

TWENTY-NINTH DAY

St. Paul, Minnesota, Tuesday, March 14, 2017

The Senate met at 12:00 noon and was called to order by the President.

**CALL OF THE SENATE**

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

Prayer was offered by the Chaplain, Rev. Paul Rogers.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

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

Abeler	Draheim	Hoffman	Little	Rosen
Anderson, B.	Dziedzic	Housley	Lourey	Schoen
Anderson, P.	Eaton	Isaacson	Marty	Senjem
Bakk	Eichorn	Jasinski	Mathews	Simonson
Benson	Eken	Jensen	Miller	Sparks
Carlson	Fischbach	Johnson	Nelson	Tomassoni
Chamberlain	Franzen	Kent	Newman	Utke
Clausen	Gazelka	Kiffmeyer	Newton	Wiger
Cohen	Goggin	Klein	Osmek	Wiklund
Cwodzinski	Hall	Koran	Pappas	
Dahms	Hawj	Laine	Pratt	
Dibble	Hayden	Lang	Relph	

The President declared a quorum present.

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

**REPORTS OF COMMITTEES**

Senator Gazelka moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 318 and 1252. The motion prevailed.

**Senator Benson from the Committee on Health and Human Services Finance and Policy, to which was referred**

**S.F. No. 1496:** A bill for an act relating to health occupations; modifying the requirements for collaborative community dental hygiene services; establishing requirements for collaborative

community dental assisting services; amending Minnesota Statutes 2016, sections 150A.10, subdivision 1a, by adding a subdivision; 150A.105, subdivision 8.

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

Page 3, line 22, delete everything after "the" and insert "dentist to whom the patient was referred until the dentist accepts the patient for follow-up services after"

Page 3, delete line 23

Page 4, line 15, delete "may" and insert "must"

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

**Senator Weber from the Committee on Agriculture, Rural Development, and Housing Policy, to which was referred**

**S.F. No. 1674:** A bill for an act relating to agriculture; making policy and technical changes to various agricultural-related provisions; reorganizing dairy law; making conforming changes; amending Minnesota Statutes 2016, sections 13.6435, subdivision 8; 15.985; 18B.01, subdivisions 8, 31, by adding subdivisions; 18B.03, subdivisions 1, 4; 18B.04; 18B.26, subdivision 1; 18B.28, subdivisions 1, 3; 18B.305, subdivision 1; 18B.37, subdivision 3; 18H.06, subdivision 2; 18H.07, subdivisions 2, 3; 21.111, subdivisions 2, 3; 21.113; 21.117; 25.32; 25.33, subdivisions 5, 10, 21; 25.341, subdivisions 1, 2; 25.35; 25.371, subdivision 2; 25.38; 25.39, subdivisions 1, 1a, 2, 3; 25.40, subdivision 2; 25.41, subdivisions 1, 2, 3, 5, 7a; 25.42; 25.43; 27.04; 27.041, subdivision 1; 28A.03, by adding a subdivision; 28A.04, subdivision 1; 28A.05; 28A.08, subdivision 3; 28A.15, by adding subdivisions; 28A.21, subdivision 6; 31A.02, subdivision 4; 41B.03, subdivisions 2, 3; 223.17, subdivision 8; 232.22, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 18B; 27; proposing coding for new law as Minnesota Statutes, chapter 32D; repealing Minnesota Statutes 2016, sections 18B.01, subdivisions 10a, 10b, 22a; 18B.285; 25.371, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15; 28A.15, subdivision 2; 32.01, subdivisions 1, 2, 6, 8, 9, 10, 11, 12; 32.021; 32.071; 32.072; 32.073; 32.074; 32.075; 32.076; 32.078; 32.10; 32.102; 32.103; 32.105; 32.106; 32.21; 32.212; 32.22; 32.25; 32.391, subdivisions 1, 1d, 1e, 1f, 1g, 2, 3; 32.392; 32.393; 32.394, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 8a, 8b, 8c, 8d, 8e, 9, 11, 12; 32.395; 32.397; 32.398, subdivision 1; 32.401, subdivisions 1, 2, 3, 5; 32.415; 32.416; 32.475; 32.481, subdivision 1; 32.482; 32.483; 32.484; 32.486; 32.55, subdivisions 1, 2, 3, 4, 5, 12, 13, 14; 32.555; 32.56; 32.61; 32.62; 32.63; 32.64; 32.645; 32.70; 32.71; 32.72; 32.74; 32.745; 32.75; 32.90.

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

Delete everything after the enacting clause and insert:

**"ARTICLE 1**

**AGRICULTURAL POLICY**

Section 1. Minnesota Statutes 2016, section 15.985, is amended to read:

**15.985 ADVISORY INSPECTIONS.**

(a) Upon the voluntary request of a person to a state agency for an advisory inspection for the purpose of complying with state law, the agency must, except as provided in paragraphs (f) and (g), conduct an advisory inspection. An agency is not required to conduct an advisory inspection if the agency has a regularly scheduled inspection that would occur within 90 days after the request for the advisory inspection, or if before an advisory inspection is requested, the agency has notified the person that it will be conducting an inspection within 45 days. If an advisory inspection results in findings that potentially could make a person subject to a fine or other penalty imposed by the agency, the agency must notify the person in writing of those findings within ten days of the inspection.

(1) Except as provided in clause (2), if within 60 days of receiving notice, the person notifies the agency that it has corrected the situation that made the person potentially subject to the fine or penalty, and the agency later determines that the situation is corrected, the agency may not impose a fine or penalty as a result of the findings in the advisory inspection.

(2) For violations of chapter 177, if the person notifies the agency within the time period for remedying violations required under the applicable section of chapter 177 that it has corrected the situation that made the person potentially subject to the fine or penalty, and the agency later determines that the situation is corrected, the agency may not impose a fine or penalty as a result of the finding in the advisory inspection.

(3) A person may not request more than one advisory inspection from the same agency in a calendar year. A person may not request an advisory inspection after an inspection resulting in a fine or other penalty has been determined and the violator notified of the amount to be paid, until fines or penalties have been paid or settled.

(b) For purposes of this section:

(1) "inspection" includes an examination of real or personal property or an audit or other examination of financial or other documents;

(2) "penalty" includes a civil or administrative fine or other financial sanction;

(3) "person" includes a real person and businesses, including corporations, partnerships, limited liability companies, and unincorporated associations; and

(4) "state agency" means a department, agency, board, commission, constitutional office, or other group in the executive branch of state government.

(c) If an agency revises, amends, extends, or adds additional violations to a notice, the person has 60 days from the date of those changes to correct the situation without fine or penalty. For violations of chapter 177, the person has the time period for remedying violations under the applicable section of chapter 177 to correct the situation without fine or penalty.

(d) An agency conducting an inspection under this section may impose and collect from the person requesting the inspection a fee equal to the costs incurred by the agency related to the inspection. Fees under this section shall be considered charges for goods and services provided for the direct and primary use of a private individual, business, or other entity under section 16A.1283, paragraph (b), clause (3). Fee revenue collected under this section must be deposited in an appropriate

fund other than the general fund and is appropriated from that fund to the agency collecting the fee for the purpose of conducting inspections under this section.

(e) Nothing in this section shall prohibit or interfere with an agency offering similar programs that allow independent audits or inspections, including the environmental improvement program under chapter 114C. If a person conducts a self-audit under chapter 114C, the terms and conditions of this section do not apply. For advisory inspections conducted by the Pollution Control Agency, terms and conditions of sections 114C.20 to 114C.28 shall be used instead of those in paragraphs (a) to (c) and (g).

(f) If agency staff resources are limited, an agency must give higher priority to the agency's regular inspections over advisory inspections under this section. Insofar as conducting advisory inspections reduces an agency's costs, the savings must be reflected in the charges for advisory inspections. Before hiring additional staff complement for purposes of this section, an agency must report to the chairs and ranking minority members of the legislative budget committees with jurisdiction over the agency documenting: (1) the demand for advisory inspections and why additional staff complement is needed to meet the demand; and (2) that the revenue generated by advisory inspections will cover the expenses of the additional staff complement. If a person requests an advisory inspection, but the agency does not have staff resources necessary to conduct the advisory inspection before a regular inspection is conducted, and the regular inspection results in findings that could make a person subject to a fine or penalty, the agency must take into account the person's request for an advisory inspection and the person's desire to take corrective action before taking any enforcement action against the person.

(g) This section does not apply to:

(1) criminal penalties;

(2) situations in which implementation of this section is prohibited by federal law or would result in loss of federal funding or in other federal sanctions or in which implementation would interfere with multistate agreements, international agreements, or agreements between state and federal regulatory agencies;

(3) conduct constituting fraud;

(4) violations in a manner that endangers human life or presents significant risk of major injury or severe emotional harm to humans;

(5) violations that are part of a pattern that has occurred repeatedly and shows willful intent;

(6) violations for which it may be demonstrated that the alternative inspections process is being used to avoid enforcement;

(7) violations that occur within three years of violating an applicable law;

(8) the Department of Revenue;

(9) the Workers' Compensation Division at the Department of Labor and Industry;

(10) violations of vehicle size weight limits under sections 169.80 to 169.88;

(11) commercial motor vehicle inspections under section 169.781 and motor carrier regulations under chapter 221;

~~(12) the Dairy and Food Inspection Division of the Department of Agriculture, if the division provides free inspections similar to those under this section;~~

~~(13)~~ (12) state inspections or surveys of hospitals, nursing homes, outpatient surgical centers, supervised living facilities, board and lodging with special services, home care, housing with services and assisted living settings, hospice, and supplemental nursing services agencies;

~~(14)~~ (13) examinations of health maintenance organizations or county-based purchasing entities regulated under chapter 62D;

~~(15)~~ (14) special transportation services under section 174.30; and

~~(16)~~ (15) entities regulated by the Department of Commerce's Financial Institutions and Insurance Divisions for purposes of regulatory requirements of those divisions.

If an agency determines that this section does not apply due to situations specified in clause (2), the agency must report the basis for that determination to the chairs and ranking minority members of the legislative committees with jurisdiction over the agency.

(h) An agency may terminate an advisory inspection and proceed as if an inspection were a regular inspection if, in the process of conducting an advisory inspection, the agency finds a situation that the agency determines: could lead to criminal penalties; endangers human life or presents significant risk of major injury or severe emotional harm to humans; presents a severe and imminent threat to animals, food, feed, crops, commodities, or the environment; or evidences a pattern of willful violations.

Sec. 2. Minnesota Statutes 2016, section 17.119, subdivision 1, is amended to read:

Subdivision 1. **Grants; eligibility.** (a) The commissioner must award ~~cost-share~~ grants to Minnesota farmers who retrofit eligible tractors and Minnesota schools that retrofit eligible tractors with eligible rollover protective structures.

~~(b)~~ (b) Grants for farmers are limited to 70 percent of the farmer's or school's documented cost to purchase, ship, and install an eligible rollover protective structure. The commissioner must increase the a farmer's grant award amount over the 70 percent grant limitation requirement if necessary to limit a farmer's or school's cost per tractor to no more than \$500.

~~(c)~~ (c) Schools are eligible for grants that cover the full amount of a school's documented cost to purchase, ship, and install an eligible rollover protective structure.

~~(b)~~ (d) A rollover protective structure is eligible if it meets or exceeds SAE International standard J2194 is certified to appropriate national or international rollover protection structure standards with a seat belt.

~~(e)~~ (e) A tractor is eligible if the tractor was built before 1987.

**EFFECTIVE DATE.** This section is effective retroactively from July 1, 2016.

Sec. 3. Minnesota Statutes 2016, section 17.53, subdivision 2, is amended to read:

Subd. 2. **Agricultural commodity.** (a) Except as provided in paragraph (b), "agricultural commodity" means any agricultural product, including, without limitation, animals and animal products, grown, raised, produced, or fed within Minnesota for use as food, feed, seed, or any industrial or chemurgic purpose.

(b) For wheat, barley, corn, and cultivated wild rice, "agricultural commodity" means wheat, barley, and cultivated wild rice including, without limitation, wheat, barley, and cultivated wild rice grown or produced within or outside Minnesota, for use as food, feed, seed, or any industrial or chemurgic purpose.

Sec. 4. Minnesota Statutes 2016, section 17.53, subdivision 8, is amended to read:

Subd. 8. **First purchaser.** (a) Except as provided in paragraph (b), "first purchaser" means any person that buys agricultural commodities for movement into commercial channels from the producer; or any lienholder, secured party or pledgee, public or private, or assignee of said lienholder, secured party or pledgee, who gains title to the agricultural commodity from the producer as the result of exercising any legal rights by the lienholder, secured party, pledgee, or assignee thereof, regardless of when the lien, security interest or pledge was created and regardless of whether the first purchaser is domiciled within the state or without. "First purchaser" does not mean the Commodity Credit Corporation when a commodity is used as collateral for a federal nonrecourse loan unless the commissioner determines otherwise.

(b) For wheat, barley, corn, and cultivated wild rice, "first purchaser" means a person who buys, receives delivery of, or provides storage for the agricultural commodity from a producer for movement into commercial channels; or a lienholder, secured party, or pledgee, who gains title to the agricultural commodity from the producers as the result of exercising any legal rights by the lienholder, secured party, pledgee, or assignee, regardless of when the lien, security interest, or pledge was created and regardless of whether or not the first purchaser is domiciled in the state. "First purchaser" does not mean the Commodity Credit Corporation when the wheat, barley, or cultivated wild rice is used as collateral for a federal nonrecourse loan unless the commissioner determines otherwise.

Sec. 5. Minnesota Statutes 2016, section 17.53, subdivision 13, is amended to read:

Subd. 13. **Producer.** (a) Except as provided in paragraph (b), "producer" means any person who owns or operates an agricultural producing or growing facility for an agricultural commodity and shares in the profits and risk of loss from such operation, and who grows, raises, feeds or produces the agricultural commodity in Minnesota during the current or preceding marketing year.

(b) For wheat, barley, corn, and cultivated wild rice, "producer" means in addition to the meaning in paragraph (a) and for the purpose of the payment or the refund of the checkoff fee paid pursuant to sections 17.51 to 17.69 only, a person who delivers into, stores within, or makes the first sale of the agricultural commodity in Minnesota.

Sec. 6. Minnesota Statutes 2016, section 17.983, subdivision 1, is amended to read:

Subdivision 1. **Administrative penalties; citation.** If a person has violated a provision of chapter 25, 31B, or ~~32~~ 32D, the commissioner may issue a written citation to the person by personal service

or by certified mail. The citation must describe the nature of the violation and the statute or rule alleged to have been violated; state the time for correction, if applicable; and the amount of any proposed fine. The citation must advise the person to notify the commissioner in writing within 30 days if the person wishes to appeal the citation. If the person fails to appeal the citation, the citation is the final order and not subject to further review.

Sec. 7. Minnesota Statutes 2016, section 17.984, subdivision 1, is amended to read:

Subdivision 1. **Authority.** To carry out the commissioner's enforcement duties under chapter ~~32~~ 32D, the commissioner may, upon presenting appropriate credentials, during regular working hours and at other reasonable times, inspect premises subject to the commissioner's enforcement and licensing authority for reasons related to the commissioner's enforcement and licensing authority; request information from persons with information relevant to an inspection; and inspect relevant papers and records, including business records. The commissioner may issue notices in lieu of citations for minor violations if a notice is in the public interest.

Sec. 8. Minnesota Statutes 2016, section 18B.01, is amended by adding a subdivision to read:

Subd. 9b. **Experimental use permit.** "Experimental use permit" means a permit issued by the United States Environmental Protection Agency as authorized in Section 5 of the Federal Insecticide, Fungicide, and Rodenticide Act.

Sec. 9. Minnesota Statutes 2016, section 18B.01, is amended by adding a subdivision to read:

Subd. 9c. **Experimental use pesticide product.** "Experimental use pesticide product" means any federally registered or unregistered pesticide whose use is authorized by an experimental use permit issued by the United States Environmental Protection Agency.

Sec. 10. Minnesota Statutes 2016, section 18B.03, is amended by adding a subdivision to read:

Subd. 5. **Label compliance.** Unless explicitly required by the FIFRA, the commissioner must not require an applicator to demonstrate label compliance or need prior to applying a pesticide.

Sec. 11. Minnesota Statutes 2016, section 18B.26, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** (a) Except as provided in paragraphs (b) to ~~(d)~~ (e), a person may not use or distribute a pesticide in this state unless it is registered with the commissioner. Pesticide registrations expire on December 31 of each year and may be renewed on or before that date for the following calendar year.

(b) Registration is not required if a pesticide is shipped from one plant or warehouse to another plant or warehouse operated by the same person and used solely at the plant or warehouse as an ingredient in the formulation of a pesticide that is registered under this chapter.

(c) An unregistered pesticide that was previously registered with the commissioner may be used for a period of two years following the cancellation of the registration of the pesticide, unless the commissioner determines that the continued use of the pesticide would cause unreasonable adverse effects on the environment, or with the written permission of the commissioner. To use the unregistered pesticide at any time after the two-year period, the pesticide end user must demonstrate

to the satisfaction of the commissioner, if requested, that the pesticide has been continuously registered under a different brand name or by a different manufacturer and has similar composition, or, the pesticide end user obtains the written permission of the commissioner.

(d) The commissioner may allow specific pesticide products that are not registered with the commissioner to be distributed in this state for use in another state.

(e) A substance or mixture of substances being tested only to determine its potential efficacy as a pesticide, or to determine its toxicity or other properties, and not requiring the issuance of an experimental use permit under United States Environmental Protection Agency criteria specified in federal regulations, is not required to be registered.

~~(f)~~ (f) Each pesticide with a unique United States Environmental Protection Agency pesticide registration number or a unique brand name must be registered with the commissioner.

~~(g)~~ (g) It is unlawful for a person to distribute or use a pesticide in the state, or to sell into the state for use in the state, any pesticide product that has not been registered by the commissioner and for which the applicable pesticide registration application fee, gross sales fee, or waste pesticide program surcharge is not paid pursuant to subdivisions 3 and 4.

~~(h)~~ (h) Every person who sells for use in the state a pesticide product that has been registered by the commissioner shall pay to the commissioner the applicable registration application fees, sales fees, and waste pesticide program surcharges. These sales expressly include all sales made electronically, telephonically, or by any other means that result in a pesticide product being shipped to or used in the state. There is a rebuttable presumption that pesticide products that are sold or distributed in or into the state by any person are sold or distributed for use in the state.

Sec. 12. Minnesota Statutes 2016, section 18B.28, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** A person may not use or distribute an experimental use pesticide product in the state until it is registered with the commissioner. Experimental use pesticide product registrations expire on December 31 of each year and may be renewed on or before that date. A substance or mixture of substances being tested only to determine its potential efficacy as a pesticide, or to determine its toxicity or other properties, and not requiring the issuance of an experimental use permit under United States Environmental Protection Agency criteria specified in federal regulations, is not required to be registered.

Sec. 13. Minnesota Statutes 2016, section 18B.28, subdivision 3, is amended to read:

Subd. 3. **Application.** A person must file an application for experimental use pesticide product registration with the commissioner. An application to register an experimental use pesticide product must include:

(1) the name and address of the applicant;

(2) a ~~federal~~ copy of the United States Environmental Protection Agency approval document permit;

(3) a description of the purpose or objectives of the experimental use product;



(4) ~~an a copy of the experimental use pesticide labeling accepted experimental use pesticide product label~~ by the United States Environmental Protection Agency;

- (5) the name, address, and telephone number of cooperators or participants in this state;
- (6) the amount of material to be shipped or used in this state; and
- (7) other information requested by the commissioner.

Sec. 14. Minnesota Statutes 2016, section 18B.305, subdivision 1, is amended to read:

Subdivision 1. **Education and training.** (a) The commissioner, as the lead agency, shall develop, implement or approve, and evaluate, in consultation with University of Minnesota Extension, the Minnesota State Colleges and Universities system, and other educational institutions, innovative educational and training programs addressing pesticide and pest management concerns including:

- (1) water quality protection;
- (2) endangered species protection;
- (3) minimizing pesticide residues in food and water;
- (4) worker protection and applicator safety;
- (5) chronic toxicity;
- (6) integrated pest management and pest resistance;
- (7) pesticide disposal;
- (8) pesticide drift;
- (9) relevant laws including pesticide labels and labeling and state and federal rules and regulations; and
- (10) current science and technology updates.

(b) The commissioner shall appoint educational planning committees which must include representatives of industry and applicators.

(c) Specific current regulatory concerns must be discussed and, if appropriate, incorporated into each training session. Relevant changes to pesticide product labels or labeling or state and federal rules and regulations may be included.

(d) The commissioner may approve programs from private industry, higher education institutions, and nonprofit organizations that meet minimum requirements for education, training, and certification.

Sec. 15. Minnesota Statutes 2016, section 18B.37, subdivision 3, is amended to read:

Subd. 3. **Structural pest control applicators.** (a) A structural pest control applicator must maintain a record of each structural pest control application conducted by that person or by the person's employees. The record must include the:

(1) date of structural pest control application;

(2) target pest;

(3) brand name of the pesticide, United States Environmental Protection Agency registration number, and amount used;

(4) for fumigation, the temperature and exposure time;

(5) time the pesticide application was completed;

(6) name and address of the customer;

(7) name of structural pest control applicator, name of company and address of applicator or company, and license number of applicator; and

(8) any other information required by the commissioner.

(b) All information for this record requirement must be contained in a document for each pesticide application. An invoice containing the required information may constitute the record.

(c) The record must be completed no later than five days after the application of the pesticide.

(d) Records must be retained for five years after the date of treatment.

(e) A copy of the record must be given to a person who ordered the application that is present at the site where the structural pest control application is conducted, placed in a conspicuous location at the site where the structural pest control application is conducted immediately after the application of the pesticides, or delivered to the person who ordered an application or the owner of the site. The commissioner must make sample forms available that meet the requirements of this subdivision.

(f) A structural applicator must post in a conspicuous place inside a renter's apartment where a pesticide application has occurred a list of postapplication precautions contained on the label of the pesticide that was applied in the apartment and any other information required by the commissioner.

Sec. 16. Minnesota Statutes 2016, section 18C.70, subdivision 5, is amended to read:

Subd. 5. **Expiration.** This section expires ~~January 8, 2017~~ June 30, 2020.

**EFFECTIVE DATE.** This section is effective retroactively from January 7, 2017.

Sec. 17. Minnesota Statutes 2016, section 18C.71, subdivision 4, is amended to read:

Subd. 4. **Expiration.** This section expires ~~January 8, 2017~~ June 30, 2020.

**EFFECTIVE DATE.** This section is effective retroactively from January 7, 2017.

Sec. 18. Minnesota Statutes 2016, section 18H.06, subdivision 2, is amended to read:

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

- (1) the gross sales of all nursery stock in a calendar year do not exceed \$2,000;
- (2) all nursery stock sold or distributed by the individual is intended for planting in Minnesota;
- (3) all nursery stock purchased or procured for resale or distribution was grown in Minnesota and has been certified by the commissioner; and
- (4) the individual conducts sales or distributions of nursery stock on ten or fewer days in a calendar year.

(b) A municipality may offer certified nursery stock for sale and be exempt from the requirement to obtain a nursery stock certificate if:

(1) all nursery stock offered for sale or distributed is intended for planting by residents of the municipality on public property or public easements within the municipal boundary;

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

(3) the municipality submits to the commissioner before any sale or distribution of nursery stock a list of all suppliers who provide the municipality with nursery stock.

~~(b)~~ (c) 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. 19. Minnesota Statutes 2016, section 18H.07, subdivision 2, is amended to read:

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 as follows:

- (1) less than one-half acre, \$150;
- (2) from one-half acre to two acres, \$200;
- (3) over two acres up to five acres, \$300;
- (4) over five acres up to ten acres, \$350;
- (5) over ten acres up to 20 acres, \$500;
- (6) over 20 acres up to 40 acres, \$650;
- (7) over 40 acres up to 50 acres, \$800;
- (8) over 50 acres up to 200 acres, \$1,100;

(9) over 200 acres up to 500 acres, \$1,500; and

(10) over 500 acres, \$1,500 plus \$2 for each additional acre.

