12 (6) gross sales over \$100,000 up to \$200,000, \$675; and
- 18.13 (7) gross sales over \$200,000, \$800.
  - (b) In addition to the fees in paragraph (a), a penalty of ten percent of the fee due must be charged for each month, or portion thereof, that the fee is delinquent up to a maximum of 30 percent for any application for renewal not postmarked by December 31 of the current year.
  - (c) A nursery stock dealer found operating without a valid nursery stock dealer certificate cannot offer for sale or sell nursery stock until (1) payment is received by the commissioner for (i) the certificate fee due and (ii) a penalty equal to the certificate fee owed, and (2) a new certificate is issued to the nursery stock dealer by the commissioner.
  - Subd. 4. **Reinspection; additional or optional inspection fees.** If a reinspection is required or an additional inspection is needed or requested a fee must be assessed based on mileage and inspection time as follows:
  - (1) mileage must be charged at the current United States Internal Revenue Service reimbursement rate; and
- 18.27 (2) inspection time must be charged at the rate of \$50 per hour, a rate sufficient to

  18.28 recover all inspection costs including the driving time to and from the location in addition

  18.29 to the time spent conducting the inspection.
- 18.30 Sec. 17. Minnesota Statutes 2014, section 21.81, is amended by adding a subdivision to read:
- Subd. 1a. Address. "Address" means the complete primary mailing address of the labeler or the person or firm selling seed. A complete address includes the street address, post office box, or rural route, and city, state, and zip code or postal code.

Sec. 18. Minnesota Statutes 2014, section 21.81, is amended by adding a subdivision to read:

- Subd. 27a. **Total viable.** "Total viable" means the sum of the germination percentage, plus hard seeds, dormant seeds, or both.
- Sec. 19. Minnesota Statutes 2014, section 21.82, subdivision 2, is amended to read:
  - Subd. 2. **Content.** For agricultural, vegetable, flower, or wildflower seeds offered for sale as agricultural seed, except as otherwise provided in subdivisions 4, 5, and 6, the label must contain:
  - (a) The name of the kind or kind and variety for each seed component in excess of five percent of the whole and the percentage by weight of each in order of its predominance. The commissioner shall by rule designate the kinds that are required to be labeled as to variety. If the variety of those kinds generally labeled as to variety is not stated and it is not required to be stated, the label shall show the name of the kind and the words: "Variety not stated." The heading "pure seed" must be indicated on the seed label in close association with other required label information.
- (1) The percentage that is hybrid shall be at least 95 percent of the percentage of pure seed shown unless the percentage of pure seed which is hybrid seed is shown separately. If two or more kinds or varieties are present in excess of five percent and are named on the label, each that is hybrid shall be designated as hybrid on the label. Any one kind or kind and variety that has pure seed which is less than 95 percent but more than 75 percent hybrid seed as a result of incompletely controlled pollination in a cross shall be labeled to show the percentage of pure seed that is hybrid seed or a statement such as "contains from 75 percent to 95 percent hybrid seed." No one kind or variety of seed shall be labeled as hybrid if the pure seed contains less than 75 percent hybrid seed. The word hybrid shall be shown on the label in conjunction with the kind.
- (2) Blends shall be listed on the label using the term "blend" in conjunction with the kind.
  - (3) Mixtures shall be listed on the label using the term "mixture," "mix," or "mixed."
- 19.29 (b) Lot number or other lot identification.
- 19.30 (c) Origin, if known, or that the origin is unknown.
  - (d) Percentage by weight of all weed seeds present. This percentage may not exceed one percent. The heading "weed seed" must be indicated on the seed label in close association with other required label information.

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- (e) Name and rate of occurrence per pound of each kind of restricted noxious weed seeds present. They must be listed under the heading "noxious weed seeds" in close association with other required label information.
- (f) Percentage by weight of seeds other than those kinds and varieties required to be named on the label. They must be listed under the heading "other crop" in close association with other required label information.
- (g) Percentage by weight of inert matter. The heading "inert matter" must be indicated on the seed label in close association with other required label information.
  - (h) Net weight of contents, to appear on either the container or the label.
  - (i) For each named kind or variety of seed:

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- (1) percentage of germination, exclusive of hard or dormant seed or both;
- (2) percentage of hard or dormant seed or both, if present; and
- (3) the calendar month and year the percentages were determined by test or the statement "sell by (month and year)" which may not be more than 12 months from the date of test, exclusive of the month of test.

The headings for "germination" and "hard seed or dormant seed" percentages must be stated separately on the seed label. A separate percentage derived from combining these percentages may also be stated on the seed label, but the heading for this percentage must be "total germination and hard seed or dormant seed when applicable." They must not be stated as "total live seed," "total germination," or in any other unauthorized manner. as "total viable."

- (j) Name and address of the person who labeled the seed or who sells the seed within this state, or a code number which has been registered with the commissioner.
- Sec. 20. Minnesota Statutes 2014, section 21.82, subdivision 4, is amended to read:
  - Subd. 4. **Hybrid seed corn.** For hybrid seed corn purposes a label must contain:
  - (1) a statement indicating the number of seeds in the container may be listed along with or in lieu of the net weight of contents; and
  - (2) for each variety of hybrid seed field corn, the day classification as determined by the originator or owner. The day classification must approximate the number of days of growing season necessary from emergence of the corn plant above ground to relative maturity and must eonform to the day classification established by the director of be within three days of maturity ratings determined in comparative trials by the Minnesota agricultural experiment station for the appropriate zone.
  - Sec. 21. Minnesota Statutes 2014, section 21.85, subdivision 2, is amended to read:

Subd. 2. **Seed laboratory.** (a) The commissioner shall establish and maintain a seed laboratory for seed testing, employing necessary agents and assistants to administer and enforce sections 21.80 to 21.92, who shall be governed by chapter 43A.

- (b) The laboratory procedures for testing official seed samples are the procedures set forth in the Rules for Testing Seeds that is published annually by the Association of Official Seed Analysts. If a laboratory procedure rule does not exist for a particular type of seed, then laboratory procedures from other recognized seed testing sources may be used, including procedures under the Code of Federal Regulations, title 7, part 201, or the International Rules for Testing Seeds.
- Sec. 22. Minnesota Statutes 2014, section 21.85, is amended by adding a subdivision to read:
- Subd. 15. Prohibited and restricted seeds. The commissioner shall determine species that are considered prohibited weed seeds and restricted noxious weed seeds and the allowable rate of occurrence of restricted noxious weed seeds.
- Sec. 23. Minnesota Statutes 2014, section 21.89, subdivision 2, is amended to read:
- Subd. 2. **Permits; issuance and revocation.** The commissioner shall issue a permit to the initial labeler of agricultural, vegetable, flower, and wildflower seeds which are sold for use in Minnesota and which conform to and are labeled under sections 21.80 to 21.92.

