

1.1 A bill for an act

1.2 relating to state government; changing certain pesticide control provisions;  
1.3 authorizing waiver of a fee; providing for control of bovine tuberculosis;  
1.4 eliminating the native grasses and wildflower seed production and incentive  
1.5 program; authorizing ownership of agricultural land by certain nonprofit  
1.6 corporations; requiring tree care and tree trimming company registration;  
1.7 regulating certain sale and distribution of firewood; authorizing individuals and  
1.8 entities to take certain easements in agricultural land; allowing a temporary  
1.9 lien for livestock production inputs for 45 days following a mediation request  
1.10 requiring reports; clarifying the role of the commissioner and Department of  
1.11 Veterans Affairs in providing certain resources for the county veterans service  
1.12 offices; modifying a residency requirement for purposes of eligibility for higher  
1.13 educational benefits for the surviving spouse and children of a deceased veteran  
1.14 who dies as a result of military service; repealing authorization for a license plate;  
1.15 repealing a requirement that the Department of Veterans Affairs report on the  
1.16 status of a construction project priority listing; appropriating money; amending  
1.17 Minnesota Statutes 2008, sections 3.737, subdivision 4; 17.03, by adding a  
1.18 subdivision; 18B.31, subdivision 5; 18B.36, subdivision 1; 18B.37, subdivision  
1.19 4; 18G.07; 28A.082, subdivision 1; 35.244, subdivisions 1, 2; 197.60, subdivision  
1.20 1; 197.601; 197.605; 197.606; 197.609, subdivisions 1, 2; 197.75, subdivision 1;  
1.21 239.092; 239.093; 500.221, subdivisions 2, 4; 500.24, subdivision 2; 514.965,  
1.22 subdivision 2; 514.966, subdivision 6, by adding a subdivision; Minnesota  
1.23 Statutes 2009 Supplement, sections 3.737, subdivision 1; 18B.316, subdivision  
1.24 10; Laws 2008, chapter 296, article 1, section 25; proposing coding for new  
1.25 law in Minnesota Statutes, chapters 17; 38; repealing Minnesota Statutes 2008,  
1.26 sections 17.231; 168.1251; 343.26; Laws 2009, chapter 94, article 3, section 23.

1.27 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.28 **ARTICLE 1**

1.29 **AGRICULTURE**

1.30 Section 1. Minnesota Statutes 2009 Supplement, section 3.737, subdivision 1, is  
1.31 amended to read:

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

2.12 (b) ~~Either the agent or the~~ A university extension agent, a conservation officer,  
2.13 an official from the Animal and Plant Health Inspection Service of the United States  
2.14 Department of Agriculture, or a peace officer from the county sheriff's office must make  
2.15 a personal inspection of the site and submit a report to the commissioner, including  
2.16 photographs, detailing the results of the investigation. ~~The agent or the conservation~~  
2.17 ~~officer~~ The investigator must take into account factors in addition to a visual identification  
2.18 of a carcass when making a recommendation to the commissioner. The commissioner,  
2.19 upon recommendation of the ~~agent or conservation officer~~ investigator, shall determine  
2.20 whether the livestock was destroyed by a gray wolf ~~and any deficiencies in the~~  
2.21 ~~owner's adoption of the best management practices developed in subdivision 5. The~~  
2.22 ~~commissioner may authorize payment of claims only if the agent or the conservation~~  
2.23 ~~officer has recommended payment.~~ The owner shall file a claim on forms provided by the  
2.24 commissioner and available at the university extension agent's office.

2.25 Sec. 2. Minnesota Statutes 2008, section 3.737, subdivision 4, is amended to read:

2.26 Subd. 4. **Payment; denial of compensation.** (a) If the commissioner finds that the  
2.27 livestock owner has shown that the loss of the livestock was likely caused by a gray  
2.28 wolf, the commissioner shall pay compensation as provided in this section and in the  
2.29 rules of the department.

2.30 (b) ~~For a gray wolf depredation claim submitted by a livestock owner after~~  
2.31 ~~September 1, 1999, the commissioner shall, based on the report from the university~~  
2.32 ~~extension agent and conservation officer, evaluate the claim for conformance with~~  
2.33 ~~the best management practices developed by the commissioner in subdivision 5. The~~  
2.34 ~~commissioner must provide to the livestock owner an itemized list of any deficiencies~~

3.1 ~~in the livestock owner's adoption of best management practices that were noted in the~~  
3.2 ~~university extension agent's or conservation officer's report.~~

3.3 (e) If the commissioner denies compensation claimed by an owner under this section,  
3.4 the commissioner shall issue a written decision based upon the available evidence. It shall  
3.5 include specification of the facts upon which the decision is based and the conclusions on  
3.6 the material issues of the claim. A copy of the decision shall be mailed to the owner.

3.7 (d)(c) A decision to deny compensation claimed under this section is not subject to  
3.8 the contested case review procedures of chapter 14, but may be reviewed upon a trial de  
3.9 novo in a court in the county where the loss occurred. The decision of the court may be  
3.10 appealed as in other civil cases. Review in court may be obtained by filing a petition for  
3.11 review with the administrator of the court within 60 days following receipt of a decision  
3.12 under this section. Upon the filing of a petition, the administrator shall mail a copy to the  
3.13 commissioner and set a time for hearing within 90 days of the filing.

3.14 Sec. 3. Minnesota Statutes 2008, section 17.03, is amended by adding a subdivision to  
3.15 read:

3.16 Subd. 11a. Permitting efficiency goal and report. (a) It is the goal of the state that  
3.17 environmental and resource management permits be issued or denied within 150 days of  
3.18 the submission of a completed permit application. The commissioner of agriculture shall  
3.19 establish management systems designed to achieve the goal.

3.20 (b) The commissioner shall prepare semiannual permitting efficiency reports that  
3.21 include statistics on meeting the goal in paragraph (a). The reports are due February 1 and  
3.22 August 1 each year. For permit applications that have not met the goal, the report must  
3.23 state the reasons for not meeting the goal, steps that will be taken to complete action on  
3.24 the application, and the expected timeline. In stating the reasons for not meeting the goal,  
3.25 the commissioner shall separately identify delays caused by the responsiveness of the  
3.26 proposer, lack of staff, or scientific or technical disagreements or caused by the level of  
3.27 public engagement. The report must specify the number of days from initial submission of  
3.28 the application to the day of determination that the application is complete. The report  
3.29 for the final quarter of the fiscal year must aggregate the data for the year and assess  
3.30 whether program or system changes are necessary to achieve the goal. The report must  
3.31 be posted on the department Web site and submitted to the governor and the chairs of  
3.32 the house of representatives and senate committees having jurisdiction over agriculture  
3.33 policy and finance.

3.34 (c) The commissioner shall allow electronic submission of environmental review  
3.35 and permit documents to the department.

4.1 Sec. 4. [17.459] HORSES.

4.2 Subdivision 1. Classification as livestock. Horses and other equines raised for the  
4.3 purposes of riding, driving, farm or ranch work, competition, racing, recreation, sale, or as  
4.4 breeding stock are livestock. Horses and their products are livestock and farm products for  
4.5 purposes of financial transactions and collateral.

4.6 Subd. 2. Agricultural pursuit. Raising horses and other equines is agricultural  
4.7 production and an agricultural pursuit.

4.8 Subd. 3. Nonapplicability for property tax laws. This section does not apply to  
4.9 the treatment of land used for raising horses under chapter 273.