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

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

Sec. 20. Minnesota Statutes 2016, section 18H.07, subdivision 3, is amended to read:

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

(1) gross sales up to \$5,000, \$150;

(2) gross sales over \$5,000 up to \$20,000, \$175;

(3) gross sales over \$20,000 up to \$50,000, \$300;

(4) gross sales over \$50,000 up to \$75,000, \$425;

(5) gross sales over \$75,000 up to \$100,000, \$550;

(6) gross sales over \$100,000 up to \$200,000, \$675; and

(7) gross sales over \$200,000, \$800.

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

Sec. 21. Minnesota Statutes 2016, section 21.111, subdivision 2, is amended to read:

Subd. 2. **Inspected.** "Inspected" means that the potato plants are examined in the field and that the harvested potatoes produced by ~~such~~ the potato plants are examined by or under the authority of the commissioner. For seed potatoes produced in a lab, inspected means that the lab's records,

including records related to the lab's procedures and protocols, as well as the seed potatoes, have been examined under the authority of the commissioner.

Sec. 22. Minnesota Statutes 2016, section 21.111, subdivision 3, is amended to read:

Subd. 3. **Certified.** "Certified" means that the potatoes were inspected while growing in the field and again after being harvested, and were thereafter duly certified by or under the authority of the commissioner, as provided in sections 21.111 to 21.122, and as provided by rules adopted and published by the commissioner. For seed potatoes produced in a lab, certified means that:

(1) the seed potato lab facilities and the lab's procedures and protocols have been examined under the authority of the commissioner; and

(2) the seed potatoes have been inspected after they have been harvested, removed, or released from the lab, and were duly certified by or under the authority of the commissioner, as provided in sections 21.111 to 21.122.

Sec. 23. Minnesota Statutes 2016, section 21.113, is amended to read:

#### **21.113 CERTIFICATES OF INSPECTION.**

(a) The commissioner shall ~~cause~~ issue certificates of inspection ~~to be issued~~ only when seed potatoes have been inspected while growing in the field and again after being harvested.

(b) For seed potatoes produced in a lab, the commissioner shall issue certificates of inspection only after:

(1) the seed potato lab facility and the lab's records have been inspected; and

(2) the seed potatoes have been inspected after they have been harvested, removed, or released from the lab.

~~Such~~ (c) Certificates of inspection under this section shall show the varietal purity and the freedom from disease and physical injury of such potatoes and ~~shall contain such any~~ other information as may be prescribed by rules adopted and published under sections 21.111 to 21.122.

Sec. 24. Minnesota Statutes 2016, section 21.117, is amended to read:

#### **21.117 APPLICATIONS FOR INSPECTIONS; WITHDRAWALS.**

(a) Any person may make application to the commissioner for inspection or certification of seed potatoes growing or to be grown. Upon receiving such application and the required fee and such other information as may be required, the commissioner shall cause such potatoes to be inspected or certified in accordance with the provisions of sections 21.111 to 21.122 and the rules adopted and published thereunder.

(b) If a grower wishes to withdraw a field or lab after having made application for inspection and such withdrawal is requested before the field or lab inspection has been made, the fee paid shall be refunded to said grower.

Sec. 25. Minnesota Statutes 2016, section 25.32, is amended to read:

**25.32 COMMISSIONER'S DUTIES.**

The commissioner shall administer sections 25.31 to 25.43 ~~shall be administered by the commissioner.~~

Sec. 26. Minnesota Statutes 2016, section 25.33, subdivision 5, is amended to read:

Subd. 5. **Commercial feed.** "Commercial feed" means materials or combinations of materials that are distributed or intended to be distributed for use as feed or for mixing in feed, including feed for aquatic animals, unless the materials are specifically exempted. Unmixed whole seeds and physically altered entire unmixed seeds, as identified in the United States grain standards, if the whole or physically altered seeds are not chemically changed, are not labeled as a feed or for use as feed, or are not adulterated within the meaning of section 25.37, paragraph (a), are exempt. The commissioner by rule may exempt from this definition, or from specific provisions of sections 25.31 to 25.43, commodities such as hay, straw, stover, silage, cobs, husks, hulls, and individual chemical compounds or substances if those commodities, compounds, or substances are not intermixed with other materials, are not labeled as a feed or for use as feed, and are not adulterated within the meaning of section 25.37, paragraph (a).

Sec. 27. Minnesota Statutes 2016, section 25.33, subdivision 10, is amended to read:

Subd. 10. **Manufacture.** "Manufacture" means to grind, mix or blend, ~~or further process,~~ package, or label a commercial feed for distribution.

Sec. 28. Minnesota Statutes 2016, section 25.33, subdivision 21, is amended to read:

Subd. 21. **Commissioner.** "Commissioner" means the commissioner of agriculture or ~~a designated representative~~ the commissioner's agent.

Sec. 29. Minnesota Statutes 2016, section 25.341, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** Before a person may: (1) manufacture a commercial feed in the state; (2) distribute a commercial feed in or into the state; or (3) have the person's name appear on the label of a commercial feed as guarantor, the person must have a commercial feed license for each guarantor, or manufacturing or distributing facility. A person who makes only retail sales of commercial feed, guaranteed by another, is not required to obtain a license.

Sec. 30. Minnesota Statutes 2016, section 25.341, subdivision 2, is amended to read:

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

current license was issued, or postmarked on or before December 31 of the year for which the current license was issued. Any person who is required to have, but fails to obtain a license or a licensee who fails to comply with license renewal requirements, ~~shall~~ must pay a \$100 late fee in addition to the license fee.

Sec. 31. Minnesota Statutes 2016, section 25.35, is amended to read:

**25.35 LABELING.**

(a) A commercial feed, except a customer formula feed, must be accompanied by a label bearing the following information:

(1) the product name and the brand name, if any, under which the commercial feed is distributed;

(2) the guaranteed analysis, stated in terms the commissioner requires by rule, to advise the user of the composition of the feed or to support claims made in the labeling. The substances or elements must be determinable by laboratory methods such as the methods published by the AOAC International or other generally recognized methods;

(3) the common or usual name of each ingredient used in the manufacture of the commercial feed. The commissioner may by rule permit the use of a collective term for a group of ingredients which perform a similar function, or may exempt commercial feeds or any group of commercial feeds from this requirement on finding that an ingredient statement is not required in the interest of consumers;

(4) the name and principal mailing address of the manufacturer or the person responsible for distributing the commercial feed;

(5) adequate directions for use for all commercial feeds containing drugs and for such other feeds as the commissioner may require by rule as necessary for their safe and effective use;

(6) precautionary statements which the commissioner determines by rule are necessary for the safe and effective use of the commercial feed; and

(7) a quantity statement.

(b) A customer formula feed must be accompanied by a label, invoice, delivery slip, or other shipping document bearing the following information:

(1) name and address of the manufacturer;

(2) name and address of the purchaser;

(3) date of delivery;

(4) the product name and either (i) the quantity of each commercial feed and each other ingredient used in the mixture, or (ii) a guaranteed analysis and list of ingredients in paragraph (a), clauses (2) and (3);

(5) adequate directions for use for all customer formula feeds containing drugs and for other feeds the commissioner requires by rule as necessary for their safe and effective use;

(6) precautionary statements the commissioner determines by rule are necessary for the safe and effective use of the customer formula feed;

(7) if a product containing a drug is used:

(i) the purpose of the medication (claim statement); and

(ii) the established name of each active drug ingredient and the level of each drug used in the final mixture expressed in a manner required by the commissioner by rule; ~~and~~

(8) for a customer formula feed for which the formula is developed by someone other than the manufacturer, a disclaimer may be included on the label stating "THIS FEED IS A CUSTOMER FORMULA FEED DEVELOPED BY SOMEONE OTHER THAN THE MANUFACTURER. THE MANUFACTURER DOES NOT CLAIM, REPRESENT, WARRANT, OR GUARANTEE, AND IS NOT RESPONSIBLE FOR THE NUTRITIONAL ADEQUACY OF THIS FEED OR THE NUTRITIONAL SUITABILITY OF THIS FEED FOR ITS INTENDED PURPOSE."; and

(9) a quantity statement.

(c) The manufacturer of a customer formula feed the formula of which is developed by someone other than the manufacturer is not responsible or liable for the nutritional adequacy or the nutritional suitability of the feed for its intended purpose if: (1) the manufacturer does not make a claim of nutritional adequacy for the customer formula feed and does not make a claim for nutritional suitability of the feed for its intended purpose; and (2) the manufacturer includes the disclaimer in paragraph (b), clause (8). A person other than the manufacturer who develops or recommends a formula for a customer formula feed is responsible for providing to the manufacturer of the feed the appropriate labeling information and for providing the appropriate use information to the feed manufacturer.

Sec. 32. Minnesota Statutes 2016, section 25.371, subdivision 2, is amended to read:

Subd. 2. **Certificate application.** (a) A person may apply to the commissioner for a good manufacturing practices certificate for commercial feed and feed ingredients. Application for good manufacturing practices certificates must be made on forms provided or approved by the commissioner. The commissioner shall conduct inspections of facilities for persons that have applied for or intend to apply for a good manufacturing practices certificate for commercial feed and feed ingredients from the commissioner. The commissioner shall not conduct an inspection under this ~~section~~ subdivision if the applicant has not paid in full the inspection fee for previous inspections. Certificate issuance shall be based on ~~compliance with subdivisions 3 to 14, or~~ United States Food and Drug Administration rules regarding preventive controls for animal feed.

(b) The commissioner may assess a fee for the inspection, service, and work performed in carrying out the issuance of a good manufacturing practices certificate for commercial feed and feed ingredients. The inspection fee must be based on mileage and the cost of inspection.

Sec. 33. Minnesota Statutes 2016, section 25.38, is amended to read:



**25.38 PROHIBITED ACTS.**

The following acts and causing the following acts in Minnesota are prohibited:

- (1) manufacture or distribution of any commercial feed that is adulterated or misbranded;
- (2) adulteration or misbranding of any commercial feed;
- (3) distribution of agricultural commodities such as whole seed, hay, straw, stover, silage, cobs, husks, and hulls, which are adulterated within the meaning of section 25.37, paragraph (a);
- (4) removal or disposal of a commercial feed in violation of an order under section 25.42;
- (5) failure or refusal to obtain a commercial feed license under section 25.341 ~~or to provide a small package listing under section 25.39~~; or
- (6) failure to pay inspection fees, to register a small package under section 25.39, or to file reports as required by section 25.39.

Sec. 34. Minnesota Statutes 2016, section 25.39, subdivision 1, is amended to read:

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

- (1) no fee need be paid on:
  - (i) ~~a commercial feed if the payment has been made by a previous distributor; or~~
  - (ii) ~~any feed ingredient in a customer formula feeds if the inspection fee is paid on the commercial feeds which are used as ingredients~~ feed that has been directly furnished by the customer; 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~~ no fee need be paid on a first distribution if made to a qualified buyer who, with approval from the commissioner, is responsible for the fee. Such ~~location-specific~~ license-specific tonnage-fee-exemption permits shall be issued on a calendar year basis to commercial feed distributors licensees who distribute feed or feed ingredients outside the state, and 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 or specialty pet food distributed in the state only in packages of ten pounds or less, a listing of distributor must register each product and submit a current label for each product must be submitted annually on forms provided by the commissioner and, accompanied by an annual application fee of \$100 for each product in lieu of the inspection fee. This annual fee is due by July 1 must be received by the commissioner on or before June 30 or postmarked on or

before June 30. The inspection fee required by paragraph (a) applies to pet food or specialty pet food distributed in packages exceeding ten pounds.

~~(e) 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 \$100 for each product in lieu of the inspection fee. This annual fee is due by July 1. The inspection fee required by paragraph (a) applies to specialty pet food distributed in packages exceeding ten pounds.~~

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

Sec. 35. Minnesota Statutes 2016, section 25.39, subdivision 1a, is amended to read:

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

(1) before beginning distribution, file register with the commissioner ~~a listing of the~~ pet and specialty pet foods to be distributed in the state only in containers of ten pounds or less, on forms provided by the commissioner. The listing registration under this clause must be renewed annually ~~on or before July 1~~ before June 30 and is the basis for the payment of the annual fee. New products added during the year must be submitted to the commissioner as a supplement to the annual listing registration before distribution; and

(2) if the annual renewal of the listing registration is not received or postmarked on or before July 1 ~~before June 30~~ or if an ~~unlisted~~ unregistered product is distributed, pay a late filing fee of \$100 per product in addition to the normal charge for the listing registration. The late filing fee under this clause is in addition to any other penalty under this chapter.

Sec. 36. Minnesota Statutes 2016, section 25.39, subdivision 2, is amended to read:

Subd. 2. **Annual statement.** A person who is liable for the payment of a fee under this section ~~shall must~~ file with the commissioner on forms furnished by the commissioner an annual statement setting forth the number of net tons of commercial feeds distributed in this state during the calendar year. The report is due ~~by~~ on or before the 31st of each January following the year of distribution. The inspection fee at the rate specified in subdivision 1 must accompany the statement. For each tonnage report not filed with the commissioner or payment of inspection fees not ~~made on time~~ received by the commissioner on or before January 31 or postmarked on or before January 31, a penalty of ten percent of the amount due, with a minimum penalty of \$10, must be assessed against the license holder, and the amount of fees due, plus penalty, is a debt and may be recovered in a civil action against the license holder. The assessment of this penalty does not prevent the department from taking other actions as provided in this chapter.

Sec. 37. Minnesota Statutes 2016, section 25.39, subdivision 3, is amended to read:

Subd. 3. **Records.** Each person required to pay an inspection fee or to report in accordance with this section ~~shall must~~ keep records, as determined by the commissioner, accurately detailing the tonnage of commercial feed distributed in this state. Records upon which the tonnage is based must be maintained for six years and made available to the commissioner for inspection, copying, and audit. A person who is located outside of this state must maintain and make available records required

by this section in this state or pay all costs incurred in auditing of the records at another location. Unless required for the enforcement of this chapter, the information in the records required by this subdivision is private or nonpublic.

Sec. 38. Minnesota Statutes 2016, section 25.40, subdivision 2, is amended to read:

Subd. 2. **Notice; public comment.** Before the issuance, amendment, or repeal of any rule authorized by sections 25.31 to 25.43, the commissioner shall publish the proposed rule, amendment, or notice to repeal an existing rule in a manner reasonably calculated to give interested parties, including all current license holders, adequate notice and shall afford all interested persons an opportunity to present their views orally or in writing, within a reasonable period of time. After consideration of all views presented by interested persons, the commissioner shall take appropriate action to issue the proposed rule or to amend or repeal an existing rule. The provisions of this subdivision notwithstanding, if the commissioner, pursuant to the authority of sections 25.31 to 25.43, adopts the official definitions of feed ingredients ~~or~~ and official feed terms as adopted by the Association of American Feed Control Officials, any amendment or modification adopted by the association ~~shall be~~ is adopted automatically under sections 25.31 to 25.43 without regard to the publication of the notice required by this subdivision unless the commissioner, by order specifically determines that the amendment or modification shall not be adopted.

Sec. 39. Minnesota Statutes 2016, section 25.41, subdivision 1, is amended to read:

Subdivision 1. **Authorization; limitation.** For the purpose of enforcement of sections 25.31 to 25.43, and associated rules, in order to determine whether the provisions have been complied with, including whether or not any operations may be subject to such provisions, officers or employees duly designated by the commissioner or the commissioner's agent, upon presenting appropriate credentials, and a written notice to the owner, operator, or agent in charge, are authorized:

(1) to enter, during normal business hours, any factory, warehouse, or establishment within the state in which commercial feeds are manufactured, processed, packed, or held for distribution, or to enter any vehicle being used to transport or hold such feeds; and

(2) to inspect at reasonable times, within reasonable limits, and in a reasonable manner, such factory, warehouse, establishment or vehicle and all pertinent equipment, finished and unfinished materials, containers, and labeling therein. The inspection may include the verification of records and production and control procedures related to the manufacture, distribution, storage, handling, or disposal of commercial feed as may be necessary to determine compliance with this chapter.

Sec. 40. Minnesota Statutes 2016, section 25.41, subdivision 2, is amended to read:

Subd. 2. **Notification; promptness.** A separate notice ~~shall~~ must be given for each inspection, but a notice ~~shall~~ is not be required for each entry made during the period covered by the inspection. Each inspection ~~shall be commenced~~ must begin and be completed with reasonable promptness. Upon completion of the inspection, the owner, operator, or agent in charge of the facility or vehicle ~~shall~~ must be ~~so~~ notified.

Sec. 41. Minnesota Statutes 2016, section 25.41, subdivision 3, is amended to read:

Subd. 3. **Receipt for samples.** If the ~~officer or employee~~ commissioner or the commissioner's agent making such inspection of a factory, warehouse, or other establishment has obtained a sample in the course of the inspection, upon completion of the inspection and prior to leaving the premises the ~~officer or employee~~ commissioner or the commissioner's agent shall give to the owner, operator, or agent in charge a receipt describing the samples obtained.

Sec. 42. Minnesota Statutes 2016, section 25.41, subdivision 5, is amended to read:

Subd. 5. **Entry of premises.** For the purpose of the enforcement of sections 25.31 to 25.43, the commissioner or the commissioner's ~~duly designated~~ agent is authorized to enter upon any public or private premises including any vehicle of transport during regular business hours to have access to, and to obtain samples, and to examine and copy records relating to distribution of commercial feeds.

Sec. 43. Minnesota Statutes 2016, section 25.41, subdivision 7a, is amended to read:

Subd. 7a. **Manufacturer's report of investigation.** If the inspection and analysis of an official sample indicates that a commercial feed has been adulterated or misbranded, the person whose name appears on the label of the indicated commercial feed as guarantor ~~shall~~ must provide a manufacturer's report of investigation to the commissioner within 30 days following the receipt of the official analysis.

Sec. 44. Minnesota Statutes 2016, section 25.42, is amended to read:

#### **25.42 DETAINED COMMERCIAL FEEDS.**

Subdivision 1. **Withdrawal from distribution order.** When the commissioner or the commissioner's ~~authorized~~ agent has reasonable cause to believe any lot of commercial feed is being distributed in violation of any of the provisions of sections 25.31 to 25.43 or of any of the prescribed rules under sections 25.31 to 25.43, the commissioner or the commissioner's agent may issue and enforce a written or printed "withdrawal from distribution" order, warning the distributor not to dispose of the lot of commercial feed in any manner until written permission is given by the commissioner or the court. The commissioner shall release the lot of withdrawn commercial feed ~~so withdrawn~~ when ~~said provisions and~~ sections 25.31 to 25.43 and associated rules have been complied with. If compliance is not obtained within 30 days, the commissioner may begin, or upon request of the distributor or license holder shall begin, proceedings for condemnation.

Subd. 2. **Seizure; disposition.** Any lot of commercial feed not in compliance with ~~said provisions and~~ sections 25.31 to 25.43 and associated rules ~~shall be~~ is subject to seizure on complaint of the commissioner to the district court of the county in which ~~said~~ the commercial feed is located. In the event the court finds the commercial feed to be in violation of sections 25.31 to 25.43 and orders the condemnation of ~~said~~ the commercial feed, ~~it shall~~ the commercial feed must be disposed of in ~~any~~ a manner consistent with the quality of the commercial feed and the laws of the state; provided, that in no instance, shall the disposition of ~~said~~ the commercial feed be ordered by the court without first giving the claimant an opportunity to apply to the court for release of ~~said~~ the commercial feed or for permission to process or relabel ~~said~~ the commercial feed to bring it into compliance with sections 25.31 to 25.43.

Sec. 45. Minnesota Statutes 2016, section 25.43, is amended to read:

**25.43 PENALTIES.**

Subdivision 1. **Misdemeanor.** Any person convicted of violating any of the provisions of sections 25.31 to 25.43 or who ~~shall impede, hinder~~ impedes, hinders, or otherwise ~~prevent~~ prevents, or ~~attempt~~ attempts to prevent, ~~said the commissioner or duly authorized~~ the commissioner's agent in performance of a duty in connection with the provisions of sections 25.31 to 25.43, ~~shall be~~ is guilty of a misdemeanor.

Subd. 2. **Minor violations.** Nothing in sections 25.31 to 25.43 shall be construed as requiring the commissioner or the commissioner's ~~representative agent~~ to: (1) report for prosecution, or (2) institute seizure proceedings, or (3) issue a withdrawal from distribution order, as a result of minor violations of sections 25.31 to 25.43, or when the commissioner or ~~representative~~ the commissioner's agent believes the public interest will best be served by suitable notice of warning in writing.

Subd. 3. **County attorney duties.** Each county attorney to whom any violation is reported ~~shall~~ must cause appropriate proceedings to be instituted and prosecuted in the district court or other court of competent jurisdiction without delay. Before the commissioner reports a violation for such prosecution, an opportunity ~~shall~~ must be given the distributor to present views to the commissioner.

Subd. 4. **Injunction.** The commissioner may apply to the district court for a temporary or permanent injunction restraining any person from violating or continuing to violate any of the provisions of sections 25.31 to 25.43 or any associated rule promulgated under the act notwithstanding the existence of other remedies at law.

Subd. 5. **Notice of appeal.** (a) Any person adversely affected by an act, order, citation, or ruling made pursuant to the provisions of sections 25.31 to 25.43 ~~may seek judicial review in accordance with chapter 14.~~ has 30 days from receipt of the citation or order to notify the commissioner in writing that the person intends to contest the citation or order through a hearing. The hearing request must identify the order or citation being contested and state the grounds for contesting it.

(b) If the person fails to notify the commissioner that the person intends to contest the citation or order, the citation or order is final and not subject to further judicial or administrative review.

Subd. 6. **Administrative review.** If a person notifies the commissioner that the person intends to contest a citation or order issued under this chapter, the Office of Administrative Hearings shall conduct a hearing according to the applicable provisions of chapter 14 for hearings in contested cases and final decisions are subject to judicial review as provided in chapter 14.

Sec. 46. Minnesota Statutes 2016, section 27.04, is amended to read:

**27.04 APPLICATION FOR LICENSE.**

Subdivision 1. **Issuance.** The commissioner shall issue a wholesale produce dealer's license to engage in the business of a dealer at wholesale to persons submitting an application, paying the prescribed fee, and complying with the conditions in this section.

Subd. 2. **Application contents.** (a) The application must be in writing, accompanied by the prescribed fee, and state:

(1) the place or places where the applicant intends to carry on the business for which the license is desired;

(2) the estimated amount of business to be done monthly;

(3) the amount of business done during the preceding year, if any;

(4) the full names of the persons constituting the firm for a partnership, and for a corporation the names of the officers of the corporation and where incorporated; and

~~(5) a financial statement showing the value and character of the assets and the amount of liabilities of the applicant;~~

~~(6) the income and expenses for the most recent year;~~

~~(7) the names and addresses of all shareholders who own at least five percent of a corporate applicant's shares of stock;~~

~~(8) whether the applicant or any of its officers, partners, or agents have been involved in any litigation relating to the business of a wholesale produce dealer in the previous five years; and~~

~~(9)~~ (5) any other information relevant to the conduct of its business as a wholesale produce dealer in the previous five years, as the commissioner may require.

(b) If a contract is used in a transaction, a copy of the contract must also be filed with the commissioner.

(c) Financial data required of an applicant under this section is classified as private data with regard to data on individuals and as nonpublic data with regard to data not on individuals under section 13.02.

Subd. 3. **Filing.** Applications shall be filed annually.