  The categories of permits are as follows:
  - (1) for initial labelers who sell 50,000 pounds or less of agricultural seed each calendar year, an annual permit issued for a fee established in section 21.891, subdivision 2, paragraph (b);
  - (2) for initial labelers who sell vegetable, flower, and wildflower seed packed for use in home gardens or household plantings, and initial labelers who sell native grasses and wildflower seed in commercial or agricultural quantities, an annual permit issued for a fee established in section 21.891, subdivision 2, paragraph (c), based upon the gross sales from the previous year; and
- 21.28 (3) for initial labelers who sell more than 50,000 pounds of agricultural seed 21.29 each calendar year, a permanent permit issued for a fee established in section 21.891, 21.30 subdivision 2, paragraph (d).

In addition, the person shall furnish to the commissioner an itemized statement of all seeds sold in Minnesota for the periods established by the commissioner. This statement shall be delivered, along with the payment of the fee, based upon the amount and type of seed sold, to the commissioner no later than 30 days after the end of each reporting

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period. Any person holding a permit shall show as part of the analysis labels or invoices on all agricultural, vegetable, flower, wildflower, tree, or shrub seeds all information the commissioner requires. The commissioner may revoke any permit in the event of failure to comply with applicable laws and rules.

- Sec. 24. Minnesota Statutes 2014, section 21.891, subdivision 2, is amended to read:
  - Subd. 2. **Seed fee permits.** (a) An initial labeler who wishes to sell seed in Minnesota must comply with section 21.89, subdivisions 1 and 2, and the procedures in this subdivision. Each initial labeler who wishes to sell seed in Minnesota must apply to the commissioner to obtain a permit. The application must contain the name and address of the applicant, the application date, and the name and title of the applicant's contact person.
- (b) The application for a seed permit covered by section 21.89, subdivision 2, clause (1), must be accompanied by an application fee of \$50 \$75.
- (c) The application for a seed permit covered by section 21.89, subdivision 2, clause (2), must be accompanied by an application fee based on the level of annual gross sales as follows:
- 22.16 (1) for gross sales of \$0 to \$25,000, the annual permit fee is \$50 \$75;
- 22.17 (2) for gross sales of \$25,001 to \$50,000, the annual permit fee is \$\frac{\$100}{20}\$ \$150;
- 22.18 (3) for gross sales of \$50,001 to \$100,000, the annual permit fee is \$200 \$300;
- 22.19 (4) for gross sales of \$100,001 to \$250,000, the annual permit fee is \$500 \$750;
- 22.20 (5) for gross sales of \$250,001 to \$500,000, the annual permit fee is \$1,000 \$1,500;

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- 22.22 (6) for gross sales of \$500,001 and above to \$1,000,000, the annual permit fee is \$2.23 \$2,000 \$3,000; and
- 22.24 (7) for gross sales of \$1,000,0001 and above, the annual permit fee is \$4,500.
- (d) The application for a seed permit covered by section 21.89, subdivision 2, clause (3), must be accompanied by an application fee of \$50 \$75. Initial labelers holding seed fee permits covered under this paragraph need not apply for a new permit or pay the application fee. Under this permit category, the fees for the following kinds of agricultural seed sold either in bulk or containers are:
- 22.30 (1) oats, wheat, and barley, <del>6.3</del> 9 cents per hundredweight;
- 22.31 (2) rye, field beans, soybeans, buckwheat, and flax, 8.4 12 cents per hundredweight;
- 22.32 (3) field corn, 29.4 17 cents per hundredweight 80,000 seed unit;
- 22.33 (4) forage, lawn and turf grasses, and legumes, 49 69 cents per hundredweight;
- 22.34 (5) sunflower, \$1.40 \$1.96 per hundredweight;
- 22.35 (6) sugar beet, \$3.29 12 cents per hundredweight 100,000 seed unit; and

(7)	) soybeans,	7.5	cents	per	140,000	seed	unit;	and
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- (7) (8) for any agricultural seed not listed in clauses (1) to (6) (7), the fee for the crop most closely resembling it in normal planting rate applies.
- (e) If, for reasons beyond the control and knowledge of the initial labeler, seed is shipped into Minnesota by a person other than the initial labeler, the responsibility for the seed fees are transferred to the shipper. An application for a transfer of this responsibility must be made to the commissioner. Upon approval by the commissioner of the transfer, the shipper is responsible for payment of the seed permit fees.
- (f) Seed permit fees may be included in the cost of the seed either as a hidden cost or as a line item cost on each invoice for seed sold. To identify the fee on an invoice, the words "Minnesota seed permit fees" must be used.
- (g) All seed fee permit holders must file semiannual reports with the commissioner, even if no seed was sold during the reporting period. Each semiannual report must be submitted within 30 days of the end of each reporting period. The reporting periods are October 1 to March 31 and April 1 to September 30 of each year or July 1 to December 31 and January 1 to June 30 of each year. Permit holders may change their reporting periods with the approval of the commissioner.
- (h) The holder of a seed fee permit must pay fees on all seed for which the permit holder is the initial labeler and which are covered by sections 21.80 to 21.92 and sold during the reporting period.
- (i) If a seed fee permit holder fails to submit a semiannual report and pay the seed fee within 30 days after the end of each reporting period, the commissioner shall assess a penalty of \$100 or eight percent, calculated on an annual basis, of the fee due, whichever is greater, but no more than \$500 for each late semiannual report. A \$15 penalty must be charged when the semiannual report is late, even if no fee is due for the reporting period. Seed fee permits may be revoked for failure to comply with the applicable provisions of this paragraph or the Minnesota seed law.
- Sec. 25. Minnesota Statutes 2014, section 21.891, subdivision 5, is amended to read:
- Subd. 5. **Brand name registration fee.** The fee is \$25 \\$50 for each variety registered for sale by brand name.
- Sec. 26. Minnesota Statutes 2014, section 25.39, subdivision 1, is amended to read:

  Subdivision 1. **Amount of fee.** (a) An inspection fee at the rate of 16 26 cents per

  ton must be paid to the commissioner on commercial feeds distributed in this state by the

<u>a</u> person who first distributes the commercial feed, licensed under section 25.341 who distributes a commercial feed to a person not required to be licensed, except that:

(1) no fee need be paid on:

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- (i) (1) a commercial feed if the payment has been made by a previous distributor; or
- (ii) (2) customer formula feeds if the inspection fee is paid on the commercial feeds which are used as ingredients; or.
- (2) a Minnesota feed distributor who can substantiate that greater than 50 percent of the distribution of commercial feed is to purchasers outside the state may purchase commercial feeds without payment of the inspection fee under a tonnage fee exemption permit issued by the commissioner. Such location specific permits shall be issued on a calendar year basis to commercial feed distributors who submit a \$100 nonrefundable application fee and comply with rules adopted by the commissioner relative to record keeping, tonnage of commercial feed distributed in Minnesota, total of all commercial feed tonnage distributed, and all other information which the commissioner may require so as to ensure that proper inspection fee payment has been made.
- (b) In the case of pet food distributed in the state only in packages of ten pounds or less, a listing of each product and a current label for each product must be submitted annually on forms provided by the commissioner and accompanied by an annual fee of \$50 for each product in lieu of the inspection fee. This annual fee is due by July 1. The inspection fee required by paragraph (a) applies to pet food distributed in packages exceeding ten pounds.
- (c) In the case of specialty pet food distributed in the state only in packages of ten pounds or less, a listing of each product and a current label for each product must be submitted annually on forms provided by the commissioner and accompanied by an annual fee of \$25 for each product in lieu of the inspection fee. This annual fee is due by July 1. The inspection fee required by paragraph (a) applies to specialty pet food distributed in packages exceeding ten pounds.
  - (d) The minimum inspection fee is \$10 \$100 per annual reporting period.
- Sec. 27. Minnesota Statutes 2014, section 28A.03, is amended by adding a subdivision to read:
- Subd. 11. HACCP plan. "Hazard analysis critical control point (HACCP) plan"
   means a written document that delineates the formal procedures for following the HACCP
   principles developed by the National Advisory Committee on Microbiological Criteria
   for Foods.

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

- Subd. 12. Statewide education and evaluation fee. "Statewide education and evaluation fee" means a fee to fund statewide retail food program development activities, including training for inspection staff, technical assistance, maintenance of a statewide integrated food safety and security information system, and other related statewide activities that support the retail food program activities.
- Sec. 29. Minnesota Statutes 2014, section 28A.08, subdivision 1, is amended to read:

  Subdivision 1. **General.** License fees, penalties for late renewal of licenses, and penalties for not obtaining a license before conducting business in food handling that are set in this section apply to the sections named except as provided under section 28A.09. Except as specified herein, bonds and assessments based on number of units operated or volume handled or processed which are provided for in said laws shall not be affected, nor shall any penalties for late payment of said assessments, nor shall inspection fees, be affected by this chapter. The penalties may be waived by the commissioner. Fees for all new licenses must be based on the anticipated future gross annual food sales. If a firm is found to be operating for multiple years without paying license fees, the state may collect the appropriate fees and penalties for each year of operation. Food handlers must pay the highest applicable fee under subdivisions 4 to 9, and must pay all applicable fees under subdivision 10.
- Sec. 30. Minnesota Statutes 2014, section 28A.08, is amended by adding a subdivision to read:
- 25.22 <u>Subd. 4.</u> Retail food handler license fees. Retail food handler license fees are set forth under section 15.445.
- Sec. 31. Minnesota Statutes 2014, section 28A.08, is amended by adding a subdivision to read:
- 25.26 Subd. 5. Wholesale food handler. (a) Wholesale food handler license fees are set forth under this subdivision.
- 25.28 (b) The Category 1 license fee is \$250. "Category 1" means a fee category as a wholesale food handler as classified in section 28A.05 that has gross annual sales of \$25.30 \$250,000 or less.
- 25.31 (c) The Category 2 license fee is \$500. "Category 2" means a fee category as a wholesale food handler as classified in section 28A.05 that is not a Category 1 and where food sales are limited to frozen storage or ambient, shelf-stable storage.

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26.1	(d) The Category 3 license fee is \$1,000. "Category 3" means a fee category as
26.2	a wholesale food handler as classified in section 28A.05 that is not Category 1 or 2
26.3	and where food sales include refrigerated storage or the distribution of perishable food
26.4	products as defined in section 34A.01.
26.5	(e) The Category 4 license fee is \$1,500. "Category 4" means a fee category as a
26.6	wholesale food handler as classified in section 28A.05 that is not Category 1, 2, or 3 and
26.7	where food sales include one or more of the following:
26.8	(1) potentially hazardous foods that are considered ready-to-eat or are considered
26.9	specialized processes as defined and required by Code of Federal Regulations, title 21,
26.10	parts 113, 114, 120, and 123;
26.11	(2) high-risk production such as canning low-acid foods, acidifying foods, vacuum
26.12	packaging, salvaging, smoking for preservation, or curing; or
26.13	(3) potentially hazardous food frequently implicated in foodborne illnesses.
26.14	Sec. 32. Minnesota Statutes 2014, section 28A.08, is amended by adding a subdivision
26.15	to read:
26.16	Subd. 6. Wholesale food processor or manufacturer. (a) Wholesale food
26.17	processor or manufacturer license fees are set forth under this subdivision.
26.18	(b) The Category 1 license fee is \$250. "Category 1" means a fee category as a
26.19	wholesale food processor or manufacturer as classified in section 28A.05 that has gross
26.20	annual sales of \$250,000 or less.
26.21	(c) The Category 2 license fee is \$600. "Category 2" means a fee category as a
26.22	wholesale food processor or manufacturer as classified in section 28A.05 that is not a
26.23	Category 1 and where food sales are limited to food that is not ready-to-eat or potentially
26.24	hazardous.
26.25	(d) The Category 3 license fee is \$1,200. "Category 3" means a fee category
26.26	as a wholesale food processor or manufacturer as classified in section 28A.05 that is
26.27	not Category 1 or 2 and where food sales include foods that are either ready-to-eat or
26.28	potentially hazardous, but not both.
26.29	(e) The Category 4 license fee is \$2,000. "Category 4" means a fee category as
26.30	a wholesale food processor or manufacturer as classified in section 28A.05 that is not
26.31	Category 1, 2, or 3 and where food sales include one or more of the following:
26.32	(1) potentially hazardous foods that are considered ready-to-eat or are considered
26.33	specialized processes as defined and required by Code of Federal Regulations, title 21,
26.34	parts 113, 114, 120, and 123;

27.1	(2) high-risk production such as canning low-acid foods, acidifying foods, vacuum
27.2	packaging, salvaging, smoking for preservation, or curing; or
27.3	(3) potentially hazardous food frequently implicated in foodborne illnesses.
27.4	(f) The fee for a wholesale food processor or manufacturer operating only at the
27.5	Minnesota State Fair is \$125.
27.6	(g) The fee for a wholesale food manufacturer that has the permission of the
27.7	commissioner to use the name Minnesota Farmstead cheese is \$30.
27.8	(h) The fee for a wholesale food manufacturer processing less than 700,000 pounds
27.9	of raw milk per year is \$30.
27.10	Sec. 33. Minnesota Statutes 2014, section 28A.08, is amended by adding a subdivision
27.11	to read:
27.12	Subd. 7. Certain wholesale food processors. (a) For purposes of this subdivision,
27.13	"wholesale food processor" means a wholesale food processor of meat or poultry products
27.14	that is solely under the supervision of the United States Department of Agriculture. The
27.15	wholesale food processor fees are set forth in this subdivision.
27.16	(b) For a wholesale food processor with:
27.17	(1) gross sales or service of less than \$250,000 for the immediately previous license
27.18	or fiscal year, the fee is \$250;
27.19	(2) \$250,001 to \$5,000,000 gross sales or service for the immediately previous
27.20	license or fiscal year, the fee is \$435;
27.21	(3) \$5,000,001 to \$10,000,000 gross sales or service for the immediately previous
27.22	license or fiscal year, the fee is \$680;
27.23	(4) \$10,000,001 to \$25,000,000 gross sales or service for the immediately previous
27.24	license or fiscal year, the fee is \$1,335;
27.25	(5) \$25,000,001 to \$100,000,000 gross sales or service for the immediately previous
27.26	license or fiscal year, the fee is \$1,685; or
27.27	(6) \$100,000,0001 or more gross sales or service for the immediately previous
27.28	license or fiscal year, the fee is \$1,860.
27.29	Sec. 34. Minnesota Statutes 2014, section 28A.08, is amended by adding a subdivision
27.30	to read:
27.31	Subd. 8. Food broker. The license fee for a food broker or wholesaler food handler
27.32	that does not take physical possession of food is \$250.

