

A bill for an act

1.1 relating to state government; clarifying certain livestock compensation
1.2 provisions; regulating and classifying certain data; classifying equines as
1.3 livestock; changing certain pesticide control provisions; authorizing waivers of
1.4 certain fees; providing for control of bovine tuberculosis; eliminating the native
1.5 grasses and wildflower seed production and incentive program; authorizing
1.6 ownership of agricultural land by certain nonprofit corporations; requiring
1.7 tree care and tree trimming company registration; regulating certain sale and
1.8 distribution of firewood; changing certain fuel requirements; authorizing
1.9 individuals and entities to take certain easements in agricultural land; eliminating
1.10 a penalty; allowing a temporary lien for livestock production inputs for 45 days
1.11 following a mediation request; setting a goal; requiring reports and memoranda;
1.12 specifying certain procedures; clarifying the role of the commissioner and
1.13 Department of Veterans Affairs in providing certain resources for the county
1.14 veterans service offices; modifying a residency requirement for purposes of
1.15 eligibility for higher educational benefits for the surviving spouse and children of
1.16 a deceased veteran who dies as a result of military service; changing eligibility
1.17 for a license plate; changing preference requirements; repealing authorization for
1.18 a license plate; clarifying a state procurement preference; extending availability
1.19 of certain appropriations; requiring planning for new veterans cemeteries;
1.20 appropriating money; amending Minnesota Statutes 2008, sections 1.141, by
1.21 adding subdivisions; 3.737, subdivision 4; 13.635, by adding a subdivision;
1.22 17.03, by adding a subdivision; 18B.31, subdivision 5; 18B.36, subdivision 1;
1.23 18B.37, subdivision 4; 18G.07; 28A.082, subdivision 1; 35.244, subdivisions 1,
1.24 2; 123B.35; 123B.36, subdivision 6; 168.123, subdivision 2; 196.05, by adding
1.25 a subdivision; 197.455, by adding a subdivision; 197.481, subdivisions 1, 2,
1.26 4; 197.585, subdivision 5; 197.60, subdivision 1; 197.601; 197.605; 197.606;
1.27 197.609, subdivisions 1, 2; 197.75, subdivision 1; 239.092; 239.093; 239.791,
1.28 by adding subdivisions; 336.9-531; 336A.08, subdivisions 1, 4; 336A.14;
1.29 500.221, subdivisions 2, 4; 500.24, subdivision 2; 514.965, subdivision 2;
1.30 514.966, subdivisions 5, 6, by adding a subdivision; Minnesota Statutes 2009
1.31 Supplement, sections 3.737, subdivision 1; 16C.16, subdivision 6a; 16C.19;
1.32 18B.316, subdivision 10; 197.46; 239.791, subdivisions 1, 1a; Laws 2008,
1.33 chapter 296, article 1, section 25; Laws 2009, chapter 94, article 3, section 14;
1.34 proposing coding for new law in Minnesota Statutes, chapters 17; 38; repealing
1.35 Minnesota Statutes 2008, sections 17.231; 168.1251; 343.26; Laws 2009, chapter
1.36 94, article 1, section 106.

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

ARTICLE 1

AGRICULTURE

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

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

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

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

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

3.1 (b) ~~For a gray wolf depredation claim submitted by a livestock owner after~~
3.2 ~~September 1, 1999, the commissioner shall, based on the report from the university~~
3.3 ~~extension agent and conservation officer, evaluate the claim for conformance with~~
3.4 ~~the best management practices developed by the commissioner in subdivision 5. The~~
3.5 ~~commissioner must provide to the livestock owner an itemized list of any deficiencies~~
3.6 ~~in the livestock owner's adoption of best management practices that were noted in the~~
3.7 ~~university extension agent's or conservation officer's report.~~

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

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

3.19 Sec. 3. Minnesota Statutes 2008, section 13.635, is amended by adding a subdivision
3.20 to read:

3.21 Subd. 5. Secretary of state. Social Security numbers and tax identification
3.22 numbers maintained by the secretary of state in filing systems are classified under sections
3.23 336.9-531 and 336A.14.

3.24 Sec. 4. Minnesota Statutes 2008, section 17.03, is amended by adding a subdivision to
3.25 read:

3.26 Subd. 11a. Permitting efficiency goal and report. (a) It is the goal of the
3.27 Department of Agriculture that environmental and resource management permits be
3.28 issued or denied within 150 days of the submission of a completed permit application.
3.29 The commissioner of agriculture shall establish management systems designed to achieve
3.30 the goal.