Sec. 47. Minnesota Statutes 2016, section 27.041, subdivision 1, is amended to read:

Subdivision 1. **Bonds.** ~~(a) The applicant required to be bonded shall execute and file with the commissioner a surety bond to the state of Minnesota to be approved by the commissioner, the amount, form, and effective date to be determined by the commissioner with the maximum not to exceed \$1,000,000. In lieu of the surety bond, the commissioner may accept a duly executed letter of credit. Before a wholesale produce dealer's license is issued, the applicant for the license must file with the commissioner a bond in a penal sum prescribed by the commissioner but not less than the following amounts:~~

(1) \$5,000 for wholesale produce dealers whose monthly purchases are \$35,000 or less;

(2) \$10,000 for wholesale produce dealers whose monthly purchases are more than \$35,000 but not more than \$75,000;

(3) \$15,000 for wholesale produce dealers whose monthly purchases are more than \$75,000 but not more than \$100,000;

(4) \$25,000 for wholesale produce dealers whose monthly purchases are more than \$100,000 but not more than \$250,000;

(5) \$50,000 for wholesale produce dealers whose monthly purchases are more than \$250,000 but not more than \$500,000;

(6) \$100,000 for wholesale produce dealers whose monthly purchases are more than \$500,000 but not more than \$750,000;

(7) \$175,000 for wholesale produce dealers whose monthly purchases are more than \$750,000 but not more than \$1,000,000;

(8) \$250,000 for wholesale produce dealers whose monthly purchases are more than \$1,000,000 but not more than \$2,500,000;

(9) \$500,000 for wholesale produce dealers whose monthly purchases are more than \$2,500,000 but not more than \$10,000,000;

(10) \$750,000 for wholesale produce dealers whose monthly purchases are more than \$10,000,000 but not more than \$25,000,000; and

(11) \$1,000,000 for wholesale produce dealers whose gross annual purchases exceed \$25,000,000.

(b) A wholesale produce dealer who has filed a bond with the commissioner before July 1, 2016, is not required to increase the amount of the bond to comply with this section until July 1, 2017. The commissioner may postpone an increase in the amount of the bond until July 1, 2018, if a licensee demonstrates that the increase will impose undue financial hardship on the licensee, and that producers will not be harmed as a result of the postponement. The commissioner may impose other restrictions on a licensee whose bond increase has been postponed. The amount of the bond shall be based on the amount purchased or contracted for from Minnesota farmers and other Minnesota dealers for produce during the previous 12 months.

(c) A first-time applicant for a wholesale produce dealer's license shall file a \$10,000 bond with the commissioner. This bond shall remain in effect for the first year of the license. Thereafter, the licensee shall comply with the applicable bonding requirements in paragraph (a), clauses (1) to (11).

(d) In lieu of the bond required by this subdivision, the applicant may deposit with the commissioner of management and budget cash; a certified check; a cashier's check; a postal, bank, or express money order; assignable bonds or notes of the United States; an assignment of a bank savings account or investment certificate; or an irrevocable bank letter of credit as defined in section 336.5-102, in the same amount as would be required for a bond.

(e) Bonds must be continuous until canceled. To cancel a bond, a surety must provide 60 days' written notice of the bond's termination date to the licensee and the commissioner.

(f) The bond or letter of credit shall be conditioned on the faithful performance of the applicant's duties as a dealer at wholesale, including:

(1) the observance of all laws relating to the carrying on of the business of a dealer at wholesale;

(2) payment when due, unless it appears to the commissioner that a voluntary extension of credit has been given on the produce by the seller to the licensee beyond the due date;

(3) the prompt settlement and payment of all claims and charges due the state for services rendered or otherwise;

(4) the prompt reporting of sales as required by law to all persons consigning produce to the licensee for sale on commission; and

(5) the prompt payment to the persons entitled thereto of the proceeds of the sales, less lawful charges, disbursements, and commissions.

~~(b)~~ (g) The bond shall cover all wholesale produce business subject to the protection outlined in section 27.001 which is:

(1) transacted within this state; or

(2) transacted in part within this state and in part within the states and provinces contiguous with this state and sold by Minnesota sellers.

(h) Wholesale produce dealers who are retail merchants shall be required to file a bond under paragraph (a) based on the dollar amount of produce purchased directly from farmers.

Sec. 48. Minnesota Statutes 2016, section 28A.21, subdivision 6, is amended to read:

Subd. 6. **Expiration.** This section expires June 30, ~~2017~~ 2027.

Sec. 49. Minnesota Statutes 2016, section 31A.02, subdivision 4, is amended to read:

Subd. 4. **Animals.** "Animals" means cattle, swine, sheep, goats, poultry, farmed Cervidae, as defined in section 35.153, subdivision 3, llamas, as defined in section 17.455, subdivision 2, Ratitae, as defined in section 17.453, subdivision 3, horses, equines, and other ~~large~~-domesticated animals.

Sec. 50. Minnesota Statutes 2016, section 32C.02, subdivision 2, is amended to read:

Subd. 2. **Facility design; development and operation.** The authority may enter into management contracts, lease agreements, or both, with a Minnesota nonprofit corporation to design, develop, and operate a facility to further the purposes of this chapter at the site determined by the board and on the terms that the board finds desirable. The board must identify ~~and acquire~~ a site that will accommodate, where practicable, the following facilities and activities:

(1) housing for bred and lactating animals;

(2) milking parlor;

(3) automatic milking systems;

(4) cross-ventilated and natural-ventilated housing;

(5) transition cow housing;



(6) special needs and hospital housing;

(7) classrooms and a conference room;

(8) dairy processing facility with retail;

(9) visitors' center;

(10) student housing;

(11) laboratory facilities;

(12) space to accommodate installation of an anaerobic digester system to research energy production from feedstock produced on site or from off-site sources; and

(13) space for feed storage to allow for research capabilities at the facility.

Notwithstanding the provisions of section 32C.01, subdivision 7, relating to conflict of interest, a director or officer of the authority who is also a director, officer, or member of a nonprofit corporation with which the authority enters into management contracts or lease agreements may participate in and vote on the decision of the board as to the terms and conditions of management contracts or lease agreements between the Minnesota nonprofit corporation and the authority.

Sec. 51. Minnesota Statutes 2016, section 32C.06, is amended to read:

### **32C.06 EXPIRATION.**

If by August 1, ~~2017~~ 2020, the authority board has not identified ~~and acquired~~ a site for a facility, as provided in section 32C.02, subdivision 2, sections 32C.01 to 32C.05 and this section are repealed on that date. The Department of Agriculture shall notify the revisor of statutes if the repealer under this section becomes effective.

Sec. 52. Minnesota Statutes 2016, section 34A.01, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** The definitions in this section and chapters 28, 28A, 29, 30, 31, 31A, ~~32~~ 32D, and 34 apply to this chapter. The definitions in this section apply to chapter ~~32~~ 32D.

Sec. 53. Minnesota Statutes 2016, section 41B.03, subdivision 2, is amended to read:

Subd. 2. **Eligibility for restructured loan.** In addition to the eligibility requirements of subdivision 1, a prospective borrower for a restructured loan must:

(1) have received at least 50 percent of average annual gross income from farming for the past three years or, for homesteaded property, received at least 40 percent of average gross income from farming in the past three years, and farming must be the principal occupation of the borrower;

(2) have projected annual expenses, including operating expenses, family living, and interest expenses after the restructuring, that do not exceed 95 percent of the borrower's projected annual income considering prior production history and projected prices for farm production, except that

the authority may reduce the 95 percent requirement if it finds that other significant factors in the loan application support the making of the loan;

(3) demonstrate substantial difficulty in meeting projected annual expenses without restructuring the loan; and

(4) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than ~~\$660,000 in 2004~~ \$1,700,000 in 2017 and an amount in subsequent years which is adjusted for inflation by multiplying that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index.

Sec. 54. Minnesota Statutes 2016, section 41B.03, subdivision 3, is amended to read:

Subd. 3. **Eligibility for beginning farmer loans.** (a) In addition to the requirements under subdivision 1, a prospective borrower for a beginning farm loan in which the authority holds an interest, must:

(1) have sufficient education, training, or experience in the type of farming for which the loan is desired;

(2) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than ~~\$350,000 in 2004~~ \$800,000 in 2017 and an amount in subsequent years which is adjusted for inflation by multiplying that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index;

(3) demonstrate a need for the loan;

(4) demonstrate an ability to repay the loan;

(5) certify that the agricultural land to be purchased will be used by the borrower for agricultural purposes;

(6) certify that farming will be the principal occupation of the borrower;

(7) agree to participate in a farm management program approved by the commissioner of agriculture for at least the first three years of the loan, if an approved program is available within 45 miles from the borrower's residence. The commissioner may waive this requirement for any of the programs administered by the authority if the participant requests a waiver and has either a four-year degree in an agricultural program or certification as an adult farm management instructor; and

(8) agree to file an approved soil and water conservation plan with the Natural Resources Conservation Service office in the county where the land is located.

(b) If a borrower fails to participate under paragraph (a), clause (7), the borrower is subject to penalty as determined by the authority.

Sec. 55. Minnesota Statutes 2016, section 41B.043, subdivision 5, is amended to read:

Subd. 5. **Total net worth limit.** A prospective borrower for an agricultural improvement loan in which the authority holds an interest must have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than ~~\$350,000 in 2004~~ \$800,000 in 2017 and an amount in subsequent years which is adjusted for inflation by multiplying that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index.

Sec. 56. Minnesota Statutes 2016, section 41B.045, subdivision 2, is amended to read:

Subd. 2. **Loan participation.** The authority may participate in a livestock expansion loan with an eligible lender to a livestock farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in a livestock operation. A prospective borrower must have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than ~~\$660,000 in 2004~~ \$1,700,000 in 2017 and an amount in subsequent years which is adjusted for inflation by multiplying that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index.

Participation is limited to 45 percent of the principal amount of the loan or \$525,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different from the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 57. Minnesota Statutes 2016, section 41C.02, subdivision 12, is amended to read:

Subd. 12. **Low or moderate net worth.** "Low or moderate net worth" means:

(1) for an individual, an aggregate net worth of the individual and the individual's spouse and minor children of less than ~~\$350,000 in 2004~~ \$800,000 in 2017 and an amount in subsequent years which is adjusted for inflation by multiplying that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index; or

(2) for a partnership, an aggregate net worth of all partners, including each partner's net capital in the partnership, and each partner's spouse and minor children of less than twice the amount set for an individual in clause (1). However, the aggregate net worth of each partner and that partner's spouse and minor children may not exceed the amount set for an individual in clause (1).

Sec. 58. Minnesota Statutes 2016, section 116V.01, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The Agricultural Utilization Research Institute is established as a nonprofit corporation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The Agricultural Utilization Research Institute shall conduct onsite and applied research, promote the establishment of new products and product uses and the expansion of existing markets for the state's agricultural commodities and products, including direct financial and technical assistance for ~~Minnesota~~ entrepreneurs. The institute must establish or maintain facilities and work with private and public entities to leverage the resources available to achieve maximum results for Minnesota agriculture.

Sec. 59. Minnesota Statutes 2016, section 116V.01, subdivision 2, is amended to read:

Subd. 2. **Board of directors.** The board of directors of the Agricultural Utilization Research Institute is comprised of:

(1) the chairs of the senate and the house of representatives standing committees with jurisdiction over agriculture finance or the chair's designee;

(2) two representatives of statewide farm organizations;

(3) two representatives of agribusiness; ~~and~~

(4) three representatives of the commodity promotion councils; and

(5) two at-large representatives.

Sec. 60. Minnesota Statutes 2016, section 116V.01, subdivision 3, is amended to read:

Subd. 3. **Duties.** (a) The Agricultural Utilization Research Institute shall:

(1) identify development opportunities for agricultural products;

(2) implement a program that identifies techniques to meet those opportunities;

(3) monitor and coordinate research among the public and private organizations and individuals specifically addressing procedures to transfer new technology to businesses, farmers, and individuals;

~~(4) provide research grants to public and private educational institutions and other organizations that are undertaking basic and applied research to promote the development of emerging agricultural industries;~~

~~(5) assist organizations and individuals with market analysis and product marketing implementations;~~

~~(6) (5) to the extent possible earn and receive revenue from contracts, patents, licenses, royalties, grants, fees-for-service, and memberships;~~

~~(7) (6) work with the Department of Agriculture, the United States Department of Agriculture, the Department of Employment and Economic Development, and other agencies to maximize marketing opportunities locally, nationally, and internationally; and~~

~~(8) (7) leverage available funds from federal, state, and private sources to develop new markets and value added opportunities for Minnesota agricultural products.~~

(b) The Agricultural Utilization Research Institute board of directors shall have the sole approval authority for establishing agricultural utilization research priorities, requests for proposals to meet those priorities, awarding of grants, hiring and direction of personnel, and other expenditures of funds consistent with the adopted and approved mission and goals of the Agricultural Utilization Research Institute. The actions and expenditures of the Agricultural Utilization Research Institute are subject to audit. The institute shall annually report by February 1 to the senate and house of representatives standing committees with jurisdiction over agricultural policy and funding. The report must list projects initiated, progress on projects, and financial information relating to expenditures, income from other sources, and other information to allow the committees to evaluate the effectiveness of the institute's activities.

(c) The Agricultural Utilization Research Institute shall convene a Renewable Energy Roundtable, the purpose of which shall be to further the state's leadership on bioenergy issues.

(i) The Renewable Energy Roundtable shall consist of one representative appointed by the commissioner of the Minnesota Department of Agriculture, one appointed by the commissioner of the Minnesota Department of Commerce, one appointed by the chancellor of the Minnesota State Colleges and Universities, and one appointed by the president of the University of Minnesota. The appointees must have expertise relevant to bioenergy.

(ii) The board shall oversee the activities and shall provide staff to assist the Renewable Energy Roundtable.

(iii) The Renewable Energy Roundtable will engage professionals and experts from private, government, academic, and nonprofit entities across the state to identify bioenergy opportunities and collaborate with a broad group of interested parties to identify future alternative courses of action the state can take to sustain a long-term competitive position in renewable energy through the year 2025. The Renewable Energy Roundtable will consult, advise, and review projects and initiatives funded by the state as directed by the administration and the legislature.

Sec. 61. Minnesota Statutes 2016, section 116V.01, subdivision 4, is amended to read:

Subd. 4. **Staff.** The board of directors shall hire ~~staff~~ an executive director for the Agricultural Utilization Research Institute. Persons employed by the Agricultural Utilization Research Institute are not state employees and may participate in state retirement, deferred compensation, insurance, or other plans that apply to state employees generally and are subject to regulation by the state Campaign Finance and Public Disclosure Board.

Sec. 62. Minnesota Statutes 2016, section 116V.01, subdivision 7, is amended to read:

Subd. 7. **Bylaws.** The board of directors shall adopt bylaws necessary for the conduct of the business of the institute consistent with this section. The corporation must publish bylaws and amendments to the bylaws ~~in the State Register~~ on the board's Web site.

Sec. 63. Minnesota Statutes 2016, section 116V.01, subdivision 10, is amended to read:

Subd. 10. **Meetings.** The board of directors shall meet at least twice each year and may hold additional meetings upon giving notice in accordance with the bylaws of the institute. Board meetings are subject to chapter 13D, except section 13D.01, subdivision 6, as it pertains to financial information, business plans, income and expense projections, customer lists, market and feasibility studies, and trade secret information as defined by section 13.37, subdivision 1, paragraph (b). For the purposes of section 13D.015, the board of directors is a state board.

Sec. 64. Minnesota Statutes 2016, section 116V.01, subdivision 11, is amended to read:

Subd. 11. **Conflict of interest.** A director, employee, or officer of the institute may not ~~participate in~~ advocate for or vote on a decision of the board relating to an organization in which the director, employee, or officer has either a direct or indirect financial interest.

Sec. 65. Minnesota Statutes 2016, section 116V.01, subdivision 13, is amended to read:

Subd. 13. **Funds.** The institute may accept and use gifts, grants, or contributions from any source. Unless otherwise restricted by the terms of a gift or bequest, the board may sell, exchange, or otherwise dispose of and invest or reinvest the money, securities, or other property given or bequeathed to it. The principal of these funds, the income from them, and all other revenues received by it from any nonstate source ~~must be placed in the depositories the board determines and is~~ are subject to expenditure for the board's purposes. Receipts and expenditures of more than \$25,000 \$50,000 must be approved by the full board.

Sec. 66. Minnesota Statutes 2016, section 116V.01, subdivision 14, is amended to read:

Subd. 14. **Accounts; audits.** The institute may establish funds and accounts that it finds convenient. The board shall provide for and pay the cost of an ~~independent annual~~ audit of its official books and records by the legislative auditor subject to sections 3.971 and 3.972. In addition, the board shall provide and pay for the cost of an annual financial audit of its official books and records by an independent audit firm. A copy of this the annual financial audit shall be filed with the secretary of state Office of the Attorney General, Charities Division.

For purposes of this section, "institute" means the Agricultural Utilization Research Institute established under this section and "board of directors" means the board of directors of the Agricultural Utilization Research Institute.

Sec. 67. Minnesota Statutes 2016, section 223.17, subdivision 8, is amended to read:

Subd. 8. **Bond disbursement.** (a) The bond required under subdivision 4 shall provide for payment of loss caused by the grain buyer's failure to pay, upon the owner's demand, the purchase price of grain sold to the grain buyer in the manner provided by subdivision 5, including loss caused by failure to pay within the time required. The bond shall be conditioned upon the grain buyer being duly licensed as provided herein.

(b) The commissioner shall promptly determine the validity of all claims filed and notify the claimants of the determination. An aggrieved party may appeal the commissioner's determination by requesting, within 15 days, that the commissioner initiate a contested case proceeding. In the absence of such a request, or following the issuance of a final order in a contested case, the surety company shall issue payment promptly to those claimants entitled to payment. The commissioner may apply to the district court for an order appointing a trustee or receiver to manage and supervise the operations of the grain buyer in default. The commissioner may participate in any resulting court proceeding as an interested party.

(c) If a grain buyer has become liable to more than one producer by reason of breaches of the conditions of the bond and the amount of the bond is insufficient to pay the entire liability to all producers entitled to the protection of the bond, the proceeds of the bond shall be apportioned among the bona fide claimants.

(d) The bond shall not be cumulative from one licensing period to the next. The maximum liability of the bond shall be its face value for the licensing period.

(e) The bond disbursement shall occur 200 days from the date the commissioner publishes a public notice of a claim. At the end of this time period, the commissioner shall initiate bond payments on all valid claims received by the commissioner.

Sec. 68. Minnesota Statutes 2016, section 232.22, subdivision 7, is amended to read:

Subd. 7. **Bond disbursement.** (a) The bond of a public grain warehouse operator must be conditioned that the public grain warehouse operator issuing a grain warehouse receipt is liable to the depositor for the delivery of the kind, grade and net quantity of grain called for by the receipt.

(b) Upon notification of default, the commissioner shall determine the validity of all claims and notify all parties having filed claims. Any aggrieved party may appeal the commissioner's determination by requesting, within 15 days, that the commissioner initiate a contested case proceeding. In the absence of such a request, or following the issuance of a final order in a contested case, the surety company shall issue payment to those claimants entitled to payment. If the commissioner determines it is necessary, the commissioner may apply to the district court for an order appointing a trustee or receiver to manage and supervise the operations of the grain warehouse operator in default. The commissioner may participate in any resulting court proceeding as an interested party.

(c) For the purpose of determining the amount of bond disbursement against all valid claims under a condition one bond, all grain owned or stored in the public grain warehouse shall be sold and the combined proceeds deposited in a special fund. Payment shall be made from the special fund satisfying the valid claims of grain warehouse receipt holders.

(d) If a public grain warehouse operator has become liable to more than one depositor or producer by reason of breaches of the conditions of the bond and the amount of the bond is insufficient to pay, beyond the proceeds of the special fund, the entire liability to all valid claimants, the proceeds of the bond and special fund shall be apportioned among the valid claimants on a pro rata basis.

(e) A bond is not cumulative from one licensing period to the next. The maximum liability of the bond shall be its face value for the licensing period.

(f) The bond disbursement shall occur 200 days from the date the commissioner publishes a public notice of a claim. At the end of this time period, the commissioner shall initiate bond payments on all valid claims received by the department.

Sec. 69. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall renumber Minnesota Statutes, section 18B.01, subdivision 9a, to Minnesota Statutes, section 18B.01, subdivision 9d, and correct any cross-references related to the renumbering.

Sec. 70. **REPEALER.**

Minnesota Statutes 2016, sections 18B.01, subdivisions 10a, 10b, and 22a; 18B.285; 25.371, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, and 15; and 41D.01, subdivision 4, are repealed.

## ARTICLE 2

### DAIRY LAW REORGANIZATION

Section 1. Minnesota Statutes 2016, section 13.6435, subdivision 8, is amended to read:

Subd. 8. **Dairy products.** Financial and production information obtained by the commissioner of agriculture to administer chapter ~~32~~ 32D are classified under section ~~32.71, subdivision 2~~ 32D.25, subdivision 2.

Sec. 2. **[32D.01] DEFINITIONS.**

Subdivision 1. **Scope.** The definitions in this section apply to this chapter.

Subd. 2. **Adulterated.** "Adulterated" means an item is covered by section 34A.02.

Subd. 3. **Cheese.** "Cheese" includes all varieties of cheese, cheese spreads, cheese foods, cheese compounds, or processed cheese made or manufactured in whole or in part from milk.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of agriculture.

Subd. 5. **Dairy farm.** "Dairy farm" means a place or premises where one or more lactating animals, including cows, goats, sheep, water buffalo, camels, or other hoofed mammals, are kept, and from which all or a portion of the milk produced at the place or premises is delivered, sold, or offered for sale.

Subd. 6. **Dairy plant.** "Dairy plant" means any place where a dairy product is manufactured, processed, or handled and includes milk-receiving stations, creameries, cheese factories, condenseries, milk plants, transfer stations, and marketing organizations that purchase milk and cream directly from producers for resale and other establishments, as those terms are used in this chapter and chapters 17, 27, and 31; but does not include any place where dairy products are not processed but sold at whole or retail only.

Subd. 7. **Dairy product.** "Dairy product" means milk as defined by Code of Federal Regulations, title 21, cream, any product or by-product of either, or any commodity among the principal constituents or ingredients of which is one or a combination of two or more of them, as determined by standards, grades, or rules adopted by the commissioner.

Subd. 8. **Fluid milk products.** "Fluid milk products" means yogurt, cream, sour cream, half and half, reconstituted half and half, concentrated milk, concentrated milk products, skim milk, nonfat milk, chocolate flavored milk, chocolate flavored dairy drink, chocolate flavored reconstituted milk, chocolate flavored reconstituted dairy drink, buttermilk, cultured buttermilk, cultured milk, vitamin D milk, reconstituted or recombined milk, reconstituted cream, reconstituted skim milk, homogenized milk, and any other fluid milk product made by the addition of any substance to milk or to any of the fluid milk products enumerated under this subdivision or by rule adopted by the commissioner.

Subd. 9. **Goat milk.** "Goat milk" means a whole, fresh, clean lacteal secretion free from colostrum, obtained by the complete milking of one or more healthy goats.

Subd. 10. **Milk.** "Milk" means the normal lacteal secretion, practically free of colostrum, obtained by the milking of one or more healthy hoofed mammals. Hoofed mammals include but are not limited to cattle, water buffalo, sheep, goats, yaks, and camels.



Subd. 11. **Milk for manufacturing purposes.** "Milk for manufacturing purposes" means milk produced for processing and manufacturing into products for human consumption but not subject to Grade A or comparable requirements.

Subd. 12. **Milk-receiving station.** "Milk-receiving station" means a dairy plant where raw milk for pasteurization or for manufacture is received, handled, or prepared for processing or for resale as unpasteurized milk or fluid milk products.

Subd. 13. **Minnesota farmstead cheese.** "Minnesota farmstead cheese" means cheese manufactured in Minnesota on the same farm that the milk used in its manufacturing is produced.

Subd. 14. **Misbranded or misbranding.** "Misbranded" or "misbranding" means an item is covered by section 34A.03.

Subd. 15. **Pasteurization or pasteurized.** (a) "Pasteurization," "pasteurized," and similar terms mean:

(1) the process of heating every particle of milk or dairy product in properly operated equipment approved by the commissioner to a temperature of at least 145 degrees Fahrenheit and holding the temperature for at least 30 minutes;

(2) the process of heating every particle of milk or dairy product in properly operated equipment approved by the commissioner to a temperature of at least 161 degrees Fahrenheit and holding the temperature for at least 15 seconds; or

(3) the process of heating every particle of milk or dairy product in properly operated equipment approved by the commissioner to the temperatures and holding for the times as the commissioner may prescribe by rule, containing standards more stringent than those imposed by this subdivision.