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Sec. 35. Minnesota Statutes 2014, section 28A.08, is amended by adding a subdivision to read:

Subd. 9. Milk marketing organization. The license fee for or a milk marketing organization without facilities for processing or manufacturing that purchases milk from milk producers for delivery to a licensed wholesale food processor or manufacturer is \$50.

Sec. 36. Minnesota Statutes 2014, section 28A.08, is amended by adding a subdivision to read:

- Subd. 10. Additional applicable fees. (a) The license fee for an individual private sewer or individual private water is \$60. "Individual private water" means a fee category with a water supply other than a community public water supply as defined in Minnesota Rules, chapter 4720. "Individual private sewer" means a fee category with an individual sewage treatment system that uses subsurface treatment and disposal.
- (b) "Large wholesale food handler establishment" means a fee category added to a license based on gross annual sales over \$10,000,000 for wholesale food handlers as classified in section 28A.05. The fee for a large wholesale food handler establishment shall equal 0.02 percent of gross sales or service, including food, with a maximum fee of \$7,500.
- (c) "Large wholesale food processor or manufacturer establishment" means a fee category added to a license based on gross annual sales over \$10,000,000 for wholesale food processors or manufacturers as classified in section 28A.05. The fee for a large wholesale food processor or manufacturer establishment shall equal 0.02 percent of gross sales or service, including food, with a maximum fee of \$10,000. Wholesale food processors or manufacturers paying license fees under section 28A.08, subdivision 7, are exempt from this fee.
- Sec. 37. Minnesota Statutes 2014, section 28A.08, is amended by adding a subdivision to read:
- Subd. 11. Statewide education and evaluation fee. Every person, individual, firm, or corporation that operates as a retail food handler, retail mobile food handler, seasonal temporary or permanent food stand, special event food stand, mobile food unit, or food cart in Minnesota must submit to the commissioner a \$15 annual statewide education and evaluation fee for each licensed activity. The fee for establishments licensed by the Department of Agriculture is required at the same time the licensure fee is due. For establishments licensed by local governments, the fee shall be collected by the local board of health as described in section 28A.075 and paid to the commissioner by July 1 of each year.

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Sec. 38. Minnesota Statutes 2014, section 28A.08, is amended by adding a subdivision to read:

Subd. 12. **Penalties.** The penalty for the late renewal of licenses or for not obtaining a license before conducting business in food handling is 50 percent of the total license fee and additional applicable fees as required under subdivisions 4 to 10.

Sec. 39. Minnesota Statutes 2014, section 28A.08, is amended by adding a subdivision to read:

Subd. 13. Food handler license account; appropriation. A food handler license fee account is created in the agricultural fund. Fees and penalties paid under this section must be deposited in the food handler license fee account. Money in the account, including interest accrued, is appropriated to the commissioner for the costs of the food handler inspection program.

Sec. 40. Minnesota Statutes 2014, section 28A.082, subdivision 1, is amended to read: Subdivision 1. **Fees; application.** The fees for review of food handler facility floor plans under the Minnesota Food Code are based upon the square footage of the structure being newly constructed, remodeled, or converted. The fees for the review shall be:

29.17	square footage	:	review fee
29.18 29.19	0 - 4,999	\$	200.00 600.00
29.20 29.21	5,000 - 24,999	\$	275.00 825.00
29.22 29.23	25,000 plus	\$	425.00 1,275.00

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

Sec. 41. Minnesota Statutes 2014, section 31.39, subdivision 1, is amended to read:

Subdivision 1. **Assessments.** The commissioner is hereby authorized and directed to collect from each commercial cannery an assessment for inspection and services furnished, and for maintaining a bacteriological laboratory and employing such bacteriologists and trained and qualified sanitarians as the commissioner may deem necessary. The assessment to be made on each commercial cannery, for each and every packing season,

shall not exceed one-half cent per case on all foods packed, canned, or preserved therein, nor shall the assessment in any one calendar year to any one cannery exceed \$6,000 \$12,000, and the minimum assessment to any cannery in any one calendar year shall be \$100. The commissioner shall provide appropriate deductions from assessments for the net weight of meat, chicken, or turkey ingredients which have been inspected and passed for wholesomeness by the United States Department of Agriculture. The commissioner may, when the commissioner deems it advisable, graduate and reduce the assessment to such sum as is required to furnish the inspection and laboratory services rendered. The amount of the assessment shall be due and payable on or before December 31, of each year, and if not paid on or before February 15 following, shall bear interest after that date at the rate of seven percent per annum, and a penalty of ten percent on the amount of the assessment shall also be added and collected.

Sec. 42. Minnesota Statutes 2014, 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 \$150 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 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. 43. Minnesota Statutes 2014, section 32.394, subdivision 8b, is amended to read:

Subd. 8b. **Manufacturing grade farm certification.** A processor or marketing organization of milk, milk products, sheep milk, or goat milk who wishes to market other than Grade A milk must apply for a manufacturing grade farm certification inspection from the commissioner. A manufacturing plant that pasteurizes milk or milk by-products must pay an annual fee based on the number of pasteurization units. This fee must not exceed \$140 per unit. The fee for farm certification inspection must not be more than \$25 

\$75 per farm to be paid annually by the processor or by the marketing organization on behalf of its patrons. For a farm requiring more than the one inspection for certification, a

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reinspection fee of \$45 must be paid by the processor or by the marketing organization on behalf of its patrons.

Sec. 44. Minnesota Statutes 2014, section 41B.03, subdivision 6, is amended to read: Subd. 6. **Application fee.** The authority may impose a reasonable nonrefundable application fee for each application submitted for a beginning farmer loan or a seller-sponsored loan. The application fee is initially \$50. The authority may review the fee annually and make adjustments as necessary. The fee must be deposited in the state treasury and credited to an account in the special revenue fund. Money in the account is appropriated to the commissioner for administrative expenses of the beginning farmer and seller-sponsored loan programs the Rural Finance Authority administrative account established in subdivision 7.

Sec. 45. Minnesota Statutes 2014, section 41B.03, is amended by adding a subdivision to read:

Subd. 7. Rural Finance Authority administrative account. There is established in the special revenue fund a Rural Finance Authority administrative account. Money in the account, including interest, is appropriated to the commissioner for the administrative expenses of the loan programs administered by the Rural Finance Authority.