3.31 (b) The commissioner shall prepare semiannual permitting efficiency reports that
3.32 include statistics on meeting the goal in paragraph (a). The reports are due February 1
3.33 and August 1 of each year. For permit applications that have not met the goal, the report
3.34 must state the reasons for not meeting the goal, steps that will be taken to complete action

4.1 on the application, and the expected timeline. In stating the reasons for not meeting the
4.2 goal, the commissioner shall separately identify delays caused by the responsiveness of
4.3 the proposer, lack of staff, scientific or technical disagreements, or the level of public
4.4 engagement. The report must specify the number of days from initial submission of
4.5 the application to the day of determination that the application is complete. The report
4.6 for the final quarter of the fiscal year must aggregate the data for the year and assess
4.7 whether program or system changes are necessary to achieve the goal. The report must
4.8 be posted on the department Web site and submitted to the governor and the chairs of
4.9 the house of representatives and senate committees having jurisdiction over agriculture
4.10 policy and finance.

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

4.13 Sec. 5. **[17.459] HORSES.**

4.14 Subdivision 1. **Classification as livestock.** Horses and other equines raised for the
4.15 purposes of riding, driving, farm or ranch work, competition, racing, recreation, sale, or as
4.16 breeding stock are livestock. Horses and their products are livestock and farm products for
4.17 purposes of financial transactions and collateral.

4.18 Subd. 2. **Agricultural pursuit.** Raising horses and other equines is agricultural
4.19 production and an agricultural pursuit.

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

4.22 Sec. 6. Minnesota Statutes 2008, section 18B.31, subdivision 5, is amended to read:

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

4.25 (b) If an application for renewal of a pesticide dealer license is not filed before
4.26 ~~January 1 of the year for which the license is to be issued~~ expires, an additional fee of ~~\$20~~
4.27 50 percent of the application fee must be paid by the applicant before the commissioner
4.28 may issue the license ~~is issued~~.

4.29 Sec. 7. Minnesota Statutes 2009 Supplement, section 18B.316, subdivision 10, is
4.30 amended to read:

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

5.1 (b) If an application for renewal of an agricultural pesticide dealer license is not filed
5.2 before ~~January of the year for which the license is to be issued~~ expires, an additional fee of
5.3 50 percent of the application fee must be paid by the applicant before the commissioner
5.4 may issue the license.

5.5 Sec. 8. Minnesota Statutes 2008, section 18B.36, subdivision 1, is amended to read:

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

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

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

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

5.13 (b) A ~~private applicator~~ person may not purchase a restricted use pesticide without
5.14 presenting a license card, certified private applicator card₂ or the card number.

5.15 Sec. 9. Minnesota Statutes 2008, section 18B.37, subdivision 4, is amended to read:

5.16 Subd. 4. **Storage, handling, incident response, and disposal plan.** A ~~commercial~~
5.17 pesticide dealer, agricultural pesticide dealer, or a commercial, noncommercial, or
5.18 structural pest control applicator or the business that the applicator is employed by must
5.19 develop and maintain a plan that describes its pesticide storage, handling, incident
5.20 response, and disposal practices. The plan must be kept at a principal business site
5.21 or location within this state and must be submitted to the commissioner upon request
5.22 on forms provided by the commissioner. The plan must be available for inspection by
5.23 the commissioner.

5.24 Sec. 10. Minnesota Statutes 2008, section 18G.07, is amended to read:

5.25 **18G.07 TREE CARE AND TREE TRIMMING COMPANY ~~REGISTRY~~**
5.26 **REGISTRATION.**

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

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

- 6.1 (1) accurate and up-to-date business name, address, and telephone number;
- 6.2 (2) a complete list of all Minnesota counties in which they work; and
- 6.3 (3) ~~a complete list of persons in the business who are certified by the International~~
- 6.4 ~~Society of Arborists~~ a nonrefundable fee of \$25 for initial application or renewing the
- 6.5 registration.

6.6 (c) All persons and companies required to be registered under paragraph (a) must

6.7 register before conducting the activities specified in paragraph (a). Annual registration

6.8 expires December 31, must be renewed annually, and the renewal fee remitted by January

6.9 7 of the year for which it is issued. In addition, a penalty of ten percent of the renewal fee

6.10 due must be charged for each month, or portion of a month, that the fee is delinquent up to

6.11 a maximum of 30 percent for any application for renewal postmarked after December 31.

6.12 Subd. 2. **Information dissemination.** The commissioner shall provide registered

6.13 tree care companies with information and data regarding any existing or potential

6.14 regulated forest pest infestations within the state.

6.15 Subd. 3. **Violation.** It is unlawful for a person to advertise tree care or tree trimming

6.16 services in Minnesota without being registered with the commissioner.