(b) Nothing in this subdivision shall be construed as excluding any other process that has been demonstrated to be equally efficient and is approved by the commissioner.

Subd. 16. **Recombinant bovine growth hormone or rBGH.** "Recombinant bovine growth hormone" or "rBGH" means a growth hormone intended for use in bovine animals that has been produced through recombinant DNA techniques, described alternately as recombinant bovine somatotropin or rBST.

### Sec. 3. **[32D.02] INSPECTION AUTHORITY AND DUTIES.**

Subdivision 1. **Enforcement.** The commissioner is charged with the enforcement of this chapter.

Subd. 2. **Power and authority.** For the purpose of enforcing this chapter, the commissioner and the commissioner's assistants, agents, and employees have the power and authority granted under sections 31.02 to 31.171.

Subd. 3. **Inspection of dairies.** At times the commissioner determines proper, the commissioner shall inspect all places where dairy products are made, stored, or served as food for purchase, and all places where hoofed mammals are kept by persons engaged in the sale of milk, and shall require the correction of all unsanitary conditions and practices.

Subd. 4. **Refusal of inspection.** A refusal or physical threat that prevents the completion of an inspection or neglect to obey a lawful direction of the commissioner or the commissioner's agent given while carrying out this section may result in the suspension of the offender's permit or certification or other enforcement as deemed appropriate by the commissioner. The offender is required to meet with a representative of the offender's plant or marketing organization and a representative of the commissioner within 48 hours of receiving notice, excluding holidays or weekends, or the suspension or enforcement action shall take effect. A producer may request a hearing before the commissioner or the commissioner's agent if a serious concern exists relative to the retention of the offender's permit or certification to sell milk.

Subd. 5. **Inspection service.** To ensure compliance with the laws and rules governing the production, handling, processing, and sale of milk and dairy products, the commissioner is authorized, through a duly trained and qualified milk inspector, to inspect milk and milk products and the premises and plants where milk and milk products are produced, handled, and processed. Inspection services must acquaint the processor and producers with the requirements for a Grade A or manufacturing grade milk supply for preliminary inspection to determine if a processor has brought the processor's farms and plants to the state of compliance that qualifies the processor's products for the Grade A or manufacturing grade label, and for continuous inspection to ensure that a farm or plant and all products from a farm or plant are in compliance with this chapter.

Subd. 6. **Field service.** Grade A or manufacturing grade processors shall provide a continuous field service to assist producers who sell their milk to the processor's plant to attain and maintain compliance with this chapter. A person who performs field service must first obtain a permit from the commissioner. A person desiring to secure a permit must apply on a form provided by the commissioner, and before a permit is issued the commissioner shall determine that the applicant is competent and qualified to perform field service. The permit is not transferable to another person and may be revoked for due cause after the holder of the permit has been given the opportunity for a hearing. The permit holder must be given a notice in writing of the time and place of the hearing at least seven days before the date of the hearing.

Subd. 7. **Enforcement standards.** The standards in this chapter and rules adopted under this chapter by the commissioner shall be the only standards for use in Minnesota. No municipality or other subdivision of state government shall provide, by ordinance, more stringent or comprehensive standards than are contained in this chapter and rules adopted by the commissioner under this chapter.

Subd. 8. **Rules.** (a) The commissioner shall by rule adopt identity, production, and processing standards for both Grade A and manufacturing grade milk and dairy products.

(b) In the exercise of the authority to establish requirements for Grade A milk and milk products, the commissioner adopts definitions, standards of identity, and requirements for production and processing contained in the most current version of the Grade A Pasteurized Milk Ordinance, and its associated documents, of the United States Department of Health and Human Services in a manner provided for and not in conflict with law.

(c) Producers of milk, other than Grade A, shall conform to the standards contained in subparts B, C, D, E, and F of the United States Department of Agriculture Agricultural Marketing Service Recommended Requirements for Milk for Manufacturing Purposes and its Production and Processing,

except that the commissioner shall develop methods by which producers are able to comply with the standards without violation of religious beliefs.

Subd. 9. **Certified industry inspection.** Industry personnel may be certified to perform any inspection, to the extent allowed by federal law and provided that performance of the inspections is consistent with rules adopted in subdivision 8.

Subd. 10. **Fees; dairy services account.** (a) All fees and penalties collected under this chapter shall be deposited into the dairy services account in the agricultural fund and used for the purposes of administering this chapter.

(b) Unless otherwise noted, all fees are payable by a processor or marketing organization and are invoiced on July 1 of each year for Grade A and January 1 of each year for manufacturing grade, and if not paid within 30 days of the due date, inspection service may be discontinued. If a farm discontinues the production of milk within six months of the billing date, a request for a refund based on inspection services not received may be made by the processor or by the marketing organization on behalf of its patrons. This request must be made in writing by June 30 for manufacturing grade or by December 31 for Grade A. Upon approval by the commissioner, refunds must be made to the processor or marketing organization.

#### Sec. 4. **[32D.03] BULK MILK HAULER AND SAMPLER LICENSE.**

Subdivision 1. **License requirement.** A person collecting milk from a dairy farm and transporting the milk by bulk pickup and not in individual containers from farm to plant must obtain a bulk milk hauler and sampler license.

Subd. 2. **Application.** A person desiring to secure a bulk milk hauler and sampler license must apply on a form provided by the commissioner. Before the license is issued, the commissioner shall determine that the applicant is competent and qualified.

Subd. 3. **Term of license; transferability.** An initial bulk milk hauler and sampler license issued by the commissioner expires on the following December 31 and is not transferable. A renewal bulk milk hauler and sampler license is not transferable, is valid for two years, and expires on December 31 of the second year.

Subd. 4. **Fees and penalties.** The fee for an initial or renewal bulk milk hauler and sampler license is \$60. The fee shall be paid to the commissioner before the commissioner issues an initial or renewal bulk milk hauler and sampler license. If a bulk milk hauler and sampler license renewal is not applied for on or before January 1, a fee of \$30 shall be imposed. A person who does not renew a bulk milk hauler and sampler license within one year following its December 31 expiration date, except those persons who do not renew the bulk milk hauler and sampler license while engaged in active military service, shall be required to prove competency and qualification pursuant to section 32D.07 before a bulk milk hauler and sampler license is issued. The commissioner may require any other person who renews a bulk milk hauler and sampler license to prove competency and qualification in the same manner.

Subd. 5. **Suspension or cancellation.** The commissioner is empowered to conduct enforcement action, suspend, or cancel any bulk milk hauler and sampler license pursuant to section 34A.06.

Sec. 5. **[32D.04] MILK TANK TRUCKS.**

All farm bulk milk pickup tankers, milk transports, and tankers used to transport milk products must be inspected and obtain a permit issued by the commissioner at least once every 12 months. The owner or operator must pay a \$25 permit fee per tanker to the commissioner. The commissioner may appoint a person the commissioner deems qualified to make inspections.

Sec. 6. **[32D.05] GRADE A DAIRY FARM PERMITTING; WATER WELL DISTANCE REQUIREMENT.**

(a) No milk producer may sell or distribute milk from a dairy farm as Grade A milk without a valid Grade A dairy farm permit issued by the commissioner.

(b) A dairy farmer who wishes to be permitted to produce Grade A milk may not be denied the Grade A permit solely because of provisions in rules adopted by the commissioner requiring a minimum distance between a water well and dairy farm. To be eligible for a Grade A permit, the following conditions must be met:

(1) the water well must have been in place prior to January 1, 1974;

(2) the water well must comply with all other rules applicable to the well, other than the distance requirement; and

(3) water from the well must be tested at least once every 12 months. More frequent testing may be required in compliance with guidelines established by the commissioner if water test results fail to meet water quality requirements.

Sec. 7. **[32D.06] GRADE A DAIRY FARM INSPECTION; FEES.**

(a) As provided in section 32D.02, subdivision 4, the commissioner shall provide inspection service to any milk producer who wishes to market Grade A milk and is in compliance with the requirement for the production of Grade A milk. Grade A inspections shall be completed at least once every six months.

(b) The fee for inspections must be no more than \$50 per farm, paid annually by the processor or by the marketing organization on behalf of its patrons.

(c) 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 hooved milk-producing animals is \$60 per reinspection. The fee for reinspection of a farm with 100 or more hooved milk-producing animals is \$150 per reinspection.

Sec. 8. **[32D.07] MANUFACTURING GRADE DAIRY FARM CERTIFICATION.**

A producer who wishes to sell milk for manufacturing purposes must obtain from the commissioner an annual Grade B farm certification.

Sec. 9. **[32D.08] MANUFACTURING GRADE DAIRY FARM INSPECTION; FEES.**

(a) A producer selling milk for manufacturing purposes must be inspected at least once every 12 months.

(b) The fee for the certification inspection must not be more than \$25 per producer, to be paid annually by the processor or the marketing organization on behalf of its patrons.

(c) For a producer requiring more than one inspection for certification, a reinspection fee of \$45 must be paid by the processor or by the marketing organization on behalf of its patrons.

Sec. 10. **[32D.09] DAIRY PLANT LICENSING AND PERMITTING.**

Subdivision 1. **Licensing.** A dairy plant must obtain a license as required under section 28A.04.

Subd. 2. **Permitting.** No person shall operate a dairy plant in this state unless the dairy plant, equipment, and water supply and plumbing system have been first approved by the commissioner and a permit issued to operate the same. A permit may be revoked by the commissioner for due cause pursuant to section 34A.06.

Subd. 3. **Approval.** At the time of filing the application for a permit, the applicant shall submit to the commissioner duplicate floor plans of the plant that show the placement of equipment, the source of water supply and method of distribution, a detailed pasteurization flow chart, and the location of the plumbing system, including the disposal of wastes. New construction or alteration of an existing dairy plant shall be made only with the approval of the commissioner and duplicate plans for the construction or alteration shall be submitted to the commissioner for approval. The fee for approval services is \$45 per hour of department staff time spent in the approval process.

Subd. 4. **Farmstead cheese.** (a) The commissioner or the commissioner's designee shall issue an additional permit to a dairy plant that desires to use the name "Minnesota farmstead cheese" upon application made by the dairy plant for use of the name, provided the cheese meets the definition in section 32D.01, subdivision 13.

(b) No cheese or packaged cheese that is sold, offered or exposed for sale, or held in possession with intent to sell at either retail or wholesale in this state may be labeled or described as "Minnesota farmstead cheese" unless it meets the criteria in section 32D.01, subdivision 13, and the manufacturer has obtained the designated permit.

Sec. 11. **[32D.10] INSPECTIONS.**

(a) Inspections of Grade A plants must be completed at least once every three months. A pasteurization plant requesting Grade A inspection must pay an annual inspection fee of no more than \$500.

(b) Inspections of manufacturing plants that process milk or milk products other than Grade A must be completed at least once every six months. A manufacturing plant that pasteurizes milk or milk by-products must pay an annual fee based on the number of pasteurization units. The fee must not exceed \$140 per unit.

Sec. 12. **[32D.11] PROCUREMENT FEE.**

A dairy plant operator in this state must pay to the commissioner on or before the 18th of each month a fee of 1.1 cents per hundredweight of milk purchased the previous month. If a milk producer in this state ships milk out of the state for sale, the producer must pay the fee to the commissioner unless the purchaser voluntarily pays the fee. Producers who ship milk out of state and processors must submit to the commissioner monthly reports related to milk purchases along with the appropriate procurement fee. The commissioner shall have access to all relevant purchase or sale records as necessary to verify compliance with this section and may require the producer or purchaser to produce records as necessary to determine compliance.

Sec. 13. **[32D.12] SELECTED PRODUCTS FEE.**

(a) A manufacturer must pay to the commissioner a fee for fluid milk processed and milk used in the manufacture of fluid milk products sold for retail sale in Minnesota in an amount not less than five cents and not more than nine cents per hundredweight as set by the commissioner's order. No change within any 12-month period may be in excess of one cent per hundredweight.

(b) A processor must report quantities of milk processed under paragraph (a) on forms provided by the commissioner. Processor fees must be paid monthly. The commissioner may require the production of records as necessary to determine compliance with this paragraph.

(c) The commissioner may create within the department a dairy consulting program to provide assistance to dairy producers who are experiencing problems meeting the sanitation and quality requirements of the dairy laws and rules. The commissioner may use money appropriated from the dairy services account to pay for the program authorized in this paragraph.

Sec. 14. **[32D.13] MILK QUALITY STANDARDS.**

Subdivision 1. **Visible adulteration or odors.** Milk shall not be visibly adulterated, or have any objectionable odor, or be abnormal in appearance or consistency.

Subd. 2. **Grade A raw milk.** (a) The bacterial count of Grade A raw milk from producers must not exceed 100,000 bacteria per milliliter prior to commingling with other producer milk.

(b) After commingling with other producer milk, the bacteria count must not exceed 300,000 per milliliter prior to pasteurization.

Subd. 3. **Grade A pasteurized milk and fluid milk products.** (a) The bacterial count of Grade A pasteurized milk and fluid milk products, at any time after pasteurization until delivery, must not exceed 20,000 bacteria per milliliter.

(b) The coliform count of Grade A pasteurized milk and fluid milk products must not exceed ten bacteria per milliliter except that bulk tank transport shipments must not exceed 100 per milliliter.

Subd. 4. **Raw milk, other than Grade A.** The bacterial count of raw milk from producers must not exceed 500,000 bacteria per milliliter prior to commingling with other producer milk.

Subd. 5. **Pasteurized milk, other than Grade A.** The bacterial count of pasteurized milk other than Grade A pasteurized milk, at any time after pasteurization until delivery, must not exceed 20,000 bacteria per milliliter.

Subd. 6. **Exceptions.** Bacterial count standards do not apply to sour cream, cultured buttermilk, and other cultured fluid milk products.

Subd. 7. **Rules and standards.** The commissioner may prescribe standards and rules adopted in accordance with law more stringent than those imposed by this section.

Subd. 8. **Somatic cell count.** (a) The somatic cell count, as determined by a direct microscopic somatic cell count or an electronic somatic cell count, must not exceed 750,000 cells per milliliter for Grade A raw milk and raw milk other than Grade A. Notwithstanding any federal standard, the somatic cell count of goat milk must not exceed 1,500,000 cells per milliliter.

(b) The commissioner may prescribe standards and rules adopted in accordance with law more stringent than those imposed by this subdivision.

Subd. 9. **Temperature.** If milk is received or collected from a dairy farm more than two hours after the most recent milking, the temperature of the milk shall not exceed 45 degrees Fahrenheit (7 degrees Celsius). If the milk consists of a blend of milk from two or more milkings, and the milk is received or collected less than two hours after the most recent milking, the blend temperature shall not exceed 50 degrees Fahrenheit (10 degrees Celsius).

Subd. 10. **Industry enforcement.** A dairy plant is not required to reject milk shipments in response to a violation of subdivisions 2 to 9 unless the commissioner suspends or revokes the dairy plant permit or milk producer's Grade A permit or manufacturing grade certification.

Sec. 15. **[32D.14] OFFICIAL PRODUCER SAMPLES.**

(a) An official producer sample for each producer must be analyzed for bacteria, somatic cell count, temperature, and antibiotic residues at least once per month in four out of every six months. Official producer samples must be collected and analyzed without providing the producer with prior notification of the sampling date.

(b) Official producer sample results must be inclusive of all animals from which milk is collected and sold on the day of sampling.

(c) Official producer sample results must be collected by a licensed sampler.

Sec. 16. **[32D.15] MONTHLY REPORTING.**

(a) In at least four out of every six months, the dairy plant that procures milk from the producer must report to the commissioner at least one representative test result for bacteria, somatic cell count, temperature, and antibiotic residues. The result shall be reported within seven days after the laboratory obtains the test results.

(b) A laboratory that performs the tests required under this section for a dairy plant may report the test results for the dairy plant.

(c) A dairy plant or laboratory shall report test results under this section in an electronic form approved by the department or using an approved alternative.

Sec. 17. **[32D.16] ENFORCEMENT.**

The commissioner shall suspend a producer's permit or certification if three of the last five official producer samples exceed the applicable standard. The commissioner shall provide warning of a pending suspension when two of the last four producer samples exceed the applicable standard.

Sec. 18. **[32D.17] LABORATORY CERTIFICATION.**

(a) A laboratory and its methods are required to be approved or certified prior to testing Grade A milk samples. The results of approved or certified laboratories may be used by official regulatory agencies in enforcement of requirements for milk and milk products. The approval or certification remains valid unless suspended or revoked by the commissioner for failure to comply with the requirements of this chapter.

(b) Certified or approved laboratories must receive a permit from the commissioner. The permit remains valid without renewal unless suspended or revoked by the commissioner for failure to comply with the requirements of this chapter.

(c) Satisfactory analytical procedures and results for split samples, the nature, number, and frequency of which shall be in accordance with rules established by the commissioner, shall be required of a certified laboratory for retention of its certification and permit.

(d) An application for initial certification or biennial recertification, or for recertification following suspension or revocation of a permit, shall be accompanied by an annual fee based on the number of analyses approved and the number of specific tests for which they are approved. The fee must not be less than \$150 nor more than \$200 for each analysis approved and not less than \$35 nor more than \$50 for each test approved. The commissioner may annually adjust assessments within the limits established by this subdivision to meet the cost recovery of the services required by this section.

Sec. 19. **[32D.18] MILK BOUGHT BY WEIGHT; TESTING METHODS.**

Subdivision 1. **Milk fat, protein, and solids not fat bases of payment; tests.** (a) Milk must be purchased from producers using a formula based on one or more of the following:

(1) payment of a standard rate with uniform differentials for milk testing above or below 3.5 percent milk fat;

(2) payment of a standard rate for the pounds of milk fat contained in the milk;

(3) payment of a standard rate for the pounds of protein contained in the milk;

(4) payment of a standard rate for the pounds of nonfat solids contained in the milk; or

(5) payment of standard rates based on other attributes of value in the milk.

(b) In addition, an adjustment may be made on the basis of milk quality and other premiums. Testing procedures for determining the percentages of milk fat, protein, and nonfat solids must comply with the methods approved by the Association of Analytical Chemists or be as adopted by rule.



Subd. 2. **Apparatus to conform to specifications.** Glassware, test bottles, pipettes, acid measures, chemicals, scales, and other apparatus used in the operation of these tests shall conform to the specifications for the particular test method.

Subd. 3. **Penalties for violations.** A person who:

(1) employs any test other than those tests authorized by rule adopted by the commissioner, or any methods other than the standard official methods for determining the milk fat content of milk or cream;

(2) incorrectly samples milk or cream purchased or sold;

(3) incorrectly weighs milk or cream purchased or sold;

(4) incorrectly grades milk or cream purchased or sold;

(5) makes a false entry of the weight, test result, or grade of any milk or cream purchased or sold;

(6) incorrectly samples, weighs, tests, or records or reports weights or tests of skim milk or buttermilk purchased or sold;

(7) underreads the tests;

(8) falsifies the reading of the tests;

(9) manipulates the reading of the tests; or

(10) falsely states, certifies, or uses in the purchase or sale of milk or cream a misreading of such tests, whether the tests or actual reading have been made by the person or by any other person, is guilty of a misdemeanor.

Sec. 20. **[32D.19] ADULTERATED DAIRY PRODUCTS.**

Subdivision 1. **Purchase and sale prohibition.** A person may not sell or knowingly buy adulterated dairy products.

Subd. 2. **Manufacture of food for human consumption from adulterated milk or cream prohibited.** An article of food for human consumption may not be manufactured from adulterated milk or cream, except as provided in the Federal Food, Drug, and Cosmetic Act, United States Code, title 21, section 301 et seq., and related federal regulations.

Subd. 3. **Adulterated milk.** For purposes of this section, milk is adulterated if it:

(1) is drawn in a filthy or unsanitary place;

(2) is drawn from unhealthy or diseased animals;

(3) contains water in excess of that normally found in milk;

(4) contains a substance that is not a normal constituent of the milk except as allowed in this chapter; or

(5) contains drug residues or other chemical or biological substances in amounts above the tolerances or safe levels established by rule.

Subd. 4. **Drug residues.** (a) Before processing milk, all bulk milk pickup tankers must be tested for the presence of beta lactam drug residues and for other residues as determined necessary by the commissioner. Milk received from a producer in other than a bulk milk pickup tanker is also subject to this section.

(b) Bulk milk tankers that confirm positive for beta lactam drug residues or other residues must follow up with producer sample testing of all producers contained on the positive load.

(c) Individual producer samples must be tested for the presence of beta lactam drug residues at least once a month for four out of every six-month period. Results of these tests must be reported to the commissioner as official producer sample results using established electronic reporting procedures.

(d) Drug residue testing methods must be those approved by the Food and Drug Administration (FDA) and the National Conference of Interstate Milk Shipments or listed in the FDA's current version of M-a-85.

(e) All drug residue samples testing positive must be reported to the commissioner or the commissioner's designee within 24 hours. The report must include how and where the milk was disposed of, and the volume, the responsible producer, and the possible cause of the violative residue. All milk sample residue results must be recorded and retained for six months by the receiving plant for examination by the commissioner or the commissioner's designee.

Subd. 5. **Penalties.** (a) The permit or certification of a milk producer identified as having a positive drug residue is immediately suspended. The producer must not ship milk while the permit or certification is suspended.

(b) The producer's permit or certification may be reinstated after being sampled by the commissioner or the commissioner's designee and testing negative on the sample.

(c) A milk producer may not change plants within 30 days, without permission of the commissioner, after receiving notification from the commissioner of a residue violation.

(d) The producer that is identified with the drug residue violation is responsible for the value of all milk on any load that tests positive for drug residues and any costs associated with its disposal. Payment shall be made to the purchaser of the milk.

(e) For the first and second violation within a 12-month period, the dairy producer must, within 30 days of the date of the residue:

(1) meet with the dairy inspector to review potential causes of the adulteration; and

(2) complete the designated drug residue prevention educational program with a licensed veterinarian and submit the signed certificate to the commissioner.

(f) Failure to comply with the requirements for the first and second violation listed in paragraph (e) may result in suspension of the producer's permit or certification until the conditions in paragraph (e) are met.

(g) For the third or subsequent violation within a 12-month period, the commissioner may initiate proceedings for further enforcement action, that may include a penalty of up to a 30-day permit or certification suspension. In lieu of a suspension, the producer may be assessed an administrative penalty of up to \$1,000 or the value of milk sold during the intended suspension period.

Subd. 6. **Other forms of adulteration.** A milk producer who violates subdivision 3 is subject to any of the following penalties:

(1) the permit or certification of a milk producer identified as having adulterated milk is immediately suspended. The producer may not ship milk while the permit or certification is suspended;

(2) the producer that is identified with the adulterated milk violation is responsible for the value of all milk on any load that is contaminated by the adulterant and any costs associated with its disposal. Payment shall be made to the purchaser of the milk;

(3) the producer's permit or certification may be reinstated after the commissioner receives adequate verification that the milk is no longer adulterated; and

(4) the commissioner may, after evaluation of the severity and repetitive nature of the adulteration, initiate additional enforcement action in the form of permit or certification suspension for up to 30 days or in lieu of suspension, an administrative penalty of up to \$1,000, or the value of the milk sold during the intended suspension period for each violation.

Subd. 7. **Civil penalty.** A person other than a milk producer who causes milk to be adulterated is subject to a civil penalty of up to \$1,000.

Subd. 8. **Appeals.** A dairy producer may appeal an adulteration violation by sending written notice to the commissioner within ten days of receipt of the notice of a violation. The appeal must contain a description of why the producer wishes to appeal the violation.

#### Sec. 21. **[32D.20] LIMITATION ON SALE.**

Subdivision 1. **Pasteurization.** No milk or fluid milk products shall be sold, offered or exposed for sale, or held in possession for sale for the purpose of human consumption in fluid form in this state unless the milk or fluid milk product has been pasteurized and cooled, as defined in section 32D.01, subdivision 15, provided that this section shall not apply to milk, cream, or skim milk occasionally secured or purchased for personal use by a consumer at the place or farm where the milk is produced.