Sec. 46. Minnesota Statutes 2014, section 41B.04, subdivision 17, is amended to read: Subd. 17. **Application and origination fee.** The authority may impose a reasonable nonrefundable application fee for each application and an origination fee for each loan issued under the loan restructuring program. The origination fee is 1.5 percent of the authority's participation interest in the loan and the application fee is \$50. The authority may review the fees annually and make adjustments as necessary. The fees must be deposited in the state treasury and credited to an account in the special revenue fund. Money in the account is appropriated to the commissioner for administrative expenses of the loan restructuring program the Rural Finance Authority administrative account established in section 41B.03.

Sec. 47. Minnesota Statutes 2014, section 41B.043, subdivision 3, is amended to read: Subd. 3. **Application and origination fee.** The authority may impose a reasonable nonrefundable application fee for each application submitted for a participation issued

under the agricultural improvement loan program. The application fee is initially \$50. The authority may review the fees annually and make adjustments as necessary. The fees must

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be deposited in the state treasury and credited to an account in the special revenue fund.

Money in this account is appropriated to the commissioner for administrative expenses of the agricultural improvement loan program the Rural Finance Authority administrative account established in section 41B.03.

Sec. 48. Minnesota Statutes 2014, section 41B.045, subdivision 3, is amended to read:

Subd. 3. **Specifications.** No loan may be made to refinance an existing debt. Each loan participation must be secured by a mortgage on real property and such other security as the authority may require.

Sec. 49. Minnesota Statutes 2014, section 41B.045, subdivision 4, is amended to read:

- Subd. 4. **Application and origination fee.** The authority may impose a reasonable nonrefundable application fee for each application for a loan participation and an origination fee for each loan issued under the livestock expansion loan program. The origination fee initially shall be set at 1.5 percent and the application fee at \$50. The authority may review the fees annually and make adjustments as necessary. The fees must be deposited in the state treasury and credited to an account in the special revenue fund. Money in this account is appropriated to the commissioner for administrative expenses of the livestock expansion loan program the Rural Finance Authority administrative account established in section 41B.03.
- Sec. 50. Minnesota Statutes 2014, section 41B.046, subdivision 5, is amended to read:
  - Subd. 5. **Loans.** (a) The authority may participate in a stock loan with an eligible lender to a farmer who is eligible under subdivision 4. Participation is limited to 45 percent of the principal amount of the loan or \$40,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may differ from the interest rates and repayment terms of the lender's retained portion of the loan, but the authority's interest rate must not exceed 50 percent of the lender's interest rate.
  - (b) No more than 95 percent of the purchase price of the stock may be financed under this program.
  - (c) Security for stock loans must be the stock purchased, a personal note executed by the borrower, and whatever other security is required by the eligible lender or the authority.
  - (d) The authority may impose a reasonable nonrefundable application fee for each application for a stock loan. The authority may review the fee annually and make adjustments as necessary. The application fee is initially \$50. Application fees received

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by the authority must be deposited in the revolving loan account established in section 41B.06 Rural Finance Authority administrative account established in section 41B.03.

- (e) Stock loans under this program will be made using money in the revolving loan account established in section 41B.06.
- (f) The authority may not grant stock loans in a cumulative amount exceeding \$2,000,000 for the financing of stock purchases in any one cooperative.
- (g) Repayments of financial assistance under this section, including principal and interest, must be deposited into the revolving loan account established in section 41B.06.
- Sec. 51. Minnesota Statutes 2014, section 41B.047, subdivision 1, is amended to read:

  Subdivision 1. **Establishment.** The authority shall establish and implement a

  disaster recovery loan program to help farmers:
  - (1) clean up, repair, or replace farm structures and septic and water systems, as well as replace seed, other crop inputs, feed, and livestock, when damaged by high winds, hail, tornado, or flood; or
  - (2) purchase watering systems, irrigation systems, and other drought mitigation systems and practices when drought is the cause of the purchase-; or
    - (3) restore farmland.

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- Sec. 52. Minnesota Statutes 2014, section 41B.047, subdivision 4, is amended to read:
  - Subd. 4. **Loans.** (a) The authority may participate in a disaster recovery loan with an eligible lender to a farmer who is eligible under subdivision 3. Participation is limited to 45 percent of the principal amount of the loan or \$50,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may differ from the interest rates and repayment terms of the lender's retained portion of the loan, but the authority's interest rate must not exceed four percent.
  - (b) Standards for loan amortization shall be set by the Rural Finance Authority not to exceed ten years.
  - (c) Security for the disaster recovery loans must be a personal note executed by the borrower and whatever other security is required by the eligible lender or the authority.
  - (d) The authority may impose a reasonable nonrefundable application fee for a disaster recovery loan. The authority may review the fee annually and make adjustments as necessary. The application fee is initially \$50. Application fees received by the authority must be deposited in the revolving loan account established under section 41B.06 Rural Finance Authority administrative account established in section 41B.03.

- (e) Disaster recovery loans under this program will be made using money in the revolving loan account established under section 41B.06.
- (f) Repayments of financial assistance under this section, including principal and interest, must be deposited into the revolving loan account established under section 41B.06.
- Sec. 53. Minnesota Statutes 2014, section 41B.048, subdivision 6, is amended to read:
  - Subd. 6. **Loans.** (a) The authority may disburse loans through a fiscal agent to farmers and agricultural landowners who are eligible under subdivision 5. The total accumulative loan principal must not exceed \$75,000 per loan.
  - (b) The fiscal agent may impose a loan origination fee in the amount of one percent of the total approved loan. This fee is to be paid by the borrower to the fiscal agent at the time of loan closing.
    - (c) The loan may be disbursed over a period not to exceed 12 years.
  - (d) A borrower may receive loans, depending on the availability of funds, for planted areas up to 160 acres for up to:
    - (1) the total amount necessary for establishment of the crop;
  - (2) the total amount of maintenance costs, including weed control, during the first three years; and
  - (3) 70 percent of the estimated value of one year's growth of the crop for years four through 12.
  - (e) Security for the loan must be the crop, a personal note executed by the borrower, an interest in the land upon which the crop is growing, and whatever other security is required by the fiscal agent or the authority. All recording fees must be paid by the borrower.
  - (f) The authority may prescribe forms and establish an application process for applicants to apply for a loan.
  - (g) The authority may impose a reasonable, nonrefundable application fee for each application for a loan under this program. The application fee is initially \$50. Application fees received by the authority must be deposited in the revolving loan account established under section 41B.06 Rural Finance Authority administrative account established in section 41B.03.
  - (h) Loans under the program must be made using money in the revolving loan account established under section 41B.06.
  - (i) All repayments of financial assistance granted under this section, including principal and interest, must be deposited into the revolving loan account established under section 41B.06.