4.10 Sec. 5. Minnesota Statutes 2008, section 18B.31, subdivision 5, is amended to read:

4.11 Subd. 5. **Application fee.** (a) An application for a pesticide dealer license must be  
4.12 accompanied by a nonrefundable application fee of \$150.

4.13 (b) If an application for renewal of a pesticide dealer license is not filed before  
4.14 ~~January 1 of the year for which the license is to be issued~~ expires, an additional fee of ~~\$20~~  
4.15 50 percent of the application fee must be paid by the applicant before the commissioner  
4.16 may issue the license ~~is issued~~.

4.17 Sec. 6. Minnesota Statutes 2009 Supplement, section 18B.316, subdivision 10, is  
4.18 amended to read:

4.19 Subd. 10. **Application fee.** (a) An application for an agricultural pesticide dealer  
4.20 license, or a renewal of an agricultural pesticide dealer license, must be accompanied  
4.21 by a nonrefundable fee of \$150.

4.22 (b) If an application for renewal of an agricultural pesticide dealer license is not filed  
4.23 before ~~January of the year for which the license is to be issued~~ expires, an additional fee of  
4.24 50 percent of the application fee must be paid by the applicant before the commissioner  
4.25 may issue the license.

4.26 Sec. 7. Minnesota Statutes 2008, section 18B.36, subdivision 1, is amended to read:

4.27 Subdivision 1. **Requirement.** (a) Except for a licensed commercial or  
4.28 noncommercial applicator, only a certified private applicator may use a restricted use  
4.29 pesticide to produce an agricultural commodity:

4.30 (1) as a traditional exchange of services without financial compensation;

4.31 (2) on a site owned, rented, or managed by the person or the person's employees; or

4.32 (3) when the private applicator is one of two or fewer employees and the owner or  
4.33 operator is a certified private applicator or is licensed as a noncommercial applicator.

5.1 (b) A ~~private applicator~~ person may not purchase a restricted use pesticide without  
5.2 presenting a license card, certified private applicator card, or the card number.

5.3 Sec. 8. Minnesota Statutes 2008, section 18B.37, subdivision 4, is amended to read:

5.4 Subd. 4. **Storage, handling, incident response, and disposal plan.** A ~~commercial~~  
5.5 pesticide dealer, agricultural pesticide dealer, or a commercial, noncommercial, or  
5.6 structural pest control applicator or the business that the applicator is employed by must  
5.7 develop and maintain a plan that describes its pesticide storage, handling, incident  
5.8 response, and disposal practices. The plan must be kept at a principal business site  
5.9 or location within this state and must be submitted to the commissioner upon request  
5.10 on forms provided by the commissioner. The plan must be available for inspection by  
5.11 the commissioner.

5.12 Sec. 9. Minnesota Statutes 2008, section 18G.07, is amended to read:

5.13 **18G.07 TREE CARE AND TREE TRIMMING COMPANY ~~REGISTRY~~**  
5.14 **REGISTRATION.**

5.15 Subdivision 1. **Creation of registry.** (a) The commissioner shall maintain a  
5.16 list of all persons and companies that provide tree care or tree trimming services in  
5.17 Minnesota. All tree care providers, tree trimmers, and persons who remove trees, limbs,  
5.18 branches, brush, or shrubs for hire and advertise their services must ~~provide the following~~  
5.19 ~~information to be registered by the commissioner.~~

5.20 (b) ~~Persons or companies who are required to be registered under paragraph (a),~~  
5.21 ~~must register annually by providing the following to the commissioner:~~

5.22 (1) accurate and up-to-date business name, address, and telephone number;

5.23 (2) a complete list of all Minnesota counties in which they work; and

5.24 (3) ~~a complete list of persons in the business who are certified by the International~~  
5.25 ~~Society of Arborists~~ a nonrefundable fee of \$25 for initial application or renewing the  
5.26 registration.

5.27 (c) All persons and companies required to be registered under paragraph (a) must  
5.28 register before conducting the activities specified in paragraph (a). Annual registration  
5.29 expires December 31, must be renewed annually, and the renewal fee remitted by January  
5.30 7 of the year for which it is issued. In addition, a penalty of ten percent of the renewal fee  
5.31 due must be charged for each month, or portion of a month, that the fee is delinquent up to  
5.32 a maximum of 30 percent for any application for renewal postmarked after December 31.

6.1 Subd. 2. **Information dissemination.** The commissioner shall provide registered  
6.2 tree care companies with information and data regarding any existing or potential  
6.3 regulated forest pest infestations within the state.

6.4 Subd. 3. **Violation.** It is unlawful for a person who is required to be registered  
6.5 under subdivision 1 to provide tree care or tree trimming services in Minnesota without  
6.6 being registered with the commissioner.

6.7 **EFFECTIVE DATE.** This section is effective January 1, 2011.

6.8 Sec. 10. Minnesota Statutes 2008, section 28A.082, subdivision 1, is amended to read:

6.9 Subdivision 1. **Fees; application.** The fees for review of food handler facility floor  
6.10 plans under the Minnesota Food Code are based upon the square footage of the structure  
6.11 being newly constructed, remodeled, or converted. The fees for the review shall be:

square footage	review fee
0 - 4,999 .....	\$ 200.00
5,000 - 24,999 .....	\$ 275.00
25,000 plus .....	\$ 425.00

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

6.22 Sec. 11. Minnesota Statutes 2008, section 35.244, subdivision 1, is amended to read:

6.23 Subdivision 1. **Designation of zones.** The board ~~has the authority to~~ may establish  
6.24 zones for the control and eradication of tuberculosis and restrict the movement of cattle,  
6.25 bison, goats, and farmed cervidae within and between tuberculosis zones in the state.  
6.26 ~~Zones within the state may be designated as accreditation preparatory, modified accredited,~~  
6.27 ~~modified accredited advanced, or accredited free as those terms are defined in Code of~~  
6.28 ~~Federal Regulations, title 9, part 77. The board may designate bovine tuberculosis control~~  
6.29 ~~zones that contain not more than 325 herds.~~

6.30 Sec. 12. Minnesota Statutes 2008, section 35.244, subdivision 2, is amended to read:

6.31 Subd. 2. **Requirements within a tuberculosis control** ~~within modified accredited~~  
6.32 **zone.** In a ~~modified accredited~~ tuberculosis control zone, the board ~~has the authority to~~  
6.33 may:

7.1 (1) require owners of cattle, bison, goats, or farmed cervidae to report personal  
7.2 contact information and location of livestock to the board;

7.3 (2) require a permit or movement certificates for all cattle, bison, goats, and farmed  
7.4 cervidae moving between premises within the zone or leaving or entering the zone;

7.5 (3) require official identification of all cattle, bison, goats, and farmed cervidae  
7.6 within the zone or leaving or entering the zone;

7.7 (4) require a whole-herd tuberculosis test on each herd of cattle, bison, goats, or  
7.8 farmed cervidae when any of the animals in the herd is kept on a premises within the zone;

7.9 (5) require a negative tuberculosis test within 60 days prior to movement for any  
7.10 individual cattle, bison, goat, or farmed cervidae moved from a premises in the zone to  
7.11 another location in Minnesota, with the exception of cattle moving under permit directly  
7.12 to a slaughter facility under state or federal inspection;

7.13 (6) require a whole-herd tuberculosis test within 12 months prior to moving  
7.14 cattle, bison, goats, or farmed cervidae from premises in the zone to another location  
7.15 in Minnesota;

7.16 (7) require annual herd inventories on all cattle, bison, goat, or farmed cervidae  
7.17 herds; and

7.18 (8) require that a risk assessment be performed to evaluate the interaction of  
7.19 free-ranging deer and elk with cattle, bison, goat, and farmed cervidae herds and require  
7.20 the owner to implement the recommendations of the risk assessment.