Subd. 2. **Labels.** (a) Pasteurized milk or fluid milk products offered or exposed for sale or held in possession for sale shall be labeled or otherwise designated as pasteurized milk or pasteurized fluid milk products, and in the case of fluid milk products the label shall also state the name of the specific product.

(b) Milk and dairy products must be labeled with the plant number where the product was produced, or if produced in a state where official plant numbers are not assigned, the name of the manufacturer and the address of the plant where it was manufactured.

Sec. 22. **[32D.21] COOLING AFTER PASTEURIZATION.**

Immediately following pasteurization, all milk and fluid milk products shall be cooled in properly operated equipment approved by the commissioner to a temperature of 45 degrees Fahrenheit or lower, and maintained at 45 degrees Fahrenheit or lower until delivered; provided, however, that if the milk or fluid milk product is to be cultured immediately after pasteurization, then cooling may be delayed until after the culturing process is completed; provided further that the commissioner may prescribe by rule standards more stringent than those imposed by this section.

Sec. 23. **[32D.22] MANUFACTURE OF CHEESE; REQUIREMENTS IN PROCESS.**

No person, firm, or corporation shall manufacture, transport, sell, offer, or expose for sale or have in possession with intent to sell at retail to a consumer any cheese that has not been (1) manufactured from milk or milk products that have been pasteurized; (2) subjected to a heat treatment equivalent to pasteurization during the process of manufacturing or processing; or (3) subjected to an aging process where it has been kept for at least 60 days after manufacture at a temperature no lower than 35 degrees Fahrenheit.

Sec. 24. **[32D.23] RECOMBINANT BOVINE GROWTH HORMONE LABELING.**

Subdivision 1. **Labeling.** Products offered for wholesale or retail sale in this state that contain milk, cream, or any product or by-product of milk or cream that have been processed and handled pursuant to this section may be labeled with an rBGH statement that is not false or misleading and in accordance with the federal labeling standards. Products offered for wholesale or retail sale in this state need not contain any further label information relative to the use of rBGH in milk production.

Subd. 2. **Affidavit; records.** (a) A dairy plant purchasing milk or cream to be used in products labeled with rBGH claims pursuant to subdivision 1 must provide an affidavit from each producer that states that all cows used in the producer's dairy operations have not and will not be treated with rBGH, without advanced written notice of at least 30 days.

(b) The affidavit must be signed by the producer or authorized representative. Affidavits must be kept on file for not less than two years after receiving written notice that rBGH use status will change.

(c) If a plant chooses to process and handle only milk or milk products sourced from cows who have not been treated with rBGH, the plant, as an alternative to providing individual producer affidavits, may provide one affidavit to certify that the plant has procedures in place to verify that all producers are not using rBGH. A copy of the written procedure that describes this verification process must also be provided with the plant affidavit.

(d) All affidavits and corresponding records must be available for inspection by the commissioner.

(e) Dairy plants supplying milk or cream to a processor or manufacturer of a product to be labeled pursuant to subdivision 1, for use in that product, shall supply a certification to that processor

or manufacturer stating that producers of the supplied milk or cream have executed and delivered affidavits pursuant to this subdivision.

Subd. 3. **Separation of nontreated cows and milk.** Milk or cream from non-rBGH-treated cows used in manufacturing or processing of products labeled pursuant to subdivision 1 must be kept fully separate from any other milk or cream through all stages of storage, transportation, and processing until the milk or resulting dairy products are in final packaged form in a properly labeled container. Records of the separation must be kept by the dairy plant and product processor or manufacturer at all stages and made available to the commissioner for inspection.

Sec. 25. **[32D.24] DAIRY TRADE PRACTICES; DEFINITIONS.**

Subdivision 1. **Application.** The definitions in this section apply to sections 32D.24 to 32D.28.

Subd. 2. **Basic cost.** (a) "Basic cost," for a processor, means the actual cost of the raw milk plus 75 percent of the actual processing and handling costs for a selected class I or class II dairy product.

(b) Basic cost, for a wholesaler, means the actual cost of the selected class I or class II dairy product purchased from the processor or another wholesaler.

(c) Basic cost, for a retailer, means the actual cost of the selected class I or class II dairy product purchased from a processor or wholesaler.

Subd. 3. **Bona fide charity.** "Bona fide charity" means a corporation, trust, fund, or foundation organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes.

Subd. 4. **Processor.** "Processor" means a person engaged in manufacturing or processing selected class I or class II dairy products in the person's own plant for sale in Minnesota.

Subd. 5. **Producer.** "Producer" means a person who operates a dairy herd or herds in Minnesota producing milk or cream commercially and whose milk or cream is sold to, or received or handled by, a distributor or processor. Producer does not include an incorporated or unincorporated association of producers.

Subd. 6. **Responsible person.** "Responsible person" means the business entity that makes payment to an individual Grade A or Grade B milk producer.

Subd. 7. **Selected class I dairy products.** "Selected class I dairy products" means milk for human consumption in fluid form and all other class I dairy products as defined by the Upper Midwest Milk Marketing Order, Code of Federal Regulations, title 7, part 1030.40, or successor orders.

Subd. 8. **Selected class II dairy products.** "Selected class II dairy products" means milk for human consumption processed into fluid cream, eggnog, yogurt, and all other class II dairy products as defined by the Upper Midwest Milk Marketing Order, Code of Federal Regulations, title 7, part 1030.40, or successor orders.

Subd. 9. **Sell at retail; sale at retail; retail sales.** "Sell at retail," "sale at retail," or "retail sales" means a retail sale or offer for retail sale of a selected class I or class II dairy product for ultimate consumption or use.

Subd. 10. **Sell at wholesale; sale at wholesale; wholesale sales.** "Sell at wholesale," "sale at wholesale," or "wholesale sales" means sale or offer for sale of a selected class I dairy product for purposes of resale or further processing or manufacturing but does not include a producer selling or delivering milk to a processor.

Subd. 11. **Wholesaler.** "Wholesaler" means a person including a distributor in the business of making sales of selected class I or class II dairy products at wholesale in Minnesota. In the case of a person making sales at both retail and wholesale, wholesaler applies only to the sales at wholesale.

Sec. 26. **[32D.25] DUTIES AND POWERS OF COMMISSIONER; DATA PRIVACY.**

Subdivision 1. **Duties; rules.** The commissioner shall adopt rules to implement and administer sections 32D.24 to 32D.28.

Subd. 2. **Data privacy.** Financial and production information received by the commissioner on processors, wholesalers, or retailers, including but not limited to financial statements, fee reports, price schedules, cost documentation, books, papers, records, or other documentation for the purpose of administration and enforcement of this chapter is classified private data or nonpublic data pursuant to chapter 13. The classification shall not limit the use of the information in the preparation, institution, or conduct of a legal proceeding by the commissioner in enforcing this chapter.

Sec. 27. **[32D.26] SALES BELOW COST PROHIBITED; EXCEPTIONS.**

Subdivision 1. **Policy; processors; wholesalers; retailers.** (a) It is the intent of the legislature to accomplish partial deregulation of milk marketing with a minimum negative impact on small-volume retailers.

(b) A processor or wholesaler may not sell or offer for sale selected class I or class II dairy products at a price lower than the processor's or wholesaler's basic cost.

(c) A retailer may not sell or offer for sale selected class I or class II dairy products at a retail price lower than (1) 105 percent of the retailer's basic cost until June 30, 1994; and (2) the retailer's basic cost beginning July 1, 1994, and thereafter. A retailer may not use any method or device in the sale or offer for sale of a selected dairy product that results in a violation of this section.

Subd. 2. **Exceptions.** The minimum processor, wholesaler, and retailer prices of subdivision 1 do not apply:

(1) to a sale complying with section 325D.06;

(2) to a retailer giving away selected class I and class II dairy products for free if the customer is not required to make a purchase; or

(3) to a processor, wholesaler, or retailer giving away selected class I and class II dairy products for free or at a reduced cost to a bona fide charity.

Sec. 28. **[32D.27] REDRESS FOR INJURY OR THREATENED INJURY.**

A person injured by a violation of sections 32D.24 to 32D.28 may commence a legal action based on the violation in a court of competent jurisdiction and may recover economic damages and the costs of the action, including reasonable attorney fees. A person injured or who is threatened with injury or loss by reason of violation of sections 32D.24 to 32D.28 may commence a legal action based on the violation and obtain injunctive relief in a court of competent jurisdiction against persons involved in a violation or threatened violation of sections 32D.24 to 32D.28 to prevent and restrain violations or threatened violations of sections 32D.24 to 32D.28 without alleging or proving actual damages or that an adequate remedy at law does not exist, so that injunctive relief can be obtained promptly and without awaiting evidence of injury or actual damage. The injunctive relief does not abridge and is not in lieu of any other civil remedy provided in sections 32D.24 to 32D.28.

Sec. 29. **[32D.28] ANNUAL SUSPENSION OF DAIRY TRADE PRACTICES ACT.**

The provisions of section 32D.26 are suspended during the month of June each year in honor of "Dairy Month."

Sec. 30. **REPEALER.**

Minnesota Statutes 2016, sections 32.01, subdivisions 1, 2, 6, 8, 9, 10, 11, and 12; 32.021; 32.071; 32.072; 32.073; 32.074; 32.075; 32.076; 32.078; 32.10; 32.102; 32.103; 32.105; 32.106; 32.21; 32.212; 32.22; 32.25; 32.391, subdivisions 1, 1d, 1e, 1f, 1g, 2, and 3; 32.392; 32.393; 32.394, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 8a, 8b, 8c, 8d, 8e, 9, 11, and 12; 32.395; 32.397; 32.398, subdivision 1; 32.401, subdivisions 1, 2, 3, and 5; 32.415; 32.416; 32.475; 32.481, subdivision 1; 32.482; 32.483; 32.484; 32.486; 32.55, subdivisions 1, 2, 3, 4, 5, 12, 13, and 14; 32.555; 32.56; 32.61; 32.62; 32.63; 32.64; 32.645; 32.70; 32.71; 32.72; 32.74; 32.745; 32.75; and 32.90, are repealed."

Amend the title numbers accordingly

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

**Senator Limmer from the Committee on Judiciary and Public Safety Finance and Policy, to which was referred**

**S.F. No. 1472:** A bill for an act relating to health; providing for attorney general review and approval of conversions by nonprofit health maintenance organizations; specifying notice and review requirements; establishing standards for distribution of certain assets; amending Minnesota Statutes 2016, section 317A.811, subdivision 1, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 62D.

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

Delete everything after the enacting clause and insert:

"Section 1. **[62D.046] NONPROFIT HEALTH CARE ENTITY CONVERSIONS.**

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Commissioner" means the commissioner of commerce if the nonprofit health care entity at issue is a service plan corporation operating under chapter 62C, and the commissioner of health if the nonprofit health care entity at issue is a health maintenance organization operating under chapter 62D.

(c) "Conversion benefit entity" means a foundation, corporation, limited liability company, trust, partnership, or other entity that receives public benefit assets, or their value, in connection with a conversion transaction.

(d) "Conversion transaction" or "transaction" means a transaction in which a nonprofit health care entity merges, consolidates, converts, or transfers all or a substantial portion of its assets to an entity that is not a nonprofit corporation organized under chapter 317A that is also exempt under United States Code, title 26, section 501(c)(3). The substitution of a new corporate member that transfers the control, responsibility for, or governance of a nonprofit health care entity is also considered a transaction for purposes of this section.

(e) "Family member" means a spouse, parent, or child or other legal dependent.

(f) "Nonprofit health care entity" means a service plan corporation operating under chapter 62C and a health maintenance organization operating under chapter 62D.

(g) "Public benefit assets" means the entirety of a nonprofit health care entity's assets, whether tangible or intangible.

(h) "Related organization" has the meaning given in section 317A.011.

Subd. 2. **Private inurement.** A nonprofit health care entity must not enter into a conversion transaction if a person who has been an officer, director, or other executive of the nonprofit health care entity, or of a related organization, or a family member of that person:

(1) has or will receive any compensation or other financial benefit, directly or indirectly, in connection with the conversion transaction;

(2) has held or will hold, regardless of whether guaranteed or contingent, an ownership stake, stock, securities, investment, or other financial interest in, or receive any type of compensation or other financial benefit from, any entity to which the nonprofit health care entity transfers public benefit assets in connection with a conversion transaction; or

(3) has held or will hold, regardless of whether guaranteed or contingent, an ownership stake, stock, securities, investment, or other financial interest in, or receive any type of compensation or other financial benefit from, any entity that has or will have a business relationship with any entity to which the nonprofit health care entity transfers public benefit assets in connection with a conversion transaction.

Subd. 3. **Attorney general notice and approval required.** (a) Before entering into a conversion transaction, the nonprofit health care entity must notify the attorney general as specified under section 317A.811, subdivision 1. The notice required by this subdivision also must include an itemization of the nonprofit health care entity's public benefit assets and the valuation that the entity attributes to those assets, a proposed plan for distribution of the value of those assets to a conversion



benefit entity that meets the requirements of subdivision 5, and other information from the health maintenance organization or the proposed conversion benefit entity that the attorney general reasonably considers necessary for review of the proposed transaction.

(b) A copy of the notice and other information required under this subdivision must be given to the commissioner.

Subd. 4. **Review elements.** (a) The attorney general may approve, conditionally approve, or not approve a conversion transaction under this section. In making a decision whether to approve, conditionally approve, or not approve a proposed transaction, the attorney general, in consultation with the commissioner, shall consider any factors the attorney general considers relevant, including whether:

(1) the proposed transaction complies with chapters 501B, 317A, and other applicable laws;

(2) the proposed transaction involves or constitutes a breach of charitable trust;

(3) the nonprofit health care entity will receive full and fair value for its public benefit assets;

(4) the full and fair value of the public benefit assets to be transferred has been manipulated in a manner that causes or has caused the value of the assets to decrease;

(5) the proceeds of the proposed transaction will be used consistent with the public benefit for which the assets are held by the nonprofit health care entity;

(6) the proposed transaction will result in a breach of fiduciary duty, as determined by the attorney general, including whether:

(i) conflicts of interest exist related to payments to or benefits conferred upon officers, directors, board members, and executives of the nonprofit health care entity or a related organization;

(ii) the nonprofit health care entity's board of directors exercised reasonable care and due diligence in deciding to pursue the transaction, in selecting the entity with which to pursue the transaction, and in negotiating the terms and conditions of the transaction; and

(iii) the nonprofit health care entity's board of directors considered all reasonably viable alternatives, including any competing offers for its public benefit assets, or alternative transactions;

(7) the transaction will result in private inurement to any person, including owners, stakeholders, or directors, officers, or key staff of the nonprofit health care entity or entity to which the nonprofit health care entity proposes to transfer public benefit assets;

(8) the conversion benefit entity meets the requirements of subdivision 5;

(9) the public comments received regarding the proposed conversion transaction;

(10) the attorney general and the commissioner have been provided with sufficient information by the nonprofit health care entity to adequately evaluate the proposed transaction and the effects on the public, provided the attorney general or the commissioner has notified the nonprofit health

care entity or the proposed conversion benefit entity of any inadequacy of the information and has provided a reasonable opportunity to remedy that inadequacy; and

(11) the proposed transaction's likely effect on the availability, accessibility, and affordability of health care services to the public.

(b) The attorney general must consult with the commissioner in making a decision whether to approve or disapprove a transaction.

**Subd. 5. Conversion benefit entity requirements.** (a) A conversion benefit entity must be an existing or new domestic nonprofit corporation organized under chapter 317A and also be exempt under United States Code, title 26, section 501(c)(3).

(b) The conversion benefit entity must be completely independent of any influence or control by the nonprofit health care entity and related organizations, all entities to which the nonprofit health care entity transfers any public benefit assets in connection with a conversion transaction, and the directors, officers, and other executives of those organizations or entities.

(c) The conversion benefit entity must have in place procedures and policies to prohibit conflicts of interest, including but not limited to prohibiting conflicts of interests relating to any grant-making activities that may benefit:

(1) the directors, officers, or other executives of the conversion benefit entity;

(2) any entity to which the nonprofit health care entity transfers any public benefit assets in connection with a conversion transaction; or

(3) any directors, officers, or other executives of any entity to which the nonprofit health care entity transfers any public benefit assets in connection with a conversion transaction.

(d) The charitable purpose and grant-making functions of the conversion benefit entity must be dedicated to meeting the health care needs of the people of this state.

**Subd. 6. Public comment.** Before issuing a decision under subdivision 7, the attorney general may solicit public comment regarding the proposed conversion transaction. The attorney general may hold one or more public meetings or solicit written or electronic correspondence. If a meeting is held, notice of the meeting must be published in a qualified newspaper of general circulation in this state at least seven days before the meeting.

**Subd. 7. Period for approval or disapproval; extension.** (a) Within 150 days of receiving notice of a proposed transaction, the attorney general shall notify the nonprofit health care entity in writing of its decision to approve, conditionally approve, or disapprove the transaction. If the transaction is not approved, the notice must include the reason for the decision. If the transaction is conditionally approved, the notice must specify the conditions that must be met. The attorney general may extend this period for an additional 90 days if necessary to obtain additional information.

(b) The time periods under this subdivision are suspended during the time when a request from the attorney general for additional information is outstanding.

Subd. 8. **Transfer of value of assets required.** If a proposed conversion transaction is approved or conditionally approved by the attorney general, the nonprofit health care entity shall transfer the entirety of the full and fair value of its public benefit assets to one or more conversion benefit entities as part of the transaction.

Subd. 9. **Annual report by conversion benefit entity.** A conversion benefit entity must submit an annual report to the attorney general that contains a detailed description of its charitable activities related to the use of the public benefit assets received under a transaction that is approved under this section.

Subd. 10. **Penalties; remedies.** A conversion transaction entered into in violation of this section is null and void. The attorney general is authorized to bring an action to unwind a conversion transaction entered into in violation of this section and to recover the amount of any private inurement received or held in violation of subdivision 2. In addition to this recovery, the officers, directors, and other executives of each entity that is a party to and materially participated in a conversion transaction entered into in violation of this section may be subject to a civil penalty of up to the greater of either the entirety of any financial benefit each one derived from the transaction, or \$1,000,000, as determined by the court. The attorney general is authorized to enforce this section pursuant to section 8.31.

Subd. 11. **Relation to other law.** (a) This section is in addition to, and does not affect or limit any power, remedy, or responsibility of a health maintenance organization, service plan corporation, a conversion benefit entity, the attorney general, or the commissioner under this chapter, chapter 62C, 317A, 501B, or other law.

(b) Nothing in this section authorizes a nonprofit health care entity to enter into a conversion transaction not otherwise permitted under chapter 317A.

Sec. 2. Minnesota Statutes 2016, section 317A.811, subdivision 1, is amended to read:

Subdivision 1. **When required.** (a) Except as provided in subdivision 6, the following corporations shall notify the attorney general of their intent to dissolve, merge, or consolidate, or to transfer all or substantially all of their assets:

(1) a corporation that holds assets for a charitable purpose as defined in section 501B.35, subdivision 2, which includes a health maintenance organization operating under chapter 62D and a service plan corporation operating under chapter 62C; or

(2) a corporation that is exempt under section 501(c)(3) of the Internal Revenue Code of 1986, or any successor section.

(b) The notice must include:

- (1) the purpose of the corporation that is giving the notice;
- (2) a list of assets owned or held by the corporation for charitable purposes;
- (3) a description of restricted assets and purposes for which the assets were received;
- (4) a description of debts, obligations, and liabilities of the corporation;

(5) a description of tangible assets being converted to cash and the manner in which they will be sold;

(6) anticipated expenses of the transaction, including attorney fees;

(7) a list of persons to whom assets will be transferred, if known;

(8) the purposes of persons receiving the assets; and

(9) the terms, conditions, or restrictions, if any, to be imposed on the transferred assets.

The notice must be signed on behalf of the corporation by an authorized person.

Sec. 3. Minnesota Statutes 2016, section 317A.811, is amended by adding a subdivision to read:

Subd. 1a. **Nonprofit health care entity; notice and approval required.** A corporation that is a health maintenance organization or a service plan corporation is subject to notice and approval requirements for certain transactions under section 62D.046."

Amend the title as follows:

Page 1, line 3, delete "maintenance" and insert "care entity"

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Health and Human Services Finance and Policy. Amendments adopted. Report adopted.

**Senator Limmer from the Committee on Judiciary and Public Safety Finance and Policy, to which was re-referred**

**S.F. No. 1067:** A bill for an act relating to human services; modifying certain provisions governing child care licensing; requiring reports; amending Minnesota Statutes 2016, sections 13.46, subdivision 4; 65A.30, subdivision 2; 245A.02, subdivision 2b; 245A.06, subdivision 2; 256.01, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 245A.

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

Page 3, delete lines 17 to 24 and insert:

"(6)(i) This clause applies to providers of family day care or group family day care as defined in Minnesota Rules, part 9502.0315;

(ii) an order listed in clause (1), item (ii), or an order of denial listed in clause (3) are private data on individuals or nonpublic data until a final decision, final order, or resolution is issued and time for appeal expires;

(iii) if an order listed in clause (1), item (ii), was resolved in favor of the current or former licensees or applicants, the following data are private data on individuals or nonpublic data: the general nature of the complaint or allegations leading to the temporary immediate suspension and

the substance and investigative findings of the licensing or maltreatment complaint, licensing violation, or substantiated maltreatment;

(iv) if an order listed in clause (3) was resolved in favor of the current or former licensees or applicants, data related to the nature of the basis for the denial are private data on individuals or nonpublic data; and

(v) if an order listed in clause (1), item (ii), or an order of denial listed in clause (3) is partially resolved in favor of the current or former licensees or applicants, data listed in items (iii) and (iv) are private data on individuals or nonpublic data."

Page 5, delete sections 3 and 4 and insert:

"Sec. 3. Minnesota Statutes 2016, section 245A.02, subdivision 2b, is amended to read:

Subd. 2b. **Annual or annually.** With the exception of subdivision 2c, "annual" or "annually" means prior to or within the same month of the subsequent calendar year.

Sec. 4. Minnesota Statutes 2016, section 245A.02, is amended by adding a subdivision to read:

Subd. 2c. **Annual or annually; family child care training requirements.** For the purposes of section 245A.50, subdivisions 1 to 9, "annual" or "annually" means the 12-month period beginning on the license effective date or the annual anniversary of the effective date and ending on the day prior to the annual anniversary of the license effective date.

Sec. 5. **[245A.055] NOTIFICATION TO PROVIDER.**

(a) When the county agency responsible for family child care and group family child care licensing conducts an annual or biennial licensing inspection, the agency must provide, before departure from the residence or facility, a written or electronic notification to the licensee of potential licensing violations noted during the inspection and the condition that constitutes the violation.

(b) Providing this notification to the licensee does not relieve the county agency from notifying the license holder and the commissioner of the violation as required by statute or rule."

Page 6, delete section 5 and insert:

"Sec. 6. Minnesota Statutes 2016, section 245A.06, subdivision 2, is amended to read:

Subd. 2. **Reconsideration of correction orders.** (a) If the applicant or license holder believes that the contents of the commissioner's correction order are in error, the applicant or license holder may ask the Department of Human Services to reconsider the parts of the correction order that are alleged to be in error. The request for reconsideration must be made in writing and must be postmarked and sent to the commissioner within 20 calendar days after receipt of the correction order by the applicant or license holder, and:

(1) specify the parts of the correction order that are alleged to be in error;

(2) explain why they are in error; and

(3) include documentation to support the allegation of error.

A request for reconsideration does not stay any provisions or requirements of the correction order. The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14.

(b) This paragraph applies only to licensed family child care providers. A licensed family child care provider who requests reconsideration of a correction order under paragraph (a) may also request, on a form and in the manner prescribed by the commissioner, that the commissioner expedite the review if:

(1) the provider is challenging a violation and provides a description of how complying with the corrective action for that violation would require the substantial expenditure of funds or a significant change to their program; and

(2) describes what actions the provider will take in lieu of the corrective action ordered to ensure the health and safety of children in care pending the commissioner's review of the correction order.