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(j) The interest payable on loans made by the authority for the agroforestry loan program must, if funded by revenue bond proceeds, be at a rate not less than the rate on the revenue bonds, and may be established at a higher rate necessary to pay costs associated with the issuance of the revenue bonds and a proportionate share of the cost of administering the program. The interest payable on loans for the agroforestry loan program funded from sources other than revenue bond proceeds must be at a rate determined by the authority.

- (k) Loan principal balance outstanding plus all assessed interest must be repaid within 120 days of harvest, but no later than 15 years from planting.
  - Sec. 54. Minnesota Statutes 2014, section 41B.049, subdivision 4, is amended to read:
- Subd. 4. **Loans.** (a) The authority may make a direct loan or participate in a loan with an eligible lender to a farmer who is eligible under subdivision 3. Repayment terms of the authority's participation interest may differ from repayment terms of the lender's retained portion of the loan. Loans made under this section must be no-interest loans.
- (b) Application for a direct loan or a loan participation must be made on forms prescribed by the authority.
- (c) Standards for loan amortization shall be set by the Rural Finance Authority not to exceed ten years.
- (d) Security for the loans must be a personal note executed by the borrower and whatever other security is required by the eligible lender or the authority.
  - (e) No loan proceeds may be used to refinance a debt existing prior to application.
- (f) The authority may impose a reasonable nonrefundable application fee for each application for a direct loan or a loan participation. The authority may review the application fees annually and make adjustments as necessary. The application fee is initially set at \$100 for a loan under subdivision 1. The fees received by the authority must be deposited in the revolving loan account established in section 41B.06 Rural Finance Authority administrative account established in section 41B.03.
  - Sec. 55. Minnesota Statutes 2014, section 41B.055, subdivision 3, is amended to read:
- Subd. 3. **Loans.** (a) The authority may participate in a livestock equipment loan equal to 90 percent of the purchased equipment value with an eligible lender to a farmer who is eligible under subdivision 2. Participation is limited to 45 percent of the principal amount of the loan or \$40,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may differ from the interest rates and repayment terms of the lender's retained portion of the loan, but the authority's interest rate must

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not exceed three percent. The authority may review the interest annually and make adjustments as necessary.

- (b) Standards for loan amortization must be set by the Rural Finance Authority and must not exceed ten years.
- (c) Security for a livestock equipment loan must be a personal note executed by the borrower and whatever other security is required by the eligible lender or the authority.
  - (d) Refinancing of existing debt is not an eligible purpose.

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- (e) The authority may impose a reasonable, nonrefundable application fee for a livestock equipment loan. The authority may review the fee annually and make adjustments as necessary. The initial application fee is \$50. Application fees received by the authority must be deposited in the revolving loan account established in section 41B.03.
- (f) Loans under this program must be made using money in the revolving loan account established in section 41B.06.
- Sec. 56. Minnesota Statutes 2014, section 41B.056, subdivision 2, is amended to read:
  - Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.
  - (b) "Intermediary" means any lending institution or other organization of a for-profit or nonprofit nature that is in good standing with the state of Minnesota that has the appropriate business structure and trained personnel suitable to providing efficient disbursement of loan funds and the servicing and collection of loans.
  - (c) "Specialty crops" means agricultural crops, such as annuals, flowers, perennials, and other horticultural products, that are intensively cultivated.
  - (d) "Eligible livestock" means poultry that has been allowed access to the outside, sheep, or goats beef cattle, dairy cattle, swine, poultry, goats, mules, farmed cervidae, ratitae, bison, sheep, horses, and llamas.

### Sec. 57. [41B.057] FARM OPPORTUNITY LOAN PROGRAM.

- Subdivision 1. **Establishment.** The commissioner of agriculture shall establish a farm opportunity loan program to provide loans that enable farmers to:
  - (1) add value to crops or livestock produced in Minnesota;
- 36.30 (2) adopt best management practices that emphasize sufficiency and self-sufficiency;
- 36.31 (3) reduce or improve management of agricultural inputs resulting in environmental improvements; or
- 36.33 (4) increase production of on-farm energy.

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Subd. 2. Loan criteria. (a) The farm opportunity loan program shall provide loans for purchase of new or used equipment and installation of equipment for projects that make environmental improvements and enhance farm profitability. The loan program shall also be used to add value to crops or livestock produced in Minnesota by, but not limited to, initiating or expanding livestock product processing; purchasing equipment to initiate, upgrade, or modernize value-added agricultural businesses; or increasing farmers' processing and aggregating capacity facilitating entry into farm-to-institution and other markets. Eligible loan uses do not include expenses related to seeds, fertilizer, fuel, or other operating expenses.

- (b) The authority may impose a reasonable, nonrefundable application fee for a farm opportunity loan. The authority may review the fee annually and make adjustments as necessary. The initial application fee is \$50. Application fees received by the authority must be deposited in the Rural Finance Authority administrative account established in section 41B.03.
- (c) Loans may only be made to Minnesota residents engaged in farming. Standards for loan amortization must be set by the Rural Finance Authority and must not exceed ten years.
  - (d) The borrower must show the ability to repay the loan.
  - (e) Refinancing of existing debt is not an eligible expense.
- (f) Loans under this program must be made using money in the revolving loan account established in section 41B.06.
- Subd. 3. Loan participation. The authority may participate in a farm opportunity loan with an eligible lender, as defined in section 41B.02, subdivision 8, to a farmer or a group of farmers on joint projects who are eligible under subdivision 2, paragraph (c), and who are actively engaged in farming. Participation is limited to 45 percent of the principal amount of the loan or \$45,000 per individual, whichever is less. For loans to a group made up of four or more individuals, participation is limited to 45 percent of the principal amount of the loan or \$180,000, whichever is less. The interest rate on the loans must not exceed six percent.
- Sec. 58. Minnesota Statutes 2014, section 41B.06, is amended to read:

#### 41B.06 RURAL FINANCE AUTHORITY REVOLVING LOAN ACCOUNT.

There is established in the rural finance administration fund a Rural Finance
Authority revolving loan account that is eligible to receive appropriations and the transfer
of loan funds from other programs. All repayments of financial assistance granted from
this account, including principal and interest, must be deposited into this account. Interest

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earned on money in the account accrues to the account, and the money in the account is appropriated to the commissioner of agriculture for purposes of the Rural Finance Authority livestock equipment, methane digester, disaster recovery, value-added agricultural product, agroforestry, and agricultural microloan, and farm opportunity loan programs, including costs incurred by the authority to establish and administer the programs.