7.21 Sec. 13. **[38.345] APPROPRIATIONS BY MUNICIPALITIES.**

7.22 The council of any city and the board of supervisors of any town may spend money  
7.23 for county extension work, as provided in sections 38.33 to 38.38.

7.24 Sec. 14. Minnesota Statutes 2008, section 239.092, is amended to read:

7.25 **239.092 SALE FROM BULK.**

7.26 (a) Bulk sales of commodities, when the buyer and seller are not both present to  
7.27 witness the measurement, must be accompanied by a delivery ticket containing the  
7.28 following information:

7.29 (1) the name and address of the person who weighed or measured the commodity;

7.30 (2) the date delivered;

7.31 (3) the quantity delivered;

7.32 (4) the count of individually wrapped packages delivered, if more than one is  
7.33 included in the quantity delivered;

8.1 (5) the quantity on which the price is based, if different than the quantity delivered;  
8.2 and

8.3 (6) the identity of the commodity in the most descriptive terms commercially  
8.4 practicable, including representations of quality made in connection with the sale.

8.5 (b) This section is not intended to conflict with the bulk sale requirements of the  
8.6 Department of Agriculture. If a conflict occurs, the law and rules of the Department of  
8.7 Agriculture govern.

8.8 (c) Firewood sold or distributed across state boundaries or more than 100 miles  
8.9 from its origin must include delivery ticket information regarding the harvest locations  
8.10 of the wood by county and state.

8.11 (d) Paragraph (c) may be enforced using the authority granted in this chapter or  
8.12 section 18J.05 or 84D.13.

8.13 Sec. 15. Minnesota Statutes 2008, section 239.093, is amended to read:

8.14 **239.093 INFORMATION REQUIRED WITH PACKAGE.**

8.15 (a) A package offered, exposed, or held for sale must bear a clear and conspicuous  
8.16 declaration of:

8.17 (1) the identity of the commodity in the package, unless the commodity can be easily  
8.18 identified through the wrapper or container;

8.19 (2) the net quantity in terms of weight, measure, or count;

8.20 (3) the name and address of the manufacturer, packer, or distributor, if the packages  
8.21 were not produced on the premises where they are offered, exposed, or held for sale; and

8.22 (4) the unit price, if the packages are part of a lot containing random weight  
8.23 packages of the same commodity.

8.24 (b) This section is not intended to conflict with the packaging requirements of the  
8.25 Department of Agriculture. If a conflict occurs, the laws and rules of the Department of  
8.26 Agriculture govern.

8.27 (c) Firewood sold or distributed across state boundaries or more than 100 miles  
8.28 from its origin must include information regarding the harvest locations of the wood by  
8.29 county and state on each label or wrapper.

8.30 (d) Paragraph (c) may be enforced using the authority granted in this chapter or  
8.31 section 18J.05 or 84D.13.

8.32 Sec. 16. Minnesota Statutes 2008, section 500.221, subdivision 2, is amended to read:

8.33 Subd. 2. **Aliens and non-American corporations.** Except as hereinafter provided,  
8.34 no natural person shall acquire directly or indirectly any interest in agricultural land unless



9.1 the person is a citizen of the United States or a permanent resident alien of the United  
9.2 States. In addition to the restrictions in section 500.24, no corporation, partnership,  
9.3 limited partnership, trustee, or other business entity shall directly or indirectly, acquire  
9.4 or otherwise obtain any interest, whether legal, beneficial or otherwise, in any title to  
9.5 agricultural land unless at least 80 percent of each class of stock issued and outstanding or  
9.6 80 percent of the ultimate beneficial interest of the entity is held directly or indirectly by  
9.7 citizens of the United States or permanent resident aliens. This section shall not apply:

9.8 (1) to agricultural land that may be acquired by devise, inheritance, as security for  
9.9 indebtedness, by process of law in the collection of debts, or by any procedure for the  
9.10 enforcement of a lien or claim thereon, whether created by mortgage or otherwise. All  
9.11 agricultural land acquired in the collection of debts or by the enforcement of a lien or  
9.12 claim shall be disposed of within three years after acquiring ownership;

9.13 (2) to citizens or subjects of a foreign country whose rights to hold land are secured  
9.14 by treaty;

9.15 (3) to lands used for transportation purposes by a common carrier, as defined in  
9.16 section 218.011, subdivision 10;

9.17 (4) to lands or interests in lands acquired for use in connection with (i) the production  
9.18 of timber and forestry products by a corporation organized under the laws of Minnesota,  
9.19 or (ii) mining and mineral processing operations. Pending the development of agricultural  
9.20 land for the production of timber and forestry products or mining purposes the land may  
9.21 not be used for farming except under lease to a family farm, a family farm corporation or  
9.22 an authorized farm corporation;

9.23 (5) to agricultural land operated for research or experimental purposes if the  
9.24 ownership of the agricultural land is incidental to the research or experimental objectives  
9.25 of the person or business entity and the total acreage owned by the person or business  
9.26 entity does not exceed the acreage owned on May 27, 1977;

9.27 (6) to the purchase of any tract of 40 acres or less for facilities incidental to pipeline  
9.28 operation by a company operating a pipeline as defined in section 216G.01, subdivision 3;

9.29 (7) to agricultural land and land capable of being used as farmland in vegetable  
9.30 processing operations that is reasonably necessary to meet the requirements of pollution  
9.31 control law or rules; ~~or~~

9.32 (8) to an interest in agricultural land held on the August 1, 2003, by a natural person  
9.33 with a nonimmigrant treaty investment visa, pursuant to United States Code, title 8,  
9.34 section 1101(a)15(E)(ii), if, within five years after August 1, 2003, the person:

9.35 (i) disposes of all agricultural land held; or

10.1 (ii) becomes a permanent resident alien of the United States or a United States  
10.2 citizen; or

10.3 (9) to an easement taken by an individual or entity for the installation and repair  
10.4 of transmission lines and for wind rights.

10.5 Sec. 17. Minnesota Statutes 2008, section 500.221, subdivision 4, is amended to read:

10.6 Subd. 4. **Reports.** (a) Any natural person, corporation, partnership, limited  
10.7 partnership, trustee, or other business entity prohibited from future acquisition of  
10.8 agricultural land may retain title to any agricultural land lawfully acquired within this state  
10.9 prior to June 1, 1981, but shall file a report with the commissioner of agriculture annually  
10.10 before January 31 containing a description of all agricultural land held within this state,  
10.11 the purchase price and market value of the land, the use to which it is put, the date of  
10.12 acquisition and any other reasonable information required by the commissioner.

10.13 (b) An individual or entity that qualifies for an exemption under subdivision 2, clause  
10.14 (2) or (9), and owns an interest in agricultural land shall file a report with the commissioner  
10.15 of agriculture within 30 days of acquisition and annually thereafter by January 31,  
10.16 containing a description of all interests in agricultural land held within this state, the  
10.17 purchase price of the interest and market value of the land, the use to which it is put, the  
10.18 date of acquisition, and any other reasonable information required by the commissioner.