(c) By January 1, 2018, and each year thereafter, the Department of Human Services must report data to the chairs and ranking minority members of the legislative committees with jurisdiction over human services policy from the previous year that includes:

(1) the number of licensed family child care provider appeals of correction orders to the Department of Human Services;

(2) the number of correction order appeals by family child care providers that the Department of Human Services grants; and

(3) the number of correction order appeals that the Department of Human Services denies.

**Sec. 7. [245A.1434] INFORMATION FOR CHILD CARE LICENSE HOLDERS.**

The commissioner shall inform family child care and child care center license holders on a timely basis of changes to state and federal statute, rule, regulation, and policy relating to the provision of licensed child care, the child care assistance program under chapter 119B, the quality rating and improvement system under section 124D.142, and child care licensing functions delegated to counties. Communications under this section shall include information to promote license holder compliance with identified changes. Communications under this section may be accomplished by electronic means and shall be made available to the public online."

Page 7, delete lines 26 to 33

Page 8, delete lines 1 to 3

Page 9, lines 6 to 9, delete the new language and strike the old language

Renumber the sections and reletter the paragraphs in sequence

Amend the title numbers accordingly

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

**Senator Ingebrigtsen, for Senator Limmer, from the Committee on Judiciary and Public Safety Finance and Policy, to which was referred**

**S.F. No. 1196:** A bill for an act relating to civil actions; specifying the duty owed by owners of real property to trespassers; proposing coding for new law in Minnesota Statutes, chapter 604A.

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

Page 1, line 6, delete "except in those" and insert "unless"

Page 1, line 7, delete "circumstances where"

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

**Senator Ingebrigtsen, for Senator Limmer, from the Committee on Judiciary and Public Safety Finance and Policy, to which was referred**

**S.F. No. 1598:** A bill for an act relating to family law; adding domestic assault by strangulation to list of crimes impacting custody, parenting plans, and parenting time; amending Minnesota Statutes 2016, sections 518.179, subdivision 2; 631.52, subdivision 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Senator Ingebrigtsen, for Senator Limmer, from the Committee on Judiciary and Public Safety Finance and Policy, to which was referred**

**S.F. No. 1568:** A bill for an act relating to data practices; delaying expiration of the legislative commission on data practices; amending Minnesota Statutes 2016, section 3.8843, subdivision 7.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on State Government Finance and Policy and Elections. Report adopted.

**Senator Chamberlain from the Committee on Taxes, to which was referred**

**S.F. No. 888:** A bill for an act relating to housing; establishing a first-time home buyer savings account program; authorizing establishment of accounts; allowing for income tax subtractions for contributions and earnings on the account; appropriating money; amending Minnesota Statutes 2016, sections 290.0131, by adding a subdivision; 290.0132, by adding a subdivision; 290.06, by adding a subdivision; 290.091, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 462D.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on State Government Finance and Policy and Elections. Report adopted.

**Senator Abeler from the Committee on Human Services Reform Finance and Policy, to which was referred**

**S.F. No. 801:** A bill for an act relating to human services; correcting terminology relating to the Supplemental Nutrition Assistance Program.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Senator Abeler from the Committee on Human Services Reform Finance and Policy, to which was referred**

**S.F. No. 318:** A bill for an act relating to health; authorizing certified paraprofessionals to provide home care services; directing the commissioner of human services to seek federal approval for reimbursement of certified paraprofessionals who provide home care services; directing the commissioner of human services to establish procedure codes for reimbursement of certified paraprofessionals; amending Minnesota Statutes 2016, sections 144A.43, subdivision 3, by adding a subdivision; 144A.471, subdivisions 6, 7; 144A.472, subdivision 2; 144A.4792, subdivision 6; 144A.4795, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. **STUDY AND REPORT ON HOME CARE NURSING WORKFORCE SHORTAGE.**

(a) The commissioner of health shall establish a working group to study and report on the shortage of registered nurses and licensed practical nurses available to provide low-complexity regular home care services to clients in need of such services, especially clients covered by medical assistance, and to provide recommendations for ways to address the workforce shortage. The working group shall consist of at least the following members:

(1) one representative from the Professional Home Care Coalition;

(2) one representative from the Minnesota Home Care Association;

(3) one representative from the Minnesota Board of Nursing;

(4) one representative from the Minnesota Nurses Association;

(5) one representative from the Minnesota Licensed Practical Nurses Association;

(6) one representative from the Minnesota Society of Medical Assistants;

(7) two members of the senate, one appointed by the majority leader and one appointed by the minority leader;

(8) two members of the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader;



(9) one client who receives regular home care nursing services and is covered by medical assistance;

(10) one representative from the Department of Human Services; and

(11) one county public health nurse who is a certified assessor.

(b) The commissioner shall convene the first meeting of the working group no later than August 15, 2017, and shall provide staff support and meeting space for the working group. The Department of Health and the Department of Human Services shall provide technical assistance to the working group including providing data documenting the current and projected workforce shortages in the area of regular home care nursing. The home care and assisted living program advisory council established under Minnesota Statutes, section 144A.4799, shall provide advice and recommendations to the working group. Working group members shall serve without compensation.

(c) The working group shall:

(1) quantify the number of low-complexity regular home care nursing hours that are authorized but not provided to clients covered by medical assistance, due to the shortage of registered nurses and licensed practical nurses available to provide these home care services;

(2) quantify the current and projected workforce shortages of registered nurses and licensed practical nurses available to provide low-complexity regular home care nursing services to clients, especially clients covered by medical assistance;

(3) develop recommendations for actions to take in the next two years to address the regular home care nursing workforce shortage, including identifying other health care professionals who may be able to provide low-complexity regular home care nursing services with additional training; what additional training may be necessary for these health care professionals; and how to address scope of practice and licensing issues;

(4) compile reimbursement rates for regular home care nursing from other states and determine Minnesota's national ranking with respect to reimbursement for regular home care nursing;

(5) determine whether reimbursement rates for regular home care nursing fully reimburse providers for the cost of providing the service and whether the discrepancy, if any, between rates and costs contributes to lack of access to regular home care nursing; and

(6) by January 15, 2018, report on the findings and recommendations of the working group to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance. The working group's report shall include draft legislation.

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

Delete the title and insert:

"A bill for an act relating to health; creating a working group to study home care nursing workforce shortage; requiring a report."

And when so amended the bill do pass and be re-referred to the Committee on State Government Finance and Policy and Elections.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

**Senator Nelson from the Committee on E-12 Finance, to which was re-referred**

**S.F. No. 256:** A bill for an act relating to taxation; income; providing a credit for donations to fund K-12 scholarships; extending the K-12 education credit to tuition; amending Minnesota Statutes 2016, sections 290.0131, by adding a subdivision; 290.0133, by adding a subdivision; 290.0674, subdivision 1, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 290.

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

Page 2, delete section 3

Page 4, line 1, delete everything after "Program"

Page 4, line 2, delete everything before the semicolon

Page 4, line 14, delete everything after "Program" and insert a period

Page 4, after line 14, insert:

"(e) "National School Lunch Program" means the program in United States Code, title 42, section 1758."

Page 4, line 15, delete "(e)" and insert "(f)"

Page 4, line 19, delete "(f)" and insert "(g)"

Page 4, line 22, delete "(g)" and insert "(h)"

Page 4, line 27, delete "(h)" and insert "(i)"

Page 9, line 4, delete "3" and insert "4"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "extending the K-12 education credit to tuition;"

Amend the title numbers accordingly

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

**Senator Nelson from the Committee on E-12 Finance, to which was referred**

**S.F. No. 1252:** A bill for an act relating to education finance; modifying the calculation of referendum equalization levy and aid; amending Minnesota Statutes 2016, section 126C.17, subdivision 6.

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

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

**Senator Ruud from the Committee on Environment and Natural Resources Policy and Legacy Finance, to which was referred**

**S.F. No. 1093:** A bill for an act relating to environment; extending ban on open air swine basins; amending Minnesota Statutes 2016, section 116.0714.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Senator Ruud from the Committee on Environment and Natural Resources Policy and Legacy Finance, to which was referred**

**S.F. No. 844:** A bill for an act relating to environment; providing for certain demolition debris landfill permitting.

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

Delete everything after the enacting clause and insert:

"Section 1. **DEMOLITION DEBRIS LANDFILL PERMITTING.**

A solid waste permit issued by the Pollution Control Agency to an existing class I demolition debris landfill facility that is operating under the Pollution Control Agency Demolition Landfill Guidance, issued August 2005, is extended pursuant to Minnesota Rules, part 7001.0160, for a period of five years, unless a new permit is issued for the facility by the Pollution Control Agency after the effective date of this section.

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

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

**Senator Ruud from the Committee on Environment and Natural Resources Policy and Legacy Finance, to which was referred**

**S.F. No. 1123:** A bill for an act relating to natural resources; modifying timber sales requirements; modifying requirements for outdoor recreation rules; amending Minnesota Statutes 2016, sections 90.01, subdivisions 8, 12, by adding a subdivision; 90.101, subdivision 2; 90.14; 90.145, subdivision 2; 90.201, subdivision 1; Laws 1999, chapter 231, section 204.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2016, section 90.01, is amended by adding a subdivision to read:

Subd. 1a. **Affiliate.** "Affiliate" means a person who:

(1) controls, is controlled by, or is under common control with any other person including, without limitation, a partner, business entity with common ownership, or principal of any business entity or a subsidiary, parent company, or holding company of any person; or

(2) bids as a representative for another person.

Sec. 2. Minnesota Statutes 2016, section 90.01, subdivision 8, is amended to read:

Subd. 8. **Permit holder.** "Permit holder" means the person or affiliate of the person who is the signatory of a permit to cut timber on state lands.

Sec. 3. Minnesota Statutes 2016, section 90.01, subdivision 12, is amended to read:

Subd. 12. **Responsible bidder.** "Responsible bidder" means a person or affiliate of a person who is financially responsible; demonstrates the judgment, skill, ability, capacity, and integrity requisite and necessary to perform according to the terms of a permit issued under this chapter; and is not currently debarred by ~~another~~ a government entity for any cause.

Sec. 4. Minnesota Statutes 2016, section 90.101, subdivision 2, is amended to read:

Subd. 2. **Sale list and notice.** At least 30 days before the date of sale, the commissioner shall compile a list containing a description of each tract of land upon which any timber to be offered is situated and a statement of the estimated quantity of timber and of the appraised price of each kind of timber thereon as shown by the report of the state appraiser. No description shall be added after the list is posted and no timber shall be sold from land not described in the list. Copies of the list ~~shall~~ must be furnished to all interested applicants. At least 30 days before the date of sale, a copy of the list shall must be posted on the Internet or conspicuously posted in the forest office or other public facility most accessible to potential bidders ~~at least 30 days prior to the date of sale.~~ The commissioner shall cause a notice to be published once not less than one week before the date of sale in a legal newspaper in the county or counties where the land is situated. The notice shall state the time and place of the sale and the location at which further information regarding the sale may be obtained. The commissioner may give other published or posted notice as the commissioner deems proper to reach prospective bidders.

Sec. 5. Minnesota Statutes 2016, section 90.14, is amended to read:

#### **90.14 AUCTION SALE PROCEDURE.**

(a) All state timber shall be offered and sold by the same unit of measurement as it was appraised. No tract shall be sold to any person other than the ~~purchaser~~ responsible bidder in whose name the bid was made. The commissioner may refuse to approve any and all bids received and cancel a sale of state timber for good and sufficient reasons.

(b) The purchaser at any sale of timber shall, immediately upon the approval of the bid, or, if unsold at public auction, at the time of purchase at a subsequent sale under section 90.101, subdivision 1, pay to the commissioner a down payment of 15 percent of the appraised value. In case any purchaser fails to make such payment, the purchaser shall be liable therefor to the state in a civil action, and the commissioner may reoffer the timber for sale as though no bid or sale under section 90.101, subdivision 1, therefor had been made.

(c) In lieu of the scaling of state timber required by this chapter, a purchaser of state timber may, at the time of payment by the purchaser to the commissioner of 15 percent of the appraised value, elect in writing on a form prescribed by the attorney general to purchase a permit based solely on the appraiser's estimate of the volume of timber described in the permit, provided that the commissioner has expressly designated the availability of such option for that tract on the list of tracts available for sale as required under section 90.101. A purchaser who elects in writing on a form prescribed by the attorney general to purchase a permit based solely on the appraiser's estimate of the volume of timber described on the permit does not have recourse to the provisions of section 90.281.

(d) In the case of a public auction sale conducted by a sealed bid process, tracts shall be awarded to the high bidder, who shall pay to the commissioner a down payment of 15 percent of the appraised value that must be received or postmarked within 14 days of the date of the sealed bid opening. If a purchaser fails to make the down payment, the purchaser is liable for the down payment to the state and the commissioner may offer the timber for sale to the next highest bidder as though no higher bid had been made.

(e) Except as otherwise provided by law, at the time the purchaser signs a permit issued under section 90.151, the commissioner shall require the purchaser to make a bid guarantee payment to the commissioner in an amount equal to 15 percent of the total purchase price of the permit less the down payment amount required by paragraph (b) for any bid increase in excess of \$10,000 of the appraised value. If a required bid guarantee payment is not submitted with the signed permit, no harvesting may occur, the permit cancels, and the down payment for timber forfeits to the state. The bid guarantee payment forfeits to the state if the purchaser and successors in interest fail to execute an effective permit.

Sec. 6. Minnesota Statutes 2016, section 90.145, subdivision 2, is amended to read:

Subd. 2. **Purchaser registration.** To facilitate the sale of permits issued under section 90.151, the commissioner may establish a registration system to verify the qualifications of a person or affiliate as a responsible bidder to purchase a timber permit. Any system implemented by the commissioner shall be limited in scope to only that information that is required for the efficient administration of the purchaser qualification requirements of this chapter. The registration system established under this subdivision is not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply."

Amend the title as follows:

Page 1, line 2, delete the second "modifying"

Page 1, line 3, delete everything before "amending"

Amend the title numbers accordingly

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

**Senator Ruud from the Committee on Environment and Natural Resources Policy and Legacy Finance, to which was referred**

**S.F. No. 1290:** A bill for an act relating to water; modifying groundwater appropriation permit requirements; modifying well interference claim requirements; amending Minnesota Statutes 2016, sections 103G.223; 103G.271, subdivision 7, by adding a subdivision; 103G.287, subdivisions 1, 4; 103G.289.

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

Page 4, after line 25, insert:

"Sec. 7. **WATER USE PERMIT AND DATA COLLECTION; APPROPRIATION.**

(a) Notwithstanding Minnesota Statutes, sections 84.0895 and 103G.223, or other law to the contrary, the commissioner of natural resources must issue, upon application, a water use permit for calcareous fens located in the South Half of Section 28, Township 106 North, Range 44 West, Pipestone County. The permittee must agree to the following permit conditions:

(1) the permit is for a term of 15 years, but may be revoked after five years if paragraph (b) applies;

(2) water use under the permit is limited to irrigation of agricultural crops at a rate of no more than 800 gallons per minute in accordance with an irrigation plan submitted with the water use permit application;

(3) the permittee must pay for the irrigation system installed during the term of the permit; and

(4) installation of the irrigation system must minimize disturbance to the existing plant community in the calcareous fens. The commissioner must provide technical advice for installation of the irrigation system.

(b) If, at any time after five years of water use, the commissioner determines the drawdown of water from the fens endangers the continued sustainability of the calcareous fens, the commissioner may revoke the permit. If the commissioner revokes the permit before the permit's expiration date, the permittee must be reimbursed for the cost of the irrigation system, prorated over the full 15-year term of the original permit.

(c) The commissioner must monitor the calcareous fens to collect data on the effects of water use from the fens for the duration of the permit. If the commissioner concludes that, based on collected data, the calcareous fens remain viable after 15 years of water use, the commissioner must renew the water use permit for an additional 15 years, free of the condition imposed under paragraph (a), clause (1).

(d) \$..... in fiscal year 2017 is appropriated from the natural resources fund to the commissioner of natural resources to provide technical assistance and collect data according to this section."

Amend the title accordingly

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

**Senator Ruud from the Committee on Environment and Natural Resources Policy and Legacy Finance, to which was referred**

**S.F. No. 1374:** A bill for an act relating to natural resources; modifying enforcement and penalty provisions; providing criminal penalties; amending Minnesota Statutes 2016, sections 97A.201, subdivision 2, by adding a subdivision; 97A.301, subdivision 1; 97A.338; 97A.420, subdivision 1; 97A.421, subdivision 2a.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2016, section 97A.055, subdivision 2, is amended to read:

Subd. 2. **Receipts.** The commissioner of management and budget shall credit to the game and fish fund all money received under the game and fish laws and all income from state lands acquired by purchase or gift for game or fish purposes, including receipts from:

(1) licenses and permits issued;

(2) fines and forfeited bail;

(3) sales of contraband, wild animals, and other property under the control of the division, except as provided in section 97A.225, subdivision 8, clause (2);

(4) fees from advanced education courses for hunters and trappers;

(5) reimbursements of expenditures by the division;

(6) contributions to the division; and

(7) revenue credited to the game and fish fund under section 297A.94, paragraph (e), clause (1).

Sec. 2. Minnesota Statutes 2016, section 97A.201, subdivision 2, is amended to read:

Subd. 2. **Duty of ~~county attorneys and~~ peace officers.** ~~County attorneys and~~ All peace officers must enforce the game and fish laws.

Sec. 3. Minnesota Statutes 2016, section 97A.201, is amended by adding a subdivision to read:

Subd. 3. **Prosecuting authority.** County attorneys are the primary prosecuting authority for violations under section 97A.205, clause (5). Prosecution under paragraph (a) includes associated civil forfeiture actions provided by law.

Sec. 4. Minnesota Statutes 2016, section 97A.225, subdivision 8, is amended to read:

Subd. 8. **Proceeds of sale.** ~~After determining the expense~~ The proceeds from the sale after payment of the costs of seizing, towing, keeping, and selling the property, the commissioner must pay the and satisfaction of valid liens from the proceeds according to the court order. The remaining proceeds against the property, must be distributed as follows:

(1) 70 percent of the money or proceeds shall be deposited in the state treasury and credited to the game and fish fund; and

(2) 30 percent of the money or proceeds is considered a cost of forfeiting the property and must be forwarded to the prosecuting authority that handled the forfeiture for deposit as a supplement to its operating fund or similar fund for prosecutorial purposes.

Sec. 5. Minnesota Statutes 2016, section 97A.301, subdivision 1, is amended to read:

Subdivision 1. **Misdemeanor.** Unless a different penalty is prescribed, a person is guilty of a misdemeanor if that person:

(1) ~~takes, buys, sells, transports or possesses a wild animal in violation of~~ violates the game and fish laws;

(2) aids or assists in committing the violation;

(3) knowingly shares in the proceeds of the violation;

(4) fails to perform a duty or comply with a requirement of the game and fish laws;

(5) knowingly makes a false statement related to an affidavit regarding a violation or requirement of the game and fish laws; or

(6) violates or attempts to violate a rule under the game and fish laws.

Sec. 6. Minnesota Statutes 2016, section 97A.338, is amended to read:

**97A.338 GROSS OVERLIMITS OF WILD ANIMALS; PENALTY.**

(a) A person who takes, possesses, or transports wild animals over the legal limit, in closed season, or without a valid license, when the restitution value of the wild animals is over \$1,000 is guilty of a gross overlimit violation. Except as provided in paragraph (b), a violation under this section paragraph is a gross misdemeanor.

(b) If a wild animal involved in a gross overlimit violation is listed as a threatened or endangered wild animal, the penalty in paragraph (a) does not apply unless more than one animal is taken, possessed, or transported in violation of the game and fish laws.

Sec. 7. Minnesota Statutes 2016, section 97A.420, subdivision 1, is amended to read:

Subdivision 1. **Seizure.** (a) An enforcement officer shall immediately seize the license of a person who unlawfully takes, transports, or possesses wild animals when the restitution value of the wild animals exceeds \$500. Except as provided in subdivisions 2, 4, and 5, the person may not use or obtain any license to take the same type of wild animals involved, including a duplicate



license, until an action is taken under subdivision 6. If the license seized under this paragraph was for a big game animal, the license seizure applies to all licenses to take big game issued to the individual. If the license seized under this paragraph was for small game animals, the license seizure applies to all licenses to take small game issued to the individual.

(b) In addition to the license seizure under paragraph (a), if the restitution value of the wild animals unlawfully taken, possessed, or transported is ~~\$5,000~~ \$1,000 or more, all other game and fish licenses held by the person shall be immediately seized. Except as provided in subdivision 2, 4, or 5, the person may not obtain any game or fish license or permit, including a duplicate license, until an action is taken under subdivision 6.

(c) A person may not take wild animals covered by a license seized under this subdivision until an action is taken under subdivision 6.

Sec. 8. Minnesota Statutes 2016, section 97A.421, subdivision 2a, is amended to read:

Subd. 2a. **Issuance after conviction; gross overlimits.** (a) A person may not obtain a license to take a wild animal and is prohibited from taking wild animals for ten years after the date of conviction of a violation when the restitution value of the wild animals is \$2,000 or more.

(b) A person may not obtain a license to take a wild animal and is prohibited from taking wild animals for ~~a period of~~ five years after the date of conviction of:

(1) a violation when the restitution value of the wild animals is ~~\$5,000~~ \$1,000 or more, but less than \$2,000; or

(2) a violation when the restitution value of the wild animals exceeds \$500 and the violation occurs within ten years of one or more previous license revocations under this subdivision.

~~(b)~~ (c) A person may not obtain a license to take the type of wild animals involved in a violation when the restitution value of the wild animals exceeds \$500 and is prohibited from taking the type of wild animals involved in the violation for ~~a period of~~ three years after the date of conviction of a violation.

~~(c)~~ (d) The time period of multiple revocations under paragraph (a) or (b), clause (2), ~~shall be~~ are consecutive and no wild animals of any kind may be taken during the entire revocation period.

(e) If a wild animal involved in the conviction is listed as a threatened or endangered wild animal, the revocations under this subdivision do not apply unless more than one animal is taken, possessed, or transported in violation of the game and fish laws.

~~(d)~~ (f) The court may not stay or reduce the imposition of license revocation provisions under this subdivision."

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Judiciary and Public Safety Finance and Policy. Amendments adopted. Report adopted.

**Senator Ruud from the Committee on Environment and Natural Resources Policy and Legacy Finance, to which was referred**

**S.F. No. 1695:** A bill for an act relating to natural resources; modifying off-highway motorcycle education and training program; modifying provisions of Minnesota Naturalist Corps; modifying invasive species provisions; modifying requirements for designating forest trails; modifying state water trail provisions; modifying water safety requirements; modifying grant, contract, and lease provisions; modifying provisions to take, possess, and transport wildlife; modifying commissioner's duties and authority; requiring rulemaking; amending Minnesota Statutes 2016, sections 84.01, by adding a subdivision; 84.791, subdivisions 1, 2; 84.946, subdivision 2, by adding a subdivision; 84.992, subdivisions 3, 4, 5, 6; 84D.03, subdivisions 3, 4; 84D.04, subdivision 1; 84D.05, subdivision 1; 84D.11, by adding a subdivision; 85.32, subdivision 1; 86B.105; 86B.313, subdivision 1; 86B.501, subdivision 3; 86B.511; 88.523; 89.19, subdivision 2; 89.39; 90.041, subdivision 2; 90.051; 90.14; 90.151, subdivision 1; 90.162; 90.252; 94.343, subdivision 9; 94.344, subdivision 9; 97A.015, subdivisions 39, 43, 45, 52, 53; 97A.045, subdivision 10; 97A.475, subdivision 42; 97B.655, subdivision 1; 97C.601, subdivisions 2, 5; 97C.701, by adding a subdivision; 103G.411; 160.06; proposing coding for new law in Minnesota Statutes, chapter 97A; repealing Minnesota Statutes 2016, sections 84.025, subdivision 10; 84.026, subdivision 3; 85.012, subdivision 27b; 86B.313, subdivisions 2, 3; 97C.601, subdivision 3; 97C.701, subdivisions 1a, 6; 97C.705; 97C.711; Minnesota Rules, parts 6256.0200; 6258.0100; 6258.0200; 6258.0300; 6258.0400; 6258.0500; 6258.0600; 6258.0700, subparts 1, 4, 5; 6258.0800; 6258.0900.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2016, section 84.01, is amended by adding a subdivision to read:

Subd. 6. **Legal counsel.** The commissioner may appoint attorneys or outside counsel to render title opinions, represent the department in severed mineral interest forfeiture actions brought pursuant to section 93.55, and, notwithstanding any statute to the contrary, represent the state in quiet title or title registration actions affecting land or interests in land administered by the commissioner of natural resources.