Sec. 59. Minnesota Statutes 2014, section 500.24, subdivision 4, is amended to read:

- Subd. 4. **Reports.** (a) The chief executive officer of every pension or investment fund, corporation, limited partnership, limited liability company, or entity that is seeking to qualify for an exemption from the commissioner, and the trustee of a family farm trust that holds any interest in agricultural land or land used for the breeding, feeding, pasturing, growing, or raising of livestock, dairy or poultry, or products thereof, or land used for the production of agricultural crops or fruit or other horticultural products, other than a bona fide encumbrance taken for purposes of security, or which is engaged in farming or proposing to commence farming in this state after May 20, 1973, shall file with the commissioner a report containing the following information and documents:
- (1) the name of the pension or investment fund, corporation, limited partnership, or limited liability company and its place of incorporation, certification, or registration;
- (2) the address of the pension or investment plan headquarters or of the registered office of the corporation in this state, the name and address of its registered agent in this state and, in the case of a foreign corporation, limited partnership, or limited liability company, the address of its principal office in its place of incorporation, certification, or registration;
- (3) the acreage and location listed by quarter-quarter section, township, and county of each lot or parcel of agricultural land or land used for the keeping or feeding of poultry in this state owned or leased by the pension or investment fund, limited partnership, corporation, or limited liability company;
- (4) the names and addresses of the officers, administrators, directors, or trustees of the pension or investment fund, or of the officers, shareholders owning more than ten percent of the stock, including the percent of stock owned by each such shareholder, the members of the board of directors of the corporation, and the members of the limited liability company, and the general and limited partners and the percentage of interest in the partnership by each partner;
- (5) the farm products which the pension or investment fund, limited partnership, corporation, or limited liability company produces or intends to produce on its agricultural land;

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(6) with the first report, a copy of the title to the property where the farming operations are or will occur indicating the particular exception claimed under subdivision 3; and

(7) with the first or second report, a copy of the conservation plan proposed by the soil and water conservation district, and with subsequent reports a statement of whether the conservation plan was implemented.

The report of a corporation, trust, limited liability company, or partnership seeking to qualify hereunder as a family farm corporation, an authorized farm corporation, an authorized livestock farm corporation, a family farm partnership, an authorized farm partnership, a family farm limited liability company, an authorized farm limited liability company, or a family farm trust or under an exemption from the commissioner shall contain the following additional information: the number of shares, partnership interests, or governance and financial rights owned by persons or current beneficiaries of a family farm trust residing on the farm or actively engaged in farming, or their relatives within the third degree of kindred according to the rules of the civil law or their spouses; the name, address, and number of shares owned by each shareholder, partnership interests owned by each partner or governance and financial rights owned by each member, and a statement as to percentage of gross receipts of the corporation derived from rent, royalties, dividends, interest, and annuities. No pension or investment fund, limited partnership, corporation, or limited liability company shall commence farming in this state until the commissioner has inspected the report and certified that its proposed operations comply with the provisions of this section.

- (b) Every pension or investment fund, limited partnership, trust, corporation, or limited liability company as described in paragraph (a) shall, prior to April 15 of each year, file with the commissioner a report containing the information required in paragraph (a), based on its operations in the preceding calendar year and its status at the end of the year. A pension or investment fund, limited partnership, corporation, or limited liability company that does not file the report by April 15 must pay a \$500 civil penalty. The penalty is a lien on the land being farmed under subdivision 3 until the penalty is paid.
- (c) The commissioner may, for good cause shown, issue a written waiver or reduction of the civil penalty for failure to make a timely filing of the annual report required by this subdivision. The waiver or reduction is final and conclusive with respect to the civil penalty, and may not be reopened or modified by an officer, employee, or agent of the state, except upon a showing of fraud or malfeasance or misrepresentation of a material fact. The report required under paragraph (b) must be completed prior to a reduction or waiver under this paragraph. The commissioner may enter into an agreement under this paragraph only once for each corporation or partnership.

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40.1	(d) All reports required by paragraph (a) shall include a filing fee of \$15. The fee
40.2	must be deposited in the state treasury and credited to an account in the special revenue
40.3	fund. Money in the account, including interest, is appropriated to the commissioner for
40.4	the administrative expenses of this section.
40.5	(d) (e) Failure to file a required report or the willful filing of false information is a
40.6	gross misdemeanor.
40.7	Sec. 60. BALANCES TRANSFERRED; ACCOUNTS ABOLISHED.
40.8	The balances in the accounts created under sections 41B.03, subdivision 6; 41B.04,
40.9	subdivision 17; 41B.043, subdivision 3; and 41B.045, subdivision 4, are transferred to
40.10	the Rural Finance Authority administrative account established under section 41B.03,
40.11	subdivision 7, and the original accounts are abolished.
40.12	The balance in the account created under section 17.115 is transferred to the Rural
40.13	Finance Authority revolving loan account established under section 41B.06, and the
40.14	original account is abolished.
40.15	Sec. 61. REPEALER.
40.16	Minnesota Statutes 2014, sections 17.115; 28A.08, subdivision 3; and 41A.12,

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subdivision 4, are repealed.

## APPENDIX Article locations in 15-3349

ARTICLE 1	AGRICULTURE APPROPRIATIONS	Page.Ln 1.24
ARTICLE 2	AGRICULTURE POLICY	Page I n 10 24

Repealed Minnesota Statutes: 15-3349

#### 17.115 SHARED SAVINGS LOAN PROGRAM.

Subdivision 1. **Establishment.** The commissioner shall establish a shared savings loan program to provide loans that enable farmers to adopt best management practices that emphasize sufficiency and self-sufficiency in agricultural inputs, including energy efficiency, reduction or improved management of inputs, increasing energy production by agricultural producers, and environmental improvements.

- 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 and enhance farm profitability. Eligible loan uses do not include seed, fertilizer, or fuel.
- (b) Loans may not exceed \$40,000 per individual applying for a loan and may not exceed \$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.
  - (c) Loans may only be made to residents of this state engaged in farming.
- Subd. 3. **Awarding of loans.** (a) Applications for loans must be made to the commissioner on forms prescribed by the commissioner.
- (b) The applications must be reviewed, ranked, and recommended by a loan review panel appointed by the commissioner. The loan review panel shall consist of two lenders with agricultural experience, two resident farmers of the state using sustainable agriculture methods, two resident farmers of the state using organic agriculture methods, a farm management specialist, a representative from a postsecondary education institution, and a chair from the department.
  - (c) The loan review panel shall rank applications according to the following criteria:
  - (1) realize savings to the cost of agricultural production;
  - (2) reduce or make more efficient use of energy or inputs;
  - (3) increase overall farm profitability; and
  - (4) result in environmental benefits.
  - (d) A loan application must show that the loan can be repaid by the applicant.
- (e) The commissioner must consider the recommendations of the loan review panel and may make loans for eligible projects.
- Subd. 4. **Administration; information dissemination.** The amount in the revolving loan account is appropriated to the commissioner to make loans under this section and administer the loan program. The interest on the money in the revolving loan account and the interest on loans repaid to the state may be spent by the commissioner for administrative expenses. The commissioner shall collect and disseminate information relating to projects for which loans are given under this section.
- Subd. 5. **Farm manure digester technology.** Appropriations in Laws 1998, chapter 401, section 6, must be used for revolving loans for demonstration projects of farm manure digester technology. Notwithstanding the limitations of subdivision 2, paragraphs (b) and (c), loans under this subdivision are no-interest loans in principal amounts not to exceed \$200,000 and may be made to any resident of this state. Loans for one or more projects must be made only after the commissioner seeks applications. Loans under this program may be used as a match for federal loans or grants. Money repaid from loans must be returned to the revolving fund for future projects.