10.19 (c) The commissioner shall make the information available to the public.

10.20 (d) All required annual reports shall include a filing fee of \$50 plus \$10 for each  
10.21 additional quarter section of land.

10.22 Sec. 18. Minnesota Statutes 2008, section 500.24, subdivision 2, is amended to read:

10.23 Subd. 2. **Definitions.** The definitions in this subdivision apply to this section.

10.24 (a) "Farming" means the production of (1) agricultural products; (2) livestock or  
10.25 livestock products; (3) milk or milk products; or (4) fruit or other horticultural products. It  
10.26 does not include the processing, refining, or packaging of said products, nor the provision  
10.27 of spraying or harvesting services by a processor or distributor of farm products. It does  
10.28 not include the production of timber or forest products, the production of poultry or  
10.29 poultry products, or the feeding and caring for livestock that are delivered to a corporation  
10.30 for slaughter or processing for up to 20 days before slaughter or processing.

10.31 (b) "Family farm" means an unincorporated farming unit owned by one or more  
10.32 persons residing on the farm or actively engaging in farming.

10.33 (c) "Family farm corporation" means a corporation founded for the purpose of  
10.34 farming and the ownership of agricultural land in which the majority of the stock is held

11.1 by and the majority of the stockholders are persons, the spouses of persons, or current  
11.2 beneficiaries of one or more family farm trusts in which the trustee holds stock in a family  
11.3 farm corporation, related to each other within the third degree of kindred according to  
11.4 the rules of the civil law, and at least one of the related persons is residing on or actively  
11.5 operating the farm, and none of whose stockholders are corporations; provided that a  
11.6 family farm corporation shall not cease to qualify as such hereunder by reason of any:

11.7 (1) transfer of shares of stock to a person or the spouse of a person related within  
11.8 the third degree of kindred according to the rules of civil law to the person making the  
11.9 transfer, or to a family farm trust of which the shareholder, spouse, or related person is  
11.10 a current beneficiary; or

11.11 (2) distribution from a family farm trust of shares of stock to a beneficiary related  
11.12 within the third degree of kindred according to the rules of civil law to a majority of the  
11.13 current beneficiaries of the trust, or to a family farm trust of which the shareholder, spouse,  
11.14 or related person is a current beneficiary.

11.15 For the purposes of this section, a transfer may be made with or without  
11.16 consideration, either directly or indirectly, during life or at death, whether or not in trust,  
11.17 of the shares in the family farm corporation, and stock owned by a family farm trust are  
11.18 considered to be owned in equal shares by the current beneficiaries.

11.19 (d) "Family farm trust" means:

11.20 (1) a trust in which:

11.21 (i) a majority of the current beneficiaries are persons or spouses of persons who are  
11.22 related to each other within the third degree of kindred according to the rules of civil law;

11.23 (ii) all of the current beneficiaries are natural persons or nonprofit corporations  
11.24 or trusts described in the Internal Revenue Code, section 170(c), as amended, and the  
11.25 regulations under that section; and

11.26 (iii) one of the family member current beneficiaries is residing on or actively  
11.27 operating the farm; or the trust leases the agricultural land to a family farm unit, a  
11.28 family farm corporation, an authorized farm corporation, an authorized livestock farm  
11.29 corporation, a family farm limited liability company, a family farm trust, an authorized  
11.30 farm limited liability company, a family farm partnership, or an authorized farm  
11.31 partnership; or

11.32 (2) a charitable remainder trust as defined in the Internal Revenue Code, section 664,  
11.33 as amended, and the regulations under that section, and a charitable lead trust as set forth  
11.34 in the Internal Revenue Code, section 170(f), and the regulations under that section.

11.35 (e) "Authorized farm corporation" means a corporation meeting the following  
11.36 standards:

**S.F. No. 2737, 1st Engrossment - 86th Legislative Session (2009-2010) [s2737-1]**

12.1 (1) it has no more than five shareholders, provided that for the purposes of this  
12.2 section, a husband and wife are considered one shareholder;

12.3 (2) all its shareholders, other than any estate, are natural persons or a family farm  
12.4 trust;

12.5 (3) it does not have more than one class of shares;

12.6 (4) its revenue from rent, royalties, dividends, interest, and annuities does not exceed  
12.7 20 percent of its gross receipts;

12.8 (5) shareholders holding 51 percent or more of the interest in the corporation reside  
12.9 on the farm or are actively engaging in farming;

12.10 (6) it does not, directly or indirectly, own or otherwise have an interest in any title to  
12.11 more than 1,500 acres of agricultural land; and

12.12 (7) none of its shareholders are shareholders in other authorized farm corporations  
12.13 that directly or indirectly in combination with the corporation own more than 1,500 acres  
12.14 of agricultural land.

12.15 (f) "Authorized livestock farm corporation" means a corporation formed for the  
12.16 production of livestock and meeting the following standards:

12.17 (1) it is engaged in the production of livestock other than dairy cattle;

12.18 (2) all its shareholders, other than any estate, are natural persons, family farm trusts,  
12.19 or family farm corporations;

12.20 (3) it does not have more than one class of shares;

12.21 (4) its revenue from rent, royalties, dividends, interest, and annuities does not exceed  
12.22 20 percent of its gross receipts;

12.23 (5) shareholders holding 75 percent or more of the control, financial, and capital  
12.24 investment in the corporation are farmers, and at least 51 percent of the required  
12.25 percentage of farmers are actively engaged in livestock production;

12.26 (6) it does not, directly or indirectly, own or otherwise have an interest in any title to  
12.27 more than 1,500 acres of agricultural land; and

12.28 (7) none of its shareholders are shareholders in other authorized farm corporations  
12.29 that directly or indirectly in combination with the corporation own more than 1,500 acres  
12.30 of agricultural land.

12.31 (g) "Agricultural land" means real estate used for farming or capable of being used  
12.32 for farming in this state.

12.33 (h) "Pension or investment fund" means a pension or employee welfare benefit fund,  
12.34 however organized, a mutual fund, a life insurance company separate account, a common  
12.35 trust of a bank or other trustee established for the investment and reinvestment of money

13.1 contributed to it, a real estate investment trust, or an investment company as defined in  
13.2 United States Code, title 15, section 80a-3.

13.3 (i) "Farm homestead" means a house including adjoining buildings that has been  
13.4 used as part of a farming operation or is part of the agricultural land used for a farming  
13.5 operation.

13.6 (j) "Family farm partnership" means a limited partnership formed for the purpose of  
13.7 farming and the ownership of agricultural land in which the majority of the interests in  
13.8 the partnership is held by and the majority of the partners are natural persons or current  
13.9 beneficiaries of one or more family farm trusts in which the trustee holds an interest in a  
13.10 family farm partnership related to each other within the third degree of kindred according  
13.11 to the rules of the civil law, and at least one of the related persons is residing on the farm,  
13.12 actively operating the farm, or the agricultural land was owned by one or more of the  
13.13 related persons for a period of five years before its transfer to the limited partnership, and  
13.14 none of the partners is a corporation. A family farm partnership does not cease to qualify  
13.15 as a family farm partnership because of a:

13.16 (1) transfer of a partnership interest to a person or spouse of a person related within  
13.17 the third degree of kindred according to the rules of civil law to the person making the  
13.18 transfer or to a family farm trust of which the partner, spouse, or related person is a current  
13.19 beneficiary; or

13.20 (2) distribution from a family farm trust of a partnership interest to a beneficiary  
13.21 related within the third degree of kindred according to the rules of civil law to a majority  
13.22 of the current beneficiaries of the trust, or to a family farm trust of which the partner,  
13.23 spouse, or related person is a current beneficiary.