Sec. 2. Minnesota Statutes 2016, section 84.788, subdivision 2, is amended to read:

Subd. 2. **Exemptions.** Registration is not required for off-highway motorcycles:

(1) owned and used by the United States, an Indian tribal government, the state, another state, or a political subdivision;

(2) registered in another state or country that have not been within this state for more than 30 consecutive days;

(3) registered under chapter 168, when operated on forest roads to gain access to a state forest campground;

(4) used exclusively in organized track racing events;

(5) operated on state or grant-in-aid trails by a nonresident possessing a nonresident off-highway motorcycle state trail pass; ~~or~~

(6) operated by a person participating in an event for which the commissioner has issued a special use permit; or

(7) operated on boundary trails and registered in another state or country providing equal reciprocal registration or licensing exemptions for registrants of this state.

Sec. 3. Minnesota Statutes 2016, section 84.791, subdivision 1, is amended to read:

Subdivision 1. **Program established; when required.** (a) The commissioner shall establish a comprehensive off-highway motorcycle environment and safety education and training program; ~~including the preparation and dissemination of~~ that includes preparing and disseminating vehicle information and safety advice to the public, ~~the training of~~ off-highway motorcycle operators, and ~~the issuance of~~ issuing off-highway motorcycle safety certificates to operators ~~under the age of 16~~ 12 to 15 years of age who successfully complete the off-highway motorcycle environment and safety education and training courses.

(b) An individual who is convicted of violating a law related to the operation of an off-highway motorcycle must successfully complete the environment and safety education and training program established under paragraph (a) before continuing operation of an off-highway motorcycle.

Sec. 4. Minnesota Statutes 2016, section 84.8031, is amended to read:

#### **84.8031 GRANT-IN-AID APPLICATIONS; REVIEW PERIOD.**

The commissioner must review an off-road vehicle grant-in-aid application and, if approved, ~~commence~~ begin public review of the application within 60 days after the completed application has been locally approved and submitted to an area parks and trails office. If the commissioner fails to approve or deny the application within 60 days after submission, the application is deemed approved and the commissioner must provide for a 30-day public review period. If the commissioner denies an application, the commissioner must provide the applicant with a written explanation for denying the application at the time the applicant is notified of the denial.

Sec. 5. Minnesota Statutes 2016, section 84.946, subdivision 2, is amended to read:

Subd. 2. **Standards.** (a) An appropriation for asset preservation may be used only for a capital expenditure on a capital asset previously owned by the state, within the meaning of generally accepted accounting principles as applied to public expenditures. The commissioner of natural resources will consult with the commissioner of management and budget to the extent necessary to ensure this and will furnish the commissioner of management and budget a list of projects to be financed from the account in order of their priority. The legislature assumes that many projects for preservation and replacement of portions of existing capital assets will constitute betterments and capital improvements within the meaning of the Constitution and capital expenditures under generally accepted accounting principles, and will be financed more efficiently and economically under this section than by direct appropriations for specific projects.

(b) An appropriation for asset preservation must not be used to acquire land or to acquire or construct buildings or other facilities.

(c) Capital budget expenditures for natural resource asset preservation and replacement projects must be for one or more of the following types of capital projects that support the existing programmatic mission of the department: code compliance including health and safety, Americans with Disabilities Act requirements, hazardous material abatement, access improvement, or air quality improvement; building energy efficiency improvements using current best practices; building or infrastructure repairs necessary to preserve the interior and exterior of existing buildings; projects to remove life safety hazards such as building code violations or structural defects; or renovation of other existing improvements to land, including but not limited to trails and bridges.

(d) Up to ten percent of an appropriation awarded under this section may be used for design costs for projects eligible to be funded from this account in anticipation of future funding from the account.

Sec. 6. Minnesota Statutes 2016, section 84.946, is amended by adding a subdivision to read:

**Subd. 4. Priorities; report.** The commissioner of natural resources must establish priorities for natural resource asset preservation and replacement projects. By January 15 each year, the commissioner must submit to the commissioner of management and budget a list of the projects that have been paid for with money from a natural resource asset preservation and replacement appropriation during the preceding calendar year.

Sec. 7. Minnesota Statutes 2016, section 84.992, subdivision 3, is amended to read:

**Subd. 3. Training and mentoring.** The commissioner must develop and implement a training program that adequately prepares Minnesota Naturalist Corps members for the tasks assigned. Each corps member ~~shall be~~ is assigned a state park an interpretive naturalist as a mentor.

Sec. 8. Minnesota Statutes 2016, section 84.992, subdivision 4, is amended to read:

**Subd. 4. Uniform patch pin.** Uniforms worn by members of the Minnesota Naturalist Corps must have a ~~patch pin~~ pin that includes the name of the Minnesota Naturalist Corps and information that the program is funded by the clean water, land, and legacy amendment to the Minnesota Constitution adopted by the voters in November 2008.

Sec. 9. Minnesota Statutes 2016, section 84.992, subdivision 5, is amended to read:

**Subd. 5. Eligibility.** A person is eligible to enroll in the Minnesota Naturalist Corps if the person:

(1) is a permanent resident of the state;

(2) is a participant in an approved college internship program ~~or has a postsecondary degree in a field related to~~ natural resource resources, cultural history, interpretation, or conservation related ~~field~~; and

(3) has completed at least one year of postsecondary education.

Sec. 10. Minnesota Statutes 2016, section 84.992, subdivision 6, is amended to read:

Subd. 6. **Corps member status.** Minnesota Naturalist Corps members are not eligible for unemployment benefits ~~if their services are excluded under section 268.035, subdivision 20,~~ and are not eligible for other benefits except workers' compensation. The corps members are not employees of the state within the meaning of section 43A.02, subdivision 21.

Sec. 11. Minnesota Statutes 2016, section 84D.03, subdivision 3, is amended to read:

Subd. 3. **Bait harvest from infested waters.** (a) Taking wild animals from infested waters for bait or aquatic farm purposes is prohibited, except as provided in paragraph (b), (c), or (d), and section 97C.341.

(b) In waters that are listed as infested waters, except those listed as infested with prohibited invasive species of fish or certifiable diseases of fish, as defined under section 17.4982, subdivision 6, taking wild animals may be permitted for:

(1) commercial taking of wild animals for bait and aquatic farm purposes as provided in a permit issued under section 84D.11, subject to rules adopted by the commissioner; and

(2) bait purposes for noncommercial personal use in waters that contain Eurasian watermilfoil, when the infested waters are listed solely because they contain Eurasian watermilfoil and if the equipment for taking is limited to cylindrical minnow traps not exceeding 16 inches in diameter and 32 inches in length.

(c) In streams or rivers that are listed as infested waters, except those listed as infested with certifiable diseases of fish, as defined under section 17.4982, subdivision 6, the harvest of bullheads, goldeyes, mooneyes, sheepshead (freshwater drum), and suckers for bait by hook and line for noncommercial personal use is allowed as follows:

(1) fish taken under this paragraph must be used on the same body of water where caught and while still on that water body. Where the river or stream is divided by barriers such as dams, the fish must be caught and used on the same section of the river or stream;

(2) fish taken under this paragraph may not be transported live from or off the water body;

(3) fish harvested under this paragraph may only be used in accordance with this section;

(4) any other use of wild animals used for bait from infested waters is prohibited;

(5) fish taken under this paragraph must meet all other size restrictions and requirements as established in rules; and

(6) all species listed under this paragraph shall be included in the person's daily limit as established in rules, if applicable.

(d) In the Mississippi River downstream of St. Anthony Falls and the St. Croix River downstream of the dam at Taylors Falls, including portions described as Minnesota-Wisconsin boundary waters in Minnesota Rules, part 6266.0500, subpart 1, items A and B, the harvest of gizzard shad by cast net for noncommercial personal use as bait for angling, as provided in a permit issued under section 84D.11, is allowed as follows:

(1) nontarget species must immediately be returned to the water;

(2) gizzard shad taken under this paragraph must be used on the same body of water where caught and while still on that water body. Where the river is divided by barriers such as dams, the gizzard shad must be caught and used on the same section of the river;

(3) gizzard shad taken under this paragraph may not be transported off the water body; and

(4) gizzard shad harvested under this paragraph may only be used in accordance with this section.

This paragraph expires December 1, 2017.

(e) Equipment authorized for minnow harvest in a listed infested water by permit issued under paragraph (b) may not be transported to, or used in, any waters other than waters specified in the permit.

(f) Bait intended for sale may not be held in infested water after taking and before sale, unless authorized under a license or permit according to Minnesota Rules, part 6216.0500.

Sec. 12. Minnesota Statutes 2016, section 84D.03, subdivision 4, is amended to read:

Subd. 4. **Commercial fishing and turtle, frog, and crayfish harvesting restrictions in infested and noninfested waters.** (a) All nets, traps, buoys, anchors, stakes, and lines used for commercial fishing or turtle, frog, or crayfish harvesting in an infested water that is listed because it contains invasive fish, invertebrates, or certifiable diseases, as defined in section 17.4982, ~~may not be used in any other waters. If a commercial licensee operates in an infested water listed because it contains invasive fish, invertebrates, or certifiable diseases, as defined in section 17.4982, all nets, traps, buoys, anchors, stakes, and lines used for commercial fishing or turtle, frog, or crayfish harvesting in waters listed as infested with invasive fish, invertebrates, or certifiable diseases, as defined in section 17.4982,~~ must be tagged with tags provided by the commissioner, as specified in the commercial licensee's license or permit. Tagged gear must not be used in any water bodies other than those specified in the license or permit. The permit may authorize department staff to remove tags after the gear is decontaminated. This tagging requirement does not apply to commercial fishing equipment used in Lake Superior.

(b) All nets, traps, buoys, anchors, stakes, and lines used for commercial fishing or turtle, frog, or crayfish harvesting in an infested water that is listed solely because it contains Eurasian watermilfoil must be dried for a minimum of ten days or frozen for a minimum of two days before they are used in any other waters, except as provided in this paragraph. Commercial licensees must notify the department's regional or area fisheries office or a conservation officer before removing nets or equipment from an infested water listed solely because it contains Eurasian watermilfoil and before resetting those nets or equipment in any other waters. Upon notification, the commissioner may authorize a commercial licensee to move nets or equipment to another water without freezing or drying, if that water is listed as infested solely because it contains Eurasian watermilfoil.

(c) A commercial licensee must remove all aquatic macrophytes from nets and other equipment before placing the equipment into waters of the state.

(d) The commissioner shall provide a commercial licensee with a current listing of listed infested waters at the time that a license or permit is issued.

Sec. 13. Minnesota Statutes 2016, section 84D.04, subdivision 1, is amended to read:

Subdivision 1. **Classes.** The commissioner shall, as provided in this chapter, classify nonnative species of aquatic plants and wild animals, including subspecies, genotypes, cultivars, hybrids, or genera of nonnative species, according to the following categories:

(1) prohibited invasive species, which may not be possessed, imported, purchased, sold, propagated, transported, or introduced except as provided in section 84D.05;

(2) regulated invasive species, which may not be introduced except as provided in section 84D.07;

(3) unlisted nonnative species, which are subject to the classification procedure in section 84D.06; and

(4) unregulated nonnative species, which are not subject to regulation under this chapter.

Sec. 14. Minnesota Statutes 2016, section 84D.05, subdivision 1, is amended to read:

Subdivision 1. **Prohibited activities.** A person may not possess, import, purchase, sell, propagate, transport, or introduce a prohibited invasive species, except:

(1) under a permit issued by the commissioner under section 84D.11;

(2) in the case of purple loosestrife, as provided by sections 18.75 to 18.88;

(3) under a restricted species permit issued under section 17.457;

(4) when being transported to the department, or another destination as the commissioner may direct, in a sealed container for purposes of identifying the species or reporting the presence of the species;

(5) when being transported for disposal as part of a harvest or control activity when specifically authorized under a permit issued by the commissioner according to section 103G.615, when being transported for disposal as specified under a commercial fishing license issued by the commissioner according to section 97A.418, 97C.801, 97C.811, 97C.825, 97C.831, or 97C.835, or when being transported as specified by the commissioner;

(6) when being removed from watercraft and equipment, or caught while angling, and immediately returned to the water from which they came; ~~or~~

(7) when being transported from riparian property to a legal disposal site that is at least 100 feet from any surface water, ditch, or seasonally flooded land, provided the prohibited invasive species are in a covered commercial vehicle specifically designed and used for hauling trash; or

~~(7)~~ (8) as the commissioner may otherwise prescribe by rule.

Sec. 15. Minnesota Statutes 2016, section 84D.108, subdivision 2a, is amended to read:

Subd. 2a. **Lake Minnetonka pilot study.** (a) The commissioner may issue an additional permit to service providers to return to Lake Minnetonka water-related equipment with zebra mussels attached after the equipment has been seasonally stored, serviced, or repaired. The permit must include verification and documentation requirements and any other conditions the commissioner deems necessary.

(b) Water-related equipment with zebra mussels attached may be returned only to Lake Minnetonka (DNR Division of Waters number 27-0133) by service providers permitted under subdivision 1.

(c) The service provider's place of business must be within the Lake Minnetonka Conservation District as established according to sections 103B.601 to 103B.645, or within a municipality immediately bordering the Lake Minnetonka Conservation District's boundaries.

(d) A service provider applying for a permit under this subdivision must, if approved for a permit and before the permit is valid, furnish a corporate surety bond in favor of the state for \$50,000 payable upon violation of this chapter while the service provider is acting under a permit issued according to this subdivision.

(e) This subdivision expires December 1, ~~2018~~ 2019.

Sec. 16. Minnesota Statutes 2016, section 84D.108, is amended by adding a subdivision to read:

Subd. 2b. **Gull Lake pilot study.** (a) The commissioner may include an additional targeted pilot study to include water-related equipment with zebra mussels attached for the Gull Narrows State Water Access Site, Government Point State Water Access Site, and Gull East State Water Access Site on Gull Lake (DNR Division of Waters number 11-0305) in Cass and Crow Wing Counties utilizing the same authorities, general procedures, and requirements provided for the Lake Minnetonka pilot project in subdivision 2a. Lake service providers participating in the Gull Lake targeted pilot study place of business must be located within Cass or Crow Wing County.

(b) If an additional targeted pilot project for Gull Lake is implemented under this section, the report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over natural resources required under Laws 2016, chapter 189, article 3, section 48, shall also include the Gull Lake targeted pilot study recommendations and assessments.

(c) This subdivision expires December 1, 2019.

Sec. 17. Minnesota Statutes 2016, section 84D.11, is amended by adding a subdivision to read:

Subd. 1a. **Permit for invasive carp.** The commissioner may issue a permit to departmental divisions for tagging bighead, black, grass, or silver carp for research or control. Under the permit, the carp may be released into the water body from which the carp was captured. This subdivision expires December 31, 2021.

Sec. 18. Minnesota Statutes 2016, section 85.32, subdivision 1, is amended to read:



Subdivision 1. ~~Areas marked~~ **Designation.** The commissioner of natural resources is authorized in cooperation with local units of government and private individuals and groups when feasible to ~~mark~~ manage state water trails on the Lake Superior water trail under section 85.0155 and on the following rivers, which have historic, recreational, and scenic values: Little Fork, Big Fork, Minnesota, St. Croix, Snake, Mississippi, Red Lake, Cannon, Straight, Des Moines, Crow Wing, St. Louis, Pine, Rum, Kettle, Cloquet, Root, Zumbro, Pomme de Terre within Swift County, Watonwan, Cottonwood, Whitewater, Chippewa from Benson in Swift County to Montevideo in Chippewa County, Long Prairie, Red River of the North, Sauk, Otter Tail, Redwood, Blue Earth, Cedar, Shell Rock, ~~and Vermilion in St. Louis County, North Fork of the Crow, and South Fork of the Crow Rivers, which have historic and scenic values, and to mark appropriately.~~ The commissioner may map and sign points of interest, public water access sites, portages, camp sites, and ~~all~~ dams, rapids, waterfalls, ~~whirlpools~~, and other serious hazards that are dangerous to canoe, kayak, and watercraft travelers. The commissioner may maintain passageway for watercraft on state water trails.

Sec. 19. Minnesota Statutes 2016, section 86B.313, subdivision 1, is amended to read:

Subdivision 1. **General requirements.** (a) In addition to requirements of other laws relating to watercraft, a person may not operate or permit the operation of a personal watercraft:

(1) without each person on board the personal watercraft wearing a ~~United States Coast Guard (USCG) approved~~ wearable personal flotation device ~~with a~~ that is approved by the United States Coast Guard (USCG) and has a USCG label indicating it the flotation device either is approved for or does not prohibit use with personal watercraft ~~or water skiing~~;

(2) between one hour before sunset and 9:30 a.m.;

(3) at greater than slow-no wake speed within 150 feet of:

(i) a shoreline;

(ii) a dock;

(iii) a swimmer;

(iv) a raft used for swimming or diving; or

(v) a moored, anchored, or nonmotorized watercraft;

(4) while towing a person on water skis, a kneeboard, an inflatable craft, or any other device unless:

(i) an observer is on board; or

(ii) the personal watercraft is equipped with factory-installed or factory-specified accessory mirrors that give the operator a wide field of vision to the rear;

(5) without the lanyard-type engine cutoff switch being attached to the person, clothing, or personal flotation device of the operator, if the personal watercraft is equipped by the manufacturer with such a device;

(6) if any part of the spring-loaded throttle mechanism has been removed, altered, or tampered with so as to interfere with the return-to-idle system;

(7) to chase or harass wildlife;

(8) through emergent or floating vegetation at other than a slow-no wake speed;

(9) in a manner that unreasonably or unnecessarily endangers life, limb, or property, including weaving through congested watercraft traffic, jumping the wake of another watercraft within 150 feet of the other watercraft, or operating the watercraft while facing backwards;

(10) in any other manner that is not reasonable and prudent; or

(11) without a personal watercraft rules decal, issued by the commissioner, attached to the personal watercraft so as to be in full view of the operator.

(b) Paragraph (a), clause (3), does not apply to a person operating a personal watercraft to launch or land a person on water skis, a kneeboard, or similar device by the most direct route to open water.

Sec. 20. Minnesota Statutes 2016, section 86B.511, is amended to read:

**86B.511 LIGHTS.**

Subdivision 1. **Navigation lights.** Except as provided in section 169.541, a watercraft using the waters of this state, when underway or in use between sunset and sunrise, must carry and display the navigation lights prescribed by the commissioner for the watercraft.

Subd. 2. **Other lights.** (a) No person may operate a watercraft with lights that are not navigation lights required under subdivision 1, that are visible on the exterior of the watercraft, and that:

(1) interfere with the visibility of navigation lights; or

(2) are red, green, or blue.

(b) Notwithstanding paragraph (a), watercraft operated for government-sanctioned public safety activities may display an alternately flashing red and yellow light signal for identification. The lights must not interfere with the visibility of the navigation lights. No special privilege is granted. Operators must not presume that the light or exigency gives them precedence or right-of-way.

(c) Notwithstanding paragraph (a), law enforcement may operate watercraft with lights that are flashing blue when engaged in law enforcement activities. The lights must not interfere with the visibility of the navigation lights.

(d) A first violation of this subdivision shall not result in a penalty, but is punishable only by a safety warning. A second or subsequent violation is a petty misdemeanor.

Sec. 21. Minnesota Statutes 2016, section 88.523, is amended to read:

**88.523 AUXILIARY FOREST CONTRACTS; SUPPLEMENTAL AGREEMENTS.**

Upon application of the owner, any auxiliary forest contract may be made subject to any provisions of law enacted subsequent to the execution of the contract and in force at the time of application, so far as not already applicable, with the approval of the county board and the commissioner of natural resources. A supplemental agreement in a ~~form~~ format prescribed by the commissioner ~~and approved by the attorney general~~ must be executed by the commissioner in behalf of the state and by the owner. The supplemental agreement must be filed and recorded in like manner as the supplemental contract under section 88.49, subdivision 9, and takes effect upon filing and recording.

Sec. 22. Minnesota Statutes 2016, section 89.39, is amended to read:

### **89.39 PURCHASE AGREEMENTS AND PENALTIES.**

Every individual, partnership, or private corporation to whom any planting stock is supplied for planting on private land ~~hereunder shall~~ under sections 89.35 to 89.39 must execute an agreement, ~~upon a form in a format approved by the attorney general commissioner,~~ to comply with ~~all~~ the requirements of sections 89.35 to 89.39 and ~~all~~ conditions prescribed by the commissioner ~~hereunder thereunder~~. Any party to such an agreement who ~~shall violate any provision thereof shall,~~ violates the agreement is, in addition to any other penalties that may be applicable, ~~be~~ liable to the state in a sum equal to three times the reasonable value of the trees affected by the violation at the time the ~~same~~ same trees were shipped for planting; provided, that if ~~such~~ the trees are sold or offered for sale for any purpose not ~~herein~~ authorized, ~~such~~ under sections 89.35 to 89.39, the penalty ~~shall be~~ is equal to three times the sale price. ~~Such~~ The penalties ~~shall be~~ are recoverable in a civil action brought in the name of the state by the attorney general.

Sec. 23. Minnesota Statutes 2016, section 90.041, subdivision 2, is amended to read:

Subd. 2. **Trespass on state lands.** The commissioner may compromise and settle, ~~with notification to the attorney general,~~ upon terms the commissioner deems just, any claim of the state for casual and involuntary trespass upon state lands or timber; provided that no claim shall be settled for less than the full value of all timber or other materials taken in casual trespass or the full amount of all actual damage or loss suffered by the state as a result. Upon request, the commissioner shall advise the Executive Council of any information acquired by the commissioner concerning any trespass on state lands, giving all details and names of witnesses and all compromises and settlements made under this subdivision.

Sec. 24. Minnesota Statutes 2016, section 90.051, is amended to read:

### **90.051 SUPERVISION OF SALES; BOND.**

The department employee delegated to supervise state timber appraisals and sales shall be bonded in a form to be prescribed by the ~~attorney general commissioner~~ and in the sum of not less than \$25,000, conditioned upon the faithful and honest performance of duties.

Sec. 25. Minnesota Statutes 2016, section 90.14, is amended to read:

### **90.14 AUCTION SALE PROCEDURE.**

(a) All state timber shall be offered and sold by the same unit of measurement as it was appraised. No tract shall be sold to any person other than the purchaser in whose name the bid was made. The commissioner may refuse to approve any and all bids received and cancel a sale of state timber for good and sufficient reasons.

(b) The purchaser at any sale of timber shall, immediately upon the approval of the bid, or, if unsold at public auction, at the time of purchase at a subsequent sale under section 90.101, subdivision 1, pay to the commissioner a down payment of 15 percent of the appraised value. In case any purchaser fails to make such payment, the purchaser shall be liable therefor to the state in a civil action, and the commissioner may reoffer the timber for sale as though no bid or sale under section 90.101, subdivision 1, therefor had been made.

(c) In lieu of the scaling of state timber required by this chapter, a purchaser of state timber may, at the time of payment by the purchaser to the commissioner of 15 percent of the appraised value, elect in ~~writing on a form~~ format prescribed by the ~~attorney general~~ commissioner to purchase a permit based solely on the appraiser's estimate of the volume of timber described in the permit, provided that the commissioner has expressly designated the availability of such option for that tract on the list of tracts available for sale as required under section 90.101. A purchaser who elects in ~~writing on a form~~ format prescribed by the ~~attorney general~~ commissioner to purchase a permit based solely on the appraiser's estimate of the volume of timber described on the permit does not have recourse to the provisions of section 90.281.

(d) In the case of a public auction sale conducted by a sealed bid process, tracts shall be awarded to the high bidder, who shall pay to the commissioner a down payment of 15 percent of the appraised value that must be received or postmarked within 14 days of the date of the sealed bid opening. If a purchaser fails to make the down payment, the purchaser is liable for the down payment to the state and the commissioner may offer the timber for sale to the next highest bidder as though no higher bid had been made.