## **28A.08** LICENSE FEES; PENALTIES. Subd. 3. Fees effective July 1, 2003.

			Penalties		
	Type of food handler	License Fee Effective July 1, 2003	Late Renewal	NoLicense	
1.	Retail food handler				
	(a) Having gross sales of only prepackaged nonperishable food of less than \$15,000 for the immediately previous license or fiscal year and filing a statement with the commissioner	\$ 50	\$ 17	\$ 33	

Repealed Minnesota Statutes: 15-3349

	(b) Having under \$15,000 gross sales or service including food preparation or having \$15,000 to \$50,000 gross sales or service for the immediately previous license or fiscal year	\$ 77	\$ 25	\$ 51
	(c) Having \$50,001 to \$250,000 gross sales or service for the immediately previous license or fiscal year	\$155	\$ 51	\$102
	(d) Having \$250,001 to \$1,000,000 gross sales or service for the immediately previous license or fiscal year	\$276	\$ 91	\$182
	(e) Having \$1,000,001 to \$5,000,000 gross sales or service for the immediately previous license or fiscal year	\$799	\$264	\$527
	(f) Having \$5,000,001 to \$10,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,162	\$383	\$767
	(g) Having \$10,000,001 to \$15,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,376	\$454	\$908
	(h) Having \$15,000,001 to \$20,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,607	\$530	\$1,061
	(i) Having \$20,000,001 to \$25,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,847	\$610	\$1,219
	(j) Having over \$25,000,001 gross sales or service for the immediately previous license or fiscal year	\$2,001	\$660	\$1,321
2.	Wholesale food handler	Ψ2,001	\$000	Ψ1,521
	(a) Having gross sales or service of less than \$25,000 for the immediately previous license or fiscal year	\$ 57	\$ 19	\$ 38
	(b) Having \$25,001 to \$250,000 gross sales or service for the immediately previous license or fiscal year	\$284	\$ 94	\$187
	(c) Having \$250,001 to \$1,000,000 gross sales or service from a mobile unit without a separate food facility for the immediately			
	previous license or fiscal year	\$444	\$147	\$293
	(d) Having \$250,001 to \$1,000,000 gross sales or service not covered under paragraph (c) for the immediately previous license or fiscal year	\$590	\$195	\$389
	(e) Having \$1,000,001 to \$5,000,000 gross sales or service for the immediately previous license or fiscal year	\$769	\$254	\$508
	(f) Having \$5,000,001 to \$10,000,000 gross sales or service for the immediately previous license or fiscal year	\$920	\$304	\$607
	(g) Having \$10,000,001 to \$15,000,000 gross sales or service for the immediately previous license or fiscal year	\$990	\$327	\$653
	(h) Having \$15,000,001 to \$20,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,156	\$381	\$763

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	(i) Having \$20,000,001 to \$25,000,000 gross sales or service for the immediately previous			
	license or fiscal year	\$1,329	\$439	\$877
	(j) Having over \$25,000,001 or more gross sales or service for the immediately previous	Ф1.502	Φ40.6	Φ001
	license or fiscal year	\$1,502	\$496	\$991
3.	Food broker	\$150	\$ 50	\$ 99
4.	Wholesale food processor or manufacturer			
	(a) Having gross sales or service of less than \$125,000 for the immediately previous license or fiscal year	\$169	\$ 56	\$112
	(b) Having \$125,001 to \$250,000 gross sales or service for the immediately previous license or fiscal year	\$392	\$129	\$259
	(c) Having \$250,001 to \$1,000,000 gross sales or service for the immediately previous license or fiscal year	\$590	<b>\$</b> 195	\$389
	(d) Having \$1,000,001 to \$5,000,000 gross sales or service for the immediately previous license or fiscal year	\$769	\$254	\$508
	(e) Having \$5,000,001 to \$10,000,000 gross sales or service for the immediately previous license or fiscal year	\$920	\$304	\$607
	(f) Having \$10,000,001 to \$15,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,377	\$454	\$909
	(g) Having \$15,000,001 to \$20,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,608	\$531	\$1,061
	(h) Having \$20,000,001 to \$25,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,849	\$610	\$1,220
	(i) Having \$25,000,001 to \$50,000,000 gross sales or service for the immediately previous license or fiscal year	\$2,090	\$690	\$1,379
	(j) Having \$50,000,001 to \$100,000,000 gross sales or service for the immediately previous license or fiscal year	\$2,330	\$769	\$1,538
	(k) Having \$100,000,000 or more gross sales or service for the immediately previous license or fiscal year	\$2,571	\$848	\$1,697
5.	Wholesale food processor of meat or poultry products under supervision of the U.S. Department of Agriculture			
	(a) Having gross sales or service of less than \$125,000 for the immediately previous license or fiscal year	\$112	\$ 37	\$ 74
	(b) Having \$125,001 to \$250,000 gross sales or service for the immediately previous license or fiscal year	\$214	\$ 71	\$141
	(c) Having \$250,001 to \$1,000,000 gross sales or service for the immediately previous license or fiscal year	\$333	\$110	\$220

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	(d) Having \$1,000,001 to \$5,000,000 gross sales or service for the immediately previous license or fiscal year	\$425	\$140	\$281
	(e) Having \$5,000,001 to \$10,000,000 gross sales or service for the immediately previous license or fiscal year	\$521	\$172	\$344
	(f) Having over \$10,000,001 gross sales or service for the immediately previous license or fiscal year	\$765	\$252	\$505
	(g) Having \$15,000,001 to \$20,000,000 gross sales or service for the immediately previous license or fiscal year	\$893	\$295	\$589
	(h) Having \$20,000,001 to \$25,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,027	\$339	\$678
	(i) Having \$25,000,001 to \$50,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,161	\$383	\$766
	(j) Having \$50,000,001 to \$100,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,295	\$427	\$855
	(k) Having \$100,000,001 or more gross sales or service for the immediately previous license or fiscal year	\$1,428	\$471	\$942
6.	Wholesale food processor or manufacturer operating only at the State Fair	\$125	\$ 40	\$ 50
7.	Wholesale food manufacturer having the permission of the commissioner to use the name Minnesota Farmstead cheese	\$ 30	\$ 10	\$ 15
8.	Wholesale food manufacturer processing less than 700,000 pounds per year of raw milk	\$ 30	\$ 10	\$ 15
9.	A milk marketing organization without facilities for processing or manufacturing that purchases milk from milk producers for delivery to a licensed wholesale food			
	processor or manufacturer	\$ 50	\$ 15	\$ 25

# 41A.12 AGRICULTURAL GROWTH, RESEARCH, AND INNOVATION PROGRAM.

Subd. 4. **Sunset.** This section expires on June 30, 2015.