13.24 For the purposes of this section, a transfer may be made with or without  
13.25 consideration, either directly or indirectly, during life or at death, whether or not in trust,  
13.26 of a partnership interest in the family farm partnership, and interest owned by a family  
13.27 farm trust is considered to be owned in equal shares by the current beneficiaries.

13.28 (k) "Authorized farm partnership" means a limited partnership meeting the following  
13.29 standards:

13.30 (1) it has been issued a certificate from the secretary of state or is registered with the  
13.31 county recorder and farming and ownership of agricultural land is stated as a purpose or  
13.32 character of the business;

13.33 (2) it has no more than five partners;

13.34 (3) all its partners, other than any estate, are natural persons or family farm trusts;

13.35 (4) its revenue from rent, royalties, dividends, interest, and annuities does not exceed  
13.36 20 percent of its gross receipts;

14.1 (5) its general partners hold at least 51 percent of the interest in the land assets of the  
14.2 partnership and reside on the farm or are actively engaging in farming not more than 1,500  
14.3 acres as a general partner in an authorized limited partnership;

14.4 (6) its limited partners do not participate in the business of the limited partnership  
14.5 including operating, managing, or directing management of farming operations;

14.6 (7) it does not, directly or indirectly, own or otherwise have an interest in any title to  
14.7 more than 1,500 acres of agricultural land; and

14.8 (8) none of its limited partners are limited partners in other authorized farm  
14.9 partnerships that directly or indirectly in combination with the partnership own more than  
14.10 1,500 acres of agricultural land.

14.11 (l) "Family farm limited liability company" means a limited liability company  
14.12 founded for the purpose of farming and the ownership of agricultural land in which the  
14.13 majority of the membership interests is held by and the majority of the members are  
14.14 natural persons, or current beneficiaries of one or more family farm trusts in which the  
14.15 trustee holds an interest in a family farm limited liability company related to each other  
14.16 within the third degree of kindred according to the rules of the civil law, and at least one of  
14.17 the related persons is residing on the farm, actively operating the farm, or the agricultural  
14.18 land was owned by one or more of the related persons for a period of five years before  
14.19 its transfer to the limited liability company, and none of the members is a corporation or  
14.20 a limited liability company. A family farm limited liability company does not cease to  
14.21 qualify as a family farm limited liability company because of:

14.22 (1) a transfer of a membership interest to a person or spouse of a person related  
14.23 within the third degree of kindred according to the rules of civil law to the person making  
14.24 the transfer or to a family farm trust of which the member, spouse, or related person is  
14.25 a current beneficiary; or

14.26 (2) distribution from a family farm trust of a membership interest to a beneficiary  
14.27 related within the third degree of kindred according to the rules of civil law to a majority  
14.28 of the current beneficiaries of the trust, or to a family farm trust of which the member,  
14.29 spouse, or related person is a current beneficiary.

14.30 For the purposes of this section, a transfer may be made with or without  
14.31 consideration, either directly or indirectly, during life or at death, whether or not in trust, of  
14.32 a membership interest in the family farm limited liability company, and interest owned by  
14.33 a family farm trust is considered to be owned in equal shares by the current beneficiaries.  
14.34 Except for a state or federally chartered financial institution acquiring an encumbrance  
14.35 for the purpose of security or an interest under paragraph (x), a member of a family farm

15.1 limited liability company may not transfer a membership interest, including a financial  
15.2 interest, to a person who is not otherwise eligible to be a member under this paragraph.

15.3 (m) "Authorized farm limited liability company" means a limited liability company  
15.4 meeting the following standards:

15.5 (1) it has no more than five members;

15.6 (2) all its members, other than any estate, are natural persons or family farm trusts;

15.7 (3) it does not have more than one class of membership interests;

15.8 (4) its revenue from rent, royalties, dividends, interest, and annuities does not exceed  
15.9 20 percent of its gross receipts;

15.10 (5) members holding 51 percent or more of both the governance rights and financial  
15.11 rights in the limited liability company reside on the farm or are actively engaged in  
15.12 farming;

15.13 (6) it does not, directly or indirectly, own or otherwise have an interest in any title to  
15.14 more than 1,500 acres of agricultural land; and

15.15 (7) none of its members are members in other authorized farm limited liability  
15.16 companies that directly or indirectly in combination with the authorized farm limited  
15.17 liability company own more than 1,500 acres of agricultural land.

15.18 Except for a state or federally chartered financial institution acquiring an  
15.19 encumbrance for the purpose of security or an interest under paragraph (x), a member of  
15.20 an authorized farm limited liability company may not transfer a membership interest,  
15.21 including a financial interest, to a person who is not otherwise eligible to be a member  
15.22 under this paragraph.

15.23 (n) "Farmer" means a natural person who regularly participates in physical labor or  
15.24 operations management in the person's farming operation and files "Schedule F" as part of  
15.25 the person's annual Form 1040 filing with the United States Internal Revenue Service.

15.26 (o) "Actively engaged in livestock production" means performing day-to-day  
15.27 physical labor or day-to-day operations management that significantly contributes to  
15.28 livestock production and the functioning of a livestock operation.

15.29 (p) "Research or experimental farm" means a corporation, limited partnership,  
15.30 pension, investment fund, or limited liability company that owns or operates agricultural  
15.31 land for research or experimental purposes, provided that any commercial sales from the  
15.32 operation are incidental to the research or experimental objectives of the corporation. A  
15.33 corporation, limited partnership, limited liability company, or pension or investment fund  
15.34 seeking initial approval by the commissioner to operate agricultural land for research or  
15.35 experimental purposes must first submit to the commissioner a prospectus or proposal of

16.1 the intended method of operation containing information required by the commissioner  
16.2 including a copy of any operational contract with individual participants.

16.3 (q) "Breeding stock farm" means a corporation, limited partnership, or limited  
16.4 liability company, that owns or operates agricultural land for the purpose of raising  
16.5 breeding stock, including embryos, for resale to farmers or for the purpose of growing  
16.6 seed, wild rice, nursery plants, or sod. An entity that is organized to raise livestock  
16.7 other than dairy cattle under this paragraph that does not qualify as an authorized farm  
16.8 corporation must:

16.9 (1) sell all castrated animals to be fed out or finished to farming operations that are  
16.10 neither directly nor indirectly owned by the business entity operating the breeding stock  
16.11 operation; and

16.12 (2) report its total production and sales annually to the commissioner.

16.13 (r) "Aquatic farm" means a corporation, limited partnership, or limited liability  
16.14 company, that owns or leases agricultural land as a necessary part of an aquatic farm  
16.15 as defined in section 17.47, subdivision 3.

16.16 (s) "Religious farm" means a corporation formed primarily for religious purposes  
16.17 whose sole income is derived from agriculture.

16.18 (t) "Utility corporation" means a corporation regulated under Minnesota Statutes  
16.19 1974, chapter 216B, that owns agricultural land for purposes described in that chapter, or  
16.20 an electric generation or transmission cooperative that owns agricultural land for use in  
16.21 its business if the land is not used for farming except under lease to a family farm unit,  
16.22 a family farm corporation, a family farm trust, a family farm partnership, or a family  
16.23 farm limited liability company.