(e) Except as otherwise provided by law, at the time the purchaser signs a permit issued under section 90.151, the commissioner shall require the purchaser to make a bid guarantee payment to the commissioner in an amount equal to 15 percent of the total purchase price of the permit less the down payment amount required by paragraph (b) for any bid increase in excess of \$10,000 of the appraised value. If a required bid guarantee payment is not submitted with the signed permit, no harvesting may occur, the permit cancels, and the down payment for timber forfeits to the state. The bid guarantee payment forfeits to the state if the purchaser and successors in interest fail to execute an effective permit.

Sec. 26. Minnesota Statutes 2016, section 90.151, subdivision 1, is amended to read:

Subdivision 1. **Issuance; expiration.** (a) Following receipt of the down payment for state timber required under section 90.14 or 90.191, the commissioner shall issue a numbered permit to the purchaser, in a ~~form~~ format approved by the ~~attorney general~~ commissioner, by the terms of which the purchaser ~~shall be~~ is authorized to enter upon the land; and to cut and remove the timber ~~therein~~ described in the permit as designated for cutting in the report of the state appraiser, according to the provisions of this chapter. The permit ~~shall~~ must be correctly dated and executed by the commissioner and signed by the purchaser. If a permit is not signed by the purchaser within 45 days from the date of purchase, the permit cancels and the down payment for timber required under section 90.14

forfeits to the state. The commissioner may grant an additional period for the purchaser to sign the permit, not to exceed ten business days, provided the purchaser pays a \$200 penalty fee.

(b) The permit ~~shall expire~~ expires no later than five years after the date of sale as the commissioner shall specify or as specified under section 90.191, and the timber ~~shall must~~ be cut and removed within the time specified ~~therein~~. If additional time is needed, the permit holder must request, ~~prior to~~ before the expiration date, and may be granted, for good and sufficient reasons, up to 90 additional days for the completion of skidding, hauling, and removing all equipment and buildings. All cut timber, equipment, and buildings not removed from the land after expiration of the permit becomes the property of the state.

(c) The commissioner may grant ~~an~~ additional ~~period of~~ time not to exceed 240 days for ~~the removal of~~ removing cut timber, equipment, and buildings upon receipt of a written request by the permit holder for good and sufficient reasons. The permit holder may combine in the written request under this paragraph the request for additional time under paragraph (b).

Sec. 27. Minnesota Statutes 2016, section 90.162, is amended to read:

#### **90.162 SECURING TIMBER PERMITS WITH CUTTING BLOCKS.**

In lieu of the security deposit equal to the value of all timber covered by the permit required by section 90.161, a purchaser of state timber may elect in ~~writing on a form~~ format prescribed by the ~~attorney general~~ commissioner to give good and valid surety to the state of Minnesota equal to the purchase price for any designated cutting block identified on the permit before the date the purchaser enters upon the land to begin harvesting the timber on the designated cutting block.

Sec. 28. Minnesota Statutes 2016, section 90.252, is amended to read:

#### **90.252 SCALING AGREEMENT; WEIGHT MEASUREMENT SERVICES; FEES.**

Subdivision 1. **Scaling agreement.** The commissioner may enter into an agreement with either a timber sale permittee, or the purchaser of the cut products, or both, so that the scaling of the cut timber and the collection of the payment for the same can be consummated by the state. ~~Such an~~ The agreement shall must be approved as to form and content by the ~~attorney general~~ commissioner and ~~shall must~~ provide for a bond or cash in lieu of a bond and ~~such~~ other safeguards as are necessary to protect the interests of the state. The scaling and payment collection procedure may be used for any state timber sale, except that no permittee who is also the consumer shall both cut and scale the timber sold unless ~~such~~ the scaling is supervised by a state scaler.

Subd. 2. **Weight measurement services; fees.** The commissioner may enter into an agreement with the owner or operator of any weight scale inspected, tested, and approved under chapter 239 to provide weight measurements for ~~the scaling of~~ state timber according to section 90.251. The agreement ~~shall must~~ be ~~on a form~~ in a format prescribed by the ~~attorney general~~ commissioner, ~~shall become a~~ becomes part of the official record of any state timber permit so scaled, and ~~shall must~~ contain safeguards that are necessary to protect the interests of the state. Except as otherwise provided by the commissioner, the cost of any agreement to provide weight measurement of state timber ~~shall must~~ be paid by the permit holder of any state timber permit so measured and the cost ~~shall must~~ be included in the statement of the amount due for the permit under section 90.181, subdivision 1.

Sec. 29. Minnesota Statutes 2016, section 94.343, subdivision 9, is amended to read:

Subd. 9. **Approval by ~~attorney general~~ commissioner.** No exchange of class A land shall be consummated unless the ~~attorney general shall have given an opinion in writing~~ commissioner determines that the title to the land proposed to be conveyed to the state is good and marketable, free from all liens ~~and~~, with all encumbrances identified except reservations herein authorized. The commissioner may use title insurance to aid in the title determination. If required by the ~~attorney general~~ commissioner, the landowner ~~shall~~ must submit an abstract of title and make and file with the commissioner an affidavit as to possession of the land, improvements, liens, and encumbrances thereon, and other matters affecting the title.

Sec. 30. Minnesota Statutes 2016, section 94.344, subdivision 9, is amended to read:

Subd. 9. **Approval of county attorney.** No exchange of class B land shall be consummated unless the title to the land proposed to be exchanged therefor ~~shall~~ is first be approved by the county attorney in like manner as provided for approval by the ~~attorney general~~ commissioner in case of class A land. The county attorney's opinion on the title ~~shall be~~ is subject to approval by the ~~attorney general~~ commissioner.

Sec. 31. Minnesota Statutes 2016, section 97A.015, subdivision 39, is amended to read:

Subd. 39. **Protected wild animals.** "Protected wild animals" ~~are the following wild animals:~~ means big game, small game, game fish, rough fish, minnows, leeches, alewives, ciscoes, chubs, ~~and~~ lake whitefish; and the subfamily Coregoninae, rainbow smelt, frogs, turtles, clams, mussels, wolf, mourning doves, bats, snakes, salamanders, lizards, any animal species listed as endangered, threatened, or of special concern in Minnesota Rules, chapter 6134, and wild animals that are protected by a restriction in the time or manner of taking, other than a restriction in the use of artificial lights, poison, or motor vehicles.

Sec. 32. Minnesota Statutes 2016, section 97A.015, subdivision 43, is amended to read:

Subd. 43. **Rough fish.** "Rough fish" means carp, buffalo, sucker, sheepshead, bowfin, burbot, cisco, gar, goldeye, and bullhead; except for any fish species listed as endangered, threatened, or of special concern in Minnesota Rules, chapter 6134.

Sec. 33. Minnesota Statutes 2016, section 97A.015, subdivision 45, is amended to read:

Subd. 45. **Small game.** "Small game" means game birds, gray squirrel, fox squirrel, cottontail rabbit, snowshoe hare, jack rabbit, raccoon, lynx, bobcat, short-tailed weasel, long-tailed weasel, wolf, red fox and gray fox, fisher, pine marten, opossum, badger, cougar, wolverine, muskrat, mink, otter, and beaver.

Sec. 34. Minnesota Statutes 2016, section 97A.015, subdivision 52, is amended to read:

Subd. 52. **Unprotected birds.** "Unprotected birds" means English sparrow, ~~blackbird,~~ starling, ~~maggie,~~ cormorant, common pigeon, Eurasian collared dove, chukar partridge, quail other than bobwhite quail, and mute swan.

Sec. 35. Minnesota Statutes 2016, section 97A.015, subdivision 53, is amended to read:

Subd. 53. **Unprotected wild animals.** "Unprotected wild animals" means wild animals that are not protected wild animals including ~~weasel~~, coyote, plains pocket gopher, porcupine, striped skunk, and unprotected birds, except any animal species listed as endangered, threatened, or of special concern in Minnesota Rules, chapter 6134.

Sec. 36. Minnesota Statutes 2016, section 97A.045, subdivision 10, is amended to read:

Subd. 10. **Reciprocal agreements on violations.** The commissioner, ~~with the approval of the attorney general~~, may enter into reciprocal agreements with game and fish authorities in other states and the United States government to provide for:

(1) revocation of the appropriate Minnesota game and fish licenses of Minnesota residents for violations of game and fish laws committed in signatory jurisdictions ~~which~~ that result in license revocation in that jurisdiction;

(2) reporting convictions and license revocations of residents of signatory states for violations of game and fish laws of Minnesota to game and fish authorities in the nonresident's state of residence; and

(3) release upon signature without posting of bail for residents of signatory states accused of game and fish law violations in this state, providing for recovery, in the resident jurisdiction, of fines levied if the citation is not answered in this state.

As used in this subdivision, "conviction" includes a plea of guilty or a forfeiture of bail.

Sec. 37. Minnesota Statutes 2016, section 97B.405, is amended to read:

**97B.405 COMMISSIONER MAY LIMIT NUMBER OF BEAR HUNTERS.**

(a) The commissioner may limit the number of persons that may hunt bear in an area, if it is necessary to prevent an overharvest or improve the distribution of hunters. The commissioner may establish, by rule, a method, including a drawing, to impartially select the hunters for an area. The commissioner shall give preference to hunters that have previously applied and have not been selected.

(b) If the commissioner limits the number of persons that may hunt bear in an area under paragraph (a), the commissioner must reserve one permit and give first preference for that permit to a resident of a Minnesota veterans home.

~~(b)~~ (c) A person selected through a drawing must purchase a license by August 1. Any remaining available licenses not purchased shall be issued to any eligible person as prescribed by the commissioner on a first-come, first-served basis beginning three business days after August 1.

Sec. 38. Minnesota Statutes 2016, section 97B.431, is amended to read:

**97B.431 BEAR-HUNTING OUTFITTERS.**

(a) A person may not place bait for bear, or guide hunters to take bear, for compensation without a bear-hunting-outfitter license. A bear-hunting outfitter is not required to have a license to take

bear unless the outfitter is attempting to shoot a bear. The commissioner shall adopt rules for qualifications for issuance and administration of the licenses.

(b) The commissioner shall establish a resident master bear-hunting-outfitter license under which one person serves as the bear-hunting outfitter and one other person is eligible to guide and bait bear. Additional persons may be added to the license and are eligible to guide and bait bear under the license, provided the additional fee under section 97A.475, subdivision 16, is paid for each person added. The commissioner shall adopt rules for qualifications for issuance and administration of the licenses. The commissioner must not require a person to have certification or training in first aid or CPR to be eligible for a license under this section.

Sec. 39. Minnesota Statutes 2016, section 97B.655, subdivision 1, is amended to read:

Subdivision 1. **Owners and occupants may take certain animals.** A person or the person's agent may take bats, snakes, salamanders, lizards, weasel, mink, squirrel, rabbit, hare, raccoon, bobcat, fox, opossum, muskrat, or beaver on land owned or occupied by the person where the animal is causing damage. The person or the person's agent may take the animal without a license and in any manner except by ~~poison, or~~ artificial lights in the closed season or by poison. Raccoons may be taken under this subdivision with artificial lights during open season. ~~A person that~~ or the person's agent who kills mink, raccoon, bobcat, fox, opossum, muskrat, or beaver under this subdivision must notify a conservation officer or employee of the Fish and Wildlife Division within 24 hours after the animal is killed.

Sec. 40. Minnesota Statutes 2016, section 97C.401, subdivision 2, is amended to read:

Subd. 2. **Walleye; northern pike.** ~~(a) Except as provided in paragraph (b),~~ A person may have no more than one walleye larger than 20 inches ~~and one northern pike larger than 30 inches~~ in possession. This subdivision does not apply to boundary waters.

~~(b) The restrictions in paragraph (a) do not apply to boundary waters.~~

Sec. 41. Minnesota Statutes 2016, section 97C.701, is amended by adding a subdivision to read:

Subd. 7. **Harvesting mussel shells.** Live mussels may not be harvested. A person possessing a valid resident or nonresident angling license or a person not required to have an angling license to take fish may take and possess at any time, for personal use only, not more than 24 whole shells or 48 shell halves of dead freshwater mussels. Mussel shells may be harvested in waters of the state where fish may be taken by angling. Mussel shells must be harvested by hand-picking only and may not be purchased or sold.

Sec. 42. Minnesota Statutes 2016, section 103G.411, is amended to read:

#### **103G.411 STIPULATION OF LOW-WATER MARK.**

If the state is a party in a civil action relating to the navigability or ownership of the bed of a body of water, river, or stream, the commissioner, in behalf of the state, ~~with the approval of the attorney general,~~ may agree by written stipulation with a riparian owner who is a party to the action on the location of the ordinary low-water mark on the riparian land of the party. After the stipulation is executed by all parties, it must be presented to the judge of the district court where the action is



pending for approval. If the stipulation is approved, the judge shall make and enter an order providing that the final judgment when entered shall conform to the location of the ordinary, low-water mark as provided for in the stipulation as it relates to the parties to the stipulation.

Sec. 43. Minnesota Statutes 2016, section 160.06, is amended to read:

**160.06 TRAIL OR PORTAGE DEDICATION.**

Any trail or portage between public or navigable bodies of water or from public or navigable water to a public highway in this state ~~which~~ that has been in continued and uninterrupted use by the general public for 15 years or more as a trail or portage for the purposes of travel, ~~shall be~~ is deemed to have been dedicated to the public as a trail or portage. This section ~~shall apply~~ applies only to forest trails on established ~~state water trails~~ canoe routes and the public ~~shall have~~ has the right to use the same for ~~the purposes of~~ travel to the same extent as public highways. The width of all trails and portages dedicated by user ~~shall be~~ is eight feet on each side of the centerline of the trail or portage.

Sec. 44. **REPEALER.**

(a) Minnesota Statutes 2016, sections 84.026, subdivision 3; 97C.701, subdivisions 1a and 6; 97C.705; and 97C.711, are repealed.

(b) Minnesota Rules, parts 6258.0100; 6258.0200; 6258.0300; 6258.0400; 6258.0500; 6258.0600; 6258.0700, subparts 1, 4, and 5; 6258.0800; and 6258.0900, are repealed."

Amend the title as follows:

Page 1, line 2, delete "motorcycle education and" and insert "vehicle provisions"

Page 1, line 3, delete "training program"

Page 1, line 4, delete everything after the first semicolon

Page 1, line 8, delete "requiring rulemaking;"

Amend the title numbers accordingly

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

**Senator Chamberlain from the Committee on Taxes, to which was re-referred**

**S.F. No. 990:** A bill for an act relating to taxation; sales and use tax; allocating the estimated revenue from the sale of motor vehicle parts to the highway user tax distribution fund; amending Minnesota Statutes 2016, section 297A.94.

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

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

**H.F. No. 5** for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
5	720				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 5 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 5, the fourth engrossment; and insert the language after the enacting clause of S.F. No. 720, the third engrossment; further, delete the title of H.F. No. 5, the fourth engrossment; and insert the title of S.F. No. 720, the third engrossment.

And when so amended H.F. No. 5 will be identical to S.F. No. 720, and further recommends that H.F. No. 5 be given its second reading and substituted for S.F. No. 720, and that the Senate File be indefinitely postponed.

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

### **SECOND READING OF SENATE BILLS**

S.F. Nos. 1496, 1674, 1067, 1196, 1598, 801, 1093, 844, 1123, and 1695 were read the second time.

### **SECOND READING OF HOUSE BILLS**

H.F. No. 5 was read the second time.

### **INTRODUCTION AND FIRST READING OF SENATE BILLS**

The following bills were read the first time.

**Senator Clausen introduced--**

**S.F. No. 2096:** A bill for an act relating to human services; establishing an intermediate school district mental health innovation grant program; appropriating money.

Referred to the Committee on Human Services Reform Finance and Policy.

**Senator Hawj introduced--**

**S.F. No. 2097:** A bill for an act relating to barbers; repealing rule that precludes mobile barber shops; setting registration and renewal fees for mobile barber shops; authorizing rulemaking; amending Minnesota Statutes 2016, section 154.003; repealing Minnesota Rules, part 2100.7000.

Referred to the Committee on State Government Finance and Policy and Elections.

**Senators Eichorn and Lang introduced--**

**S.F. No. 2098:** A bill for an act relating to state government; appropriating money for Veterans' Voices radio programming.

Referred to the Committee on Veterans and Military Affairs Finance and Policy.

**Senator Chamberlain introduced--**

**S.F. No. 2099:** A bill for an act relating to public safety; requiring probation and parole agents to consider and recommend local options to address technical violations by nonviolent controlled substance offenders; appropriating money to facilitate access to local programs; amending Minnesota Statutes 2016, sections 243.05, subdivision 1; 244.05, subdivision 3; 244.198, by adding a subdivision; 609.14, by adding a subdivision.

Referred to the Committee on Judiciary and Public Safety Finance and Policy.

**Senator Chamberlain introduced--**

**S.F. No. 2100:** A bill for an act relating to commerce; regulating franchise agreement terms; amending Minnesota Statutes 2016, section 80C.14, subdivision 2, by adding a subdivision.

Referred to the Committee on Commerce and Consumer Protection Finance and Policy.

**Senators Hayden and Dzedzic introduced--**

**S.F. No. 2101:** A bill for an act relating to human services; appropriating money for mental health treatment for communities of color.

Referred to the Committee on Health and Human Services Finance and Policy.

**Senators Wiger, Champion, Draheim, Tomassoni, and Latz introduced--**

**S.F. No. 2102:** A resolution expressing concern over persistent and credible reports of systematic, state-sanctioned, forced organ harvesting from nonconsenting prisoners of conscience, primarily from Falun Gong practitioners imprisoned for their spiritual beliefs, and members of other religious and ethnic minority groups in the People's Republic of China.

Referred to the Committee on Judiciary and Public Safety Finance and Policy.

**Senators Tomassoni and Eichorn introduced--**

**S.F. No. 2103:** A bill for an act relating to natural resources; appropriating money for Natural Resources Research Institute.

Referred to the Committee on Environment and Natural Resources Finance.

**Senators Tomassoni and Eichorn introduced--**

**S.F. No. 2104:** A bill for an act relating to higher education; appropriating money for Natural Resources Research Institute at University of Minnesota Duluth.

Referred to the Committee on Higher Education Finance and Policy.

**Senators Kiffmeyer, Johnson, Pratt, Nelson, and Mathews introduced--**

**S.F. No. 2105:** A bill for an act relating to education finance; authorizing certain nonpublic students to enroll in postsecondary enrollment options in 10th grade; appropriating money; amending Minnesota Statutes 2016, section 124D.09, subdivision 4.

Referred to the Committee on E-12 Policy.

**Senators Frentz, Lourey, Hayden, and Wiklund introduced--**

**S.F. No. 2106:** A bill for an act relating to human services; modifying notice requirements to recipients of home care services following provider termination; modifying reimbursement rates for intermediate care facilities for persons with developmental disabilities and home and community-based providers; ratifying the self-directed workforce contract; increasing rates for self-directed workforce; appropriating money; amending Minnesota Statutes 2016, sections 256B.0651, subdivision 17; 256B.5012, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 256B.

Referred to the Committee on Human Services Reform Finance and Policy.

**Senator Dzedzic introduced--**

**S.F. No. 2107:** A bill for an act relating to capital investment; appropriating money for renovating Wilson Library at the University of Minnesota, Minneapolis campus; authorizing the issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senator Anderson, P. introduced--**

**S.F. No. 2108:** A bill for an act relating to taxation; individual income; requiring the commissioner of revenue to implement a free electronic filing system for individual income tax returns; requiring reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 270C.

Referred to the Committee on Taxes.

**Senators Relph; Anderson, P.; Senjem; Abeler; and Lang introduced--**

**S.F. No. 2109:** A bill for an act relating to taxation; property; modifying the senior citizens' property tax deferral; providing for reconsideration following denial; amending Minnesota Statutes 2016, section 290B.04, subdivision 2, by adding a subdivision.

Referred to the Committee on Taxes.

**Senator Pappas introduced--**

**S.F. No. 2110:** A bill for an act relating to health; extending paid leave benefits to living organ donors; amending Minnesota Statutes 2016, section 181.945, subdivisions 2, 4; repealing Minnesota Statutes 2016, section 181.9456.

Referred to the Committee on Jobs and Economic Growth Finance and Policy.

**Senators Goggin, Housley, Tomassoni, Fischbach, and Miller introduced--**

**S.F. No. 2111:** A bill for an act relating to economic development; creating the snow angel grant program to fund capital improvements to skiing-related businesses; appropriating money.

Referred to the Committee on Jobs and Economic Growth Finance and Policy.

**Senators Abeler and Hoffman introduced--**

**S.F. No. 2112:** A bill for an act relating to early childhood education; health; expanding screening for early autism spectrum disorders in young children; creating a study group; providing for rulemaking; requiring a report; amending Minnesota Statutes 2016, section 121A.17, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on E-12 Policy.

## MOTIONS AND RESOLUTIONS

Senator Simonson moved that the name of Senator Rest be added as a co-author to S.F. No. 126. The motion prevailed.

Senator Pappas moved that the name of Senator Cwodzinski be added as a co-author to S.F. No. 229. The motion prevailed.

Senator Senjem moved that his name be stricken as chief author, shown as a co-author, and the name of Senator Koran be shown as chief author to S.F. No. 816. The motion prevailed.

Senator Johnson moved that the name of Senator Ingebrigtsen be added as a co-author to S.F. No. 844. The motion prevailed.

Senator Goggin moved that his name be stricken as a co-author to S.F. No. 1093. The motion prevailed.

Senator Ruud moved that the name of Senator Ingebrigtsen be added as a co-author to S.F. No. 1093. The motion prevailed.

Senator Little moved that the name of Senator Carlson be added as a co-author to S.F. No. 1284. The motion prevailed.

Senator Dziejdzic moved that the name of Senator Pappas be added as a co-author to S.F. No. 1455. The motion prevailed.

Senator Abeler moved that the name of Senator Hayden be added as a co-author to S.F. No. 1509. The motion prevailed.

Senator Chamberlain moved that the name of Senator Jasinski be added as a co-author to S.F. No. 1604. The motion prevailed.

Senator Latz moved that the name of Senator Limmer be added as a co-author to S.F. No. 1621. The motion prevailed.

Senator Utke moved that the name of Senator Hoffman be added as a co-author to S.F. No. 1690. The motion prevailed.

Senator Cwodzinski moved that the names of Senators Senjem and Koran be added as co-authors to S.F. No. 1793. The motion prevailed.

Senator Senjem moved that the name of Senator Nelson be added as a co-author to S.F. No. 1938. The motion prevailed.

Senator Abeler moved that the name of Senator Laine be added as a co-author to S.F. No. 1959. The motion prevailed.

Senator Little moved that the name of Senator Clausen be added as a co-author to S.F. No. 1986. The motion prevailed.

Senator Nelson moved that S.F. No. 1207 be withdrawn from the Committee on Health and Human Services Finance and Policy and re-referred to the Committee on E-12 Finance. The motion prevailed.

Senator Abeler moved that S.F. No. 1400 be withdrawn from the Committee on Environment and Natural Resources Finance and re-referred to the Committee on Environment and Natural Resources Policy and Legacy Finance. The motion prevailed.

Senator Jensen moved that S.F. No. 1778, No. 87 on General Orders, be stricken and re-referred to the Committee on Rules and Administration. The motion prevailed.

Senator Pratt moved that S.F. No. 1088, No. 99 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Senator Newton moved that S.F. No. 1130 be withdrawn from the Committee on Judiciary and Public Safety Finance and Policy, given a second reading, and placed on General Orders. The motion prevailed.

S.F. No. 1130 was read the second time.

**MEMBERS EXCUSED**

Senators Frentz, Latz, Limmer, Rest, and Weber were excused from the Session of today.

**ADJOURNMENT**

Senator Gazelka moved that the Senate do now adjourn until 12:00 noon, Wednesday, March 15, 2017. The motion prevailed.

Cal R. Ludeman, Secretary of the Senate