16.24 (u) "Development organization" means a corporation, limited partnership, limited  
16.25 liability company, or pension or investment fund that has an interest in agricultural land  
16.26 for which the corporation, limited partnership, limited liability company, or pension or  
16.27 investment fund has documented plans to use and subsequently uses the land within  
16.28 six years from the date of purchase for a specific nonfarming purpose, or if the land is  
16.29 zoned nonagricultural, or if the land is located within an incorporated area. A corporation,  
16.30 limited partnership, limited liability company, or pension or investment fund may hold  
16.31 agricultural land in the amount necessary for its nonfarm business operation; provided,  
16.32 however, that pending the development of agricultural land for nonfarm purposes, the land  
16.33 may not be used for farming except under lease to a family farm unit, a family farm  
16.34 corporation, a family farm trust, an authorized farm corporation, an authorized livestock  
16.35 farm corporation, a family farm partnership, an authorized farm partnership, a family farm  
16.36 limited liability company, or an authorized farm limited liability company, or except when



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17.1 controlled through ownership, options, leaseholds, or other agreements by a corporation  
17.2 that has entered into an agreement with the United States under the New Community Act  
17.3 of 1968 (Title IV of the Housing and Urban Development Act of 1968, United States Code,  
17.4 title 42, sections 3901 to 3914) as amended, or a subsidiary or assign of such a corporation.

17.5 (v) "Exempt land" means agricultural land owned or leased by a corporation as of  
17.6 May 20, 1973, agricultural land owned or leased by a pension or investment fund as of  
17.7 May 12, 1981, agricultural land owned or leased by a limited partnership as of May 1,  
17.8 1988, or agricultural land owned or leased by a trust as of the effective date of Laws 2000,  
17.9 chapter 477, including the normal expansion of that ownership at a rate not to exceed 20  
17.10 percent of the amount of land owned as of May 20, 1973, for a corporation; May 12, 1981,  
17.11 for a pension or investment fund; May 1, 1988, for a limited partnership, or the effective  
17.12 date of Laws 2000, chapter 477, for a trust, measured in acres, in any five-year period,  
17.13 and including additional ownership reasonably necessary to meet the requirements of  
17.14 pollution control rules. A corporation, limited partnership, or pension or investment fund  
17.15 that is eligible to own or lease agricultural land under this section prior to May 1997, or a  
17.16 corporation that is eligible to own or lease agricultural land as a benevolent trust under this  
17.17 section prior to the effective date of Laws 2000, chapter 477, may continue to own or lease  
17.18 agricultural land subject to the same conditions and limitations as previously allowed.

17.19 (w) "Gifted land" means agricultural land acquired as a gift, either by grant or devise,  
17.20 by an educational, religious, or charitable nonprofit corporation, limited partnership,  
17.21 limited liability company, or pension or investment fund if all land so acquired is disposed  
17.22 of within ten years after acquiring the title.

17.23 (x) "Repossessed land" means agricultural land acquired by a corporation, limited  
17.24 partnership, limited liability company, or pension or investment fund by process of law  
17.25 in the collection of debts, or by any procedure for the enforcement of a lien or claim on  
17.26 the land, whether created by mortgage or otherwise if all land so acquired is disposed of  
17.27 within five years after acquiring the title. The five-year limitation is a covenant running  
17.28 with the title to the land against any grantee, assignee, or successor of the pension or  
17.29 investment fund, corporation, limited partnership, or limited liability company. The land  
17.30 so acquired must not be used for farming during the five-year period, except under a  
17.31 lease to a family farm unit, a family farm corporation, a family farm trust, an authorized  
17.32 farm corporation, an authorized livestock farm corporation, a family farm partnership, an  
17.33 authorized farm partnership, a family farm limited liability company, or an authorized  
17.34 farm limited liability company. Notwithstanding the five-year divestiture requirement  
17.35 under this paragraph, a financial institution may continue to own the agricultural land if the  
17.36 agricultural land is leased to the immediately preceding former owner, but must dispose

18.1 of the agricultural land within ten years of acquiring the title. Livestock acquired by a  
18.2 pension or investment fund, corporation, limited partnership, or limited liability company  
18.3 in the collection of debts, or by a procedure for the enforcement of lien or claim on the  
18.4 livestock whether created by security agreement or otherwise after August 1, 1994, must  
18.5 be sold or disposed of within one full production cycle for the type of livestock acquired  
18.6 or 18 months after the livestock is acquired, whichever is earlier.

18.7 (y) "Commissioner" means the commissioner of agriculture.

18.8 (z) "Nonprofit corporation" means a nonprofit corporation organized under state  
18.9 nonprofit corporation or trust law or qualified for tax-exempt status under federal tax law  
18.10 that: (1) uses the land for a specific nonfarming purpose or; (2) leases the agricultural  
18.11 land to a family farm unit, a family farm corporation, an authorized farm corporation, an  
18.12 authorized livestock farm corporation, a family farm limited liability company, a family  
18.13 farm trust, an authorized farm limited liability company, a family farm partnership, or an  
18.14 authorized farm partnership; or (3) actively farms less than 160 acres that were acquired  
18.15 by the nonprofit corporation prior to January 1, 2010, or actively farms less than 40 acres  
18.16 that were acquired by the nonprofit corporation after January 1, 2010, and the nonprofit  
18.17 corporation uses all profits from the agricultural land for educational purposes.

18.18 (aa) "Current beneficiary" means a person who at any time during a year is entitled  
18.19 to, or at the discretion of any person may, receive a distribution from the income or  
18.20 principal of the trust. It does not include a distributee trust, other than a trust described in  
18.21 section 170(c) of the Internal Revenue Code, as amended, but does include the current  
18.22 beneficiaries of the distributee trust. It does not include a person in whose favor a power  
18.23 of appointment could be exercised until the holder of the power of appointment actually  
18.24 exercises the power of appointment in that person's favor. It does not include a person who  
18.25 is entitled to receive a distribution only after a specified time or upon the occurrence of a  
18.26 specified event until the time or occurrence of the event. For the purposes of this section, a  
18.27 distributee trust is a current beneficiary of a family farm trust.

18.28 (bb) "De minimis" means that any corporation, pension or investment fund, limited  
18.29 liability company, or limited partnership that directly or indirectly owns, acquires, or  
18.30 otherwise obtains any interest in 40 acres or less of agricultural land and annually receives  
18.31 less than \$150 per acre in gross revenue from rental or agricultural production.

18.32 Sec. 19. Minnesota Statutes 2008, section 514.965, subdivision 2, is amended to read:

18.33 Subd. 2. **Agricultural lien.** "Agricultural lien" means an agricultural lien as defined  
18.34 in section 336.9-102(a)(5) and includes a veterinarian's lien, breeder's lien, livestock

19.1 production input lien, temporary livestock production input lien, and feeder's lien under  
19.2 this section and section 514.966.

19.3 Sec. 20. Minnesota Statutes 2008, section 514.966, is amended by adding a subdivision  
19.4 to read:

19.5 Subd. 3a. **Temporary livestock production input lien; debtor in mediation.** (a)  
19.6 A supplier furnishing livestock production inputs in the ordinary course of business to  
19.7 a debtor who has filed a mediation request under chapter 583 has a temporary livestock  
19.8 production input lien for the unpaid retail cost of the livestock production input. A  
19.9 temporary perfected livestock production input lien that attaches to livestock may not  
19.10 exceed the amount, if any, that the sales price of the livestock for which the inputs were  
19.11 received exceeds the greater of the fair market value of the livestock at the time the lien  
19.12 attaches or the acquisition price of the livestock. A temporary livestock production input  
19.13 lien becomes effective when the agricultural production inputs are furnished by the  
19.14 supplier to the purchaser.

19.15 (b) A temporary livestock production input lien under this subdivision applies to  
19.16 livestock production inputs provided that meet the needs of the debtor's livestock during  
19.17 the 45 days following a mediation request under chapter 583.

19.18 (c) A person who supplies livestock production inputs under this subdivision shall  
19.19 provide a lien-notification statement as required under subdivision 3, paragraphs (b)  
19.20 and (c), but is not subject to subdivision 3, paragraphs (d) to (f). A perfected temporary  
19.21 livestock production input lien corresponding to the lien-notification statement has priority  
19.22 over any security interest of the lender in the same livestock or their proceeds for the  
19.23 lesser of:

19.24 (1) the amount stated in the lien-notification statement; or

19.25 (2) the unpaid retail cost of the livestock production input identified in the  
19.26 lien-notification statement, subject to any limitation in paragraph (a).

19.27 Sec. 21. Minnesota Statutes 2008, section 514.966, subdivision 6, is amended to read:

19.28 **Subd. 6. Perfection.** (a) An agricultural lien under this section is perfected if a  
19.29 financing statement is filed pursuant to sections 336.9-501 to 336.9-530 and within the  
19.30 time periods set forth in paragraphs (b) to (e).

19.31 (b) A veterinarian's lien must be perfected on or before 180 days after the last item  
19.32 of the veterinary service is performed.

19.33 (c) A breeder's lien must be perfected by six months after the last date that breeding  
19.34 services are provided the obligor.

20.1 (d) Except as provided in paragraph (f), a livestock production input lien must be  
20.2 perfected by six months after the last date that livestock production inputs are furnished  
20.3 the obligor.

20.4 (e) A feeder's lien must be perfected on or before 60 days after the last date that  
20.5 feeding services are furnished the obligor.

20.6 (f) A temporary livestock production input lien, under subdivision 3a, must be  
20.7 perfected on or before 60 days after the last date that livestock production inputs are  
20.8 furnished the obligor.

20.9 Sec. 22. Laws 2008, chapter 296, article 1, section 25, the effective date, is amended to  
20.10 read:

20.11 **EFFECTIVE DATE.** This section is effective June 1, ~~2010~~ 2011.

20.12 Sec. 23. **FERTILIZER RESEARCH GRANTS; EXTENSION OF**  
20.13 **APPROPRIATION AVAILABILITY.**

20.14 Notwithstanding Minnesota Statutes, section 16A.28:

20.15 (1) the appropriation encumbered on or before June 30, 2009, for fertilizer research  
20.16 grants in Laws 2007, chapter 45, article 1, section 3, subdivision 5, is available until  
20.17 June 30, 2011;

20.18 (2) the fiscal year 2010 appropriation encumbered on or before June 30, 2011, for  
20.19 fertilizer research grants in Laws 2009, chapter 94, article 1, section 3, subdivision 5, is  
20.20 available until June 30, 2013; and

20.21 (3) the fiscal year 2011 appropriation encumbered on or before June 30, 2012, for  
20.22 fertilizer research grants in Laws 2009, chapter 94, article 1, section 3, subdivision 5,  
20.23 is available until June 30, 2014.

20.24 Sec. 24. **DAIRY RESEARCH AND EDUCATION FACILITY.**

20.25 The commissioner shall work with milk producers and other industry stakeholders  
20.26 along with representatives of the University of Minnesota and Minnesota State Colleges  
20.27 and Universities whose work relates to the dairy industry, to consider the elements of a  
20.28 dairy research and education facility that would represent a partnership between higher  
20.29 education institutions and the dairy industry. The commissioner shall provide a report on  
20.30 facility and financing options to the house of representatives and senate agriculture budget  
20.31 chairs and ranking minority members by February 1, 2011.

20.32 Sec. 25. **TERMINAL CAPACITY STUDY; APPROPRIATION.**

21.1 \$50,000 in fiscal year 2011 is appropriated from the fertilizer inspection account  
21.2 in the agricultural fund to the commissioner of agriculture to determine, with assistance  
21.3 from the Office of Energy Security, the total propane and anhydrous ammonia terminal  
21.4 capacity located in the state and within 100 miles of the state's borders. The commissioner  
21.5 shall also use projected grain yields and other relevant factors to estimate total agricultural  
21.6 demand for propane and anhydrous ammonia in this state in the year 2020 and shall  
21.7 develop a detailed plan for fully and economically satisfying this anticipated demand. No  
21.8 later than February 1, 2011, the commissioner shall present the report to the legislative  
21.9 committees with jurisdiction over agricultural finance.

21.10 Sec. 26. **REPEALER.**

21.11 Minnesota Statutes 2008, sections 17.231; and 343.26, are repealed.

## 21.12 **ARTICLE 2**

### 21.13 **VETERANS**

21.14 Section 1. Minnesota Statutes 2008, section 197.60, subdivision 1, is amended to read:

21.15 Subdivision 1. **Appointment; administrative support.** The county board of any  
21.16 county ~~except Clay County~~, or the county boards of any two or more counties acting  
21.17 pursuant to ~~the provisions of~~ section 197.602, shall appoint a veterans service officer  
21.18 ~~and shall provide necessary clerical help, office space, equipment, and supplies for the~~  
21.19 ~~officer, together with reimbursement for mileage and other traveling expenses necessarily~~  
21.20 ~~incurred in the performance of duties;~~ and may appoint one or more assistant veterans  
21.21 service officers who ~~shall have the qualifications prescribed in~~ are qualified under section  
21.22 197.601. ~~The county board of Clay County may appoint a veterans service officer and~~  
21.23 ~~assistant veterans service officers as provided in this subdivision.~~ The county board or  
21.24 boards shall provide necessary clerical help, office space, equipment, and supplies for the  
21.25 officer, and reimbursement for mileage and other traveling expenses necessarily incurred  
21.26 in the performance of duties. Subject to the direction and control of the veterans service  
21.27 officer, the assistant veterans service officer may exercise all the powers, and shall perform  
21.28 the duties, of the veterans service officer, and ~~shall be~~ is subject to all the provisions of  
21.29 sections 197.60 to 197.606 relating to a veterans service officer. Every county officer and  
21.30 agency shall cooperate with the veterans service officer and shall provide the officer with  
21.31 information necessary in connection with the performance of duties.

22.1 Sec. 2. Minnesota Statutes 2008, section 197.601, is amended to read:

22.2 **197.601 QUALIFICATIONS OF VETERANS SERVICE OFFICERS.**

22.3 No person shall be appointed a veterans service officer or an assistant county  
22.4 veterans service officer or the equivalent under sections 197.60 to 197.606 ~~without the~~  
22.5 ~~following qualifications~~ unless the person is:

22.6 (1) ~~residence in~~ a resident of the state of Minnesota;

22.7 (2) ~~citizenship in~~ a citizen of the United States; and

22.8 (3) a veteran, as defined in section 197.447~~;~~

22.9 ~~(4) education and training for the duties of veterans service officer;~~

22.10 ~~(5) knowledge of the law and the regulations and rulings of the United States~~

22.11 ~~Veterans Administration applicable to cases before it and the administration thereof.~~

22.12 In addition, a person accepting appointment to the position of county veterans  
22.13 service officer or assistant county veterans service officer or other equivalent assistant  
22.14 position must agree to receive, within six months of the appointment, training and  
22.15 education for the duties of the position, including development of an effective working  
22.16 knowledge of relevant laws, rules, and regulations pertaining to the United States  
22.17 Department of Veterans Affairs, as applicable to veterans cases before the department and  
22.18 the administration of those cases.

22.19 Sec. 3. Minnesota Statutes 2008, section 197.605, is amended to read:

22.20 **197.605 SUPERVISION DEPARTMENT AS A RESOURCE TO COUNTIES.**

22.21 Subdivision 1. ~~Methods of operation~~ Resources available. Every veterans service  
22.22 officer appointed under sections 197.60 to 197.606 shall be under the general supervision  
22.23 of the commissioner of veterans affairs as to methods of operation. The commissioner of  
22.24 veterans affairs shall make resources available within the Department of Veterans Affairs  
22.25 to every county that operates a county veterans service office, to assist the county with  
22.26 maintaining efficient and effective services to veterans. To receive available resources  
22.27 from the department, a county must formally request them from the commissioner and  
22.28 invite the commissioner or the commissioner's designee or designees into the county  
22.29 as necessary to provide those resources. The commissioner shall consult with the  
22.30 Association of Minnesota Counties and the Minnesota Association of County Veterans  
22.31 Service Officers in developing a list of resources available to counties in support of their  
22.32 county veterans service offices.

22.33 Subd. 2. **Use of agencies to present claims.** Every veterans service officer and  
22.34 assistant veterans service officer or the equivalent appointed under sections 197.60 to  
22.35 197.606 shall use the Minnesota Department of Veterans Affairs or any organization

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23.1 recognized by the United States Department of Veterans Administration Affairs, as may  
23.2 be designated by the veteran by power of attorney, in the presentation of claims to the  
23.3 United States Department of Veterans Administration Affairs for the benefits referred to  
23.4 in section 197.603.

23.5 ~~Subd. 3. **Rules.** The commissioner of veterans affairs shall have authority to~~  
23.6 ~~prescribe such rules as are necessary for compliance with this section and the efficient~~  
23.7 ~~uniform administration of sections 197.60 to 197.606. Such rules shall not apply to the~~  
23.8 ~~appointment, tenure, compensation, or working conditions of a veterans service officer~~  
23.9 ~~appointed under sections 197.60 to 197.606.~~

23.10 Subd. 4. **Certification.** The commissioner of veterans affairs shall establish a  
23.11 certification process for veterans service officers. In doing so, the commissioner shall  
23.12 consult with the Minnesota Association of County Veterans Service Officers.

23.13 Sec. 4. Minnesota Statutes 2008, section 197.606, is amended to read:

23.14 **197.606 CLASSED AS COUNTY EMPLOYEES.**

23.15 Veterans service officers and assistant veterans service officers appointed under  
23.16 sections 197.60 to 197.606 are employees of the counties by which they are employed, and  
23.17 are under the exclusive jurisdiction and control of such those counties ~~and the Department~~  
23.18 ~~of Veterans Affairs as herein provided.~~

23.19 Sec. 5. Minnesota Statutes 2008, section 197.609, subdivision 1, is amended to read:

23.20 Subdivision 1. **Establishment and administration.** An education program for  
23.21 county veterans service officers is established to be administered by the commissioner of  
23.22 veterans affairs, with assistance and advice from the Minnesota Association of County  
23.23 Veterans Service Officers.

23.24 Sec. 6. Minnesota Statutes 2008, section 197.609, subdivision 2, is amended to read:

23.25 Subd. 2. **Eligibility.** To be eligible for the program in this section, a person must  
23.26 currently be employed as a county veterans service officer or assistant county veterans  
23.27 service officer, as authorized by sections 197.60 to 197.606, and be certified to serve in  
23.28 that position by the commissioner of veterans affairs or be serving a probationary period  
23.29 as authorized by section 197.60, subdivision 2.

23.30 Sec. 7. Minnesota Statutes 2008, section 197.75, subdivision 1, is amended to read:

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

**S.F. No. 2737, 1st Engrossment - 86th Legislative Session (2009-2010) [s2737-1]**

24.1 (b) "Commissioner" means the commissioner of veterans affairs.

24.2 (c) "Deceased veteran" means a veteran ~~who was a Minnesota resident within six~~  
24.3 ~~months of the time of the person's entry into the United States armed forces and~~ who has  
24.4 died as a result of ~~that~~ the person's military service, as determined by the United States  
24.5 Veterans Administration, and who was a resident of this state: (1) within six months of  
24.6 entering the United States armed forces, or (2) for the six months preceding the veteran's  
24.7 date of death.

24.8 (d) "Eligible child" means a person who:

24.9 (1) is the natural or adopted ~~son or daughter~~ child or stepchild of a deceased veteran;  
24.10 and

24.11 (2) is a student making satisfactory academic progress at an eligible institution  
24.12 of higher education.

24.13 (e) "Eligible institution" means a postsecondary educational institution located in  
24.14 this state that either (1) is operated by this state, or (2) is operated publicly or privately  
24.15 and, as determined by the office, maintains academic standards substantially equivalent  
24.16 to those of comparable institutions operated in this state.

24.17 (f) "Eligible spouse" means the surviving spouse of a deceased veteran.

24.18 (g) "Eligible veteran" means a veteran who:

24.19 (1) is a student making satisfactory academic progress at an eligible institution  
24.20 of higher education;

24.21 (2) had Minnesota as the person's state of residence at the time of the person's  
24.22 enlistment or any reenlistment into the United States armed forces, as shown by the  
24.23 person's federal form DD-214 or other official documentation to the satisfaction of the  
24.24 commissioner;

24.25 (3) except for benefits under this section, has no remaining military or veteran-related  
24.26 educational assistance benefits for which the person may have been entitled; and

24.27 (4) while using the educational assistance authorized in this section, remains a  
24.28 resident student as defined in section 136A.101, subdivision 8.

24.29 (h) "Satisfactory academic progress" has the meaning given in section 136A.101,  
24.30 subdivision 10.

24.31 (i) "Student" has the meaning given in section 136A.101, subdivision 7.

24.32 (j) "Veteran" has the meaning given in section 197.447.

24.33 **EFFECTIVE DATE.** This section is effective July 1, 2010, for educational benefits  
24.34 provided to an eligible child or eligible spouse on or after that date.

24.35 Sec. 8. **NONCOMPLIANCE.**



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25.1 A county that on July 1, 2010, is noncompliant with regard to the qualifications of  
25.2 an assistant county veterans service officer or the equivalent, under Minnesota Statutes,  
25.3 section 197.601, must comply with the requirements of that section no later than June 30,  
25.4 2013, and must remain in compliance after that date.

25.5 Sec. 9. **REPEALER.**

25.6 (a) Minnesota Statutes 2008, section 168.1251, is repealed.

25.7 (b) Laws 2009, chapter 94, article 3, section 23, is repealed.

25.8 **EFFECTIVE DATE.** Paragraph (b) is effective the day following final enactment.

25.9 Sec. 10. **EFFECTIVE DATE.**

25.10 Sections 1 to 6 and 8 are effective July 1, 2010.

APPENDIX  
Article locations in s2737-1

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