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

6.18 Sec. 11. Minnesota Statutes 2008, section 28A.082, subdivision 1, is amended to read:

6.19 Subdivision 1. **Fees; application.** The fees for review of food handler facility floor

6.20 plans under the Minnesota Food Code are based upon the square footage of the structure

6.21 being newly constructed, remodeled, or converted. The fees for the review shall be:

6.22 square footage	review fee
6.23 0 - 4,999	\$ 200.00
6.24 5,000 - 24,999	\$ 275.00
6.25 25,000 plus	\$ 425.00

6.26 The applicant must submit the required fee, review application, plans, equipment

6.27 specifications, materials lists, and other required information on forms supplied by the

6.28 department at least 30 days prior to commencement of construction, remodeling, or

6.29 conversion. The commissioner may waive this fee after determining that the facility's

6.30 principal mode of business is not the sale of food and that the facility sells only

6.31 prepackaged foods.

6.32 Sec. 12. Minnesota Statutes 2008, section 35.244, subdivision 1, is amended to read:

6.33 Subdivision 1. **Designation of zones.** The board ~~has the authority to~~ may establish

6.34 zones for the control and eradication of tuberculosis and restrict the movement of cattle,

S.F. No. 2737, 2nd Engrossment - 86th Legislative Session (2009-2010) [s2737-2]

7.1 bison, goats, and farmed cervidae within and between tuberculosis zones in the state.
7.2 ~~Zones within the state may be designated as accreditation preparatory, modified accredited,~~
7.3 ~~modified accredited advanced, or accredited free as those terms are defined in Code of~~
7.4 ~~Federal Regulations, title 9, part 77. The board may designate bovine tuberculosis control~~
7.5 ~~zones that contain not more than 325 herds.~~

7.6 Sec. 13. Minnesota Statutes 2008, section 35.244, subdivision 2, is amended to read:

7.7 Subd. 2. **Requirements within a tuberculosis control** ~~within modified accredited~~
7.8 **zone.** In a ~~modified accredited~~ tuberculosis control zone, the board ~~has the authority to~~
7.9 may:

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

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

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

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

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

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

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

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

7.30 Sec. 14. **[38.345] APPROPRIATIONS BY MUNICIPALITIES.**

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

8.1 Sec. 15. Minnesota Statutes 2008, section 239.092, is amended to read:

8.2 **239.092 SALE FROM BULK.**

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

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

8.7 (2) the date delivered;

8.8 (3) the quantity delivered;

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

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

8.12 and

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

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

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

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

8.23 Sec. 16. Minnesota Statutes 2008, section 239.093, is amended to read:

8.24 **239.093 INFORMATION REQUIRED WITH PACKAGE.**

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

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

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

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

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

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

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

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

9.9 Sec. 17. Minnesota Statutes 2009 Supplement, section 239.791, subdivision 1, is
9.10 amended to read:

9.11 Subdivision 1. **Minimum ethanol content required.** (a) Except as provided in
9.12 subdivisions 10 to 14, a person responsible for the product shall ensure that all gasoline
9.13 sold or offered for sale in Minnesota must contain at least the quantity of ethanol required
9.14 by clause (1) or (2), whichever is greater:

9.15 (1) 10.0 percent denatured ethanol by volume; or

9.16 (2) the maximum percent of denatured ethanol by volume authorized in a waiver
9.17 granted by the United States Environmental Protection Agency ~~under section 211(f)(4) of~~
9.18 ~~the Clean Air Act, United States Code, title 42, section 7545, subsection (f), paragraph (4).~~

9.19 (b) For purposes of enforcing the minimum ethanol requirement of paragraph
9.20 (a), clause (1), a gasoline/ethanol blend will be construed to be in compliance if the
9.21 ethanol content, exclusive of denaturants and other permitted contaminants components,
9.22 comprises not less than 9.2 percent by volume and not more than 10.0 percent by volume
9.23 of the blend as determined by an appropriate United States Environmental Protection
9.24 Agency or American Society of Testing Materials standard method of analysis of
9.25 alcohol/ether content in engine fuels.

9.26 (c) The provisions of this subdivision are suspended during any period of time that
9.27 subdivision 1a, paragraph (a), is in effect.

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

9.29 Sec. 18. Minnesota Statutes 2009 Supplement, section 239.791, subdivision 1a,
9.30 is amended to read:

9.31 Subd. 1a. **Minimum ethanol content required.** (a) Except as provided in
9.32 subdivisions 10 to 14, on August 30, 2013, and thereafter, a person responsible for the
9.33 product shall ensure that all gasoline sold or offered for sale in Minnesota must contain at
9.34 least the quantity of ethanol required by clause (1) or (2), whichever is greater:

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10.1 (1) 20 percent denatured ethanol by volume; or

10.2 (2) the maximum percent of denatured ethanol by volume authorized in a waiver
10.3 granted by the United States Environmental Protection Agency ~~under section 211(f)(4) of~~
10.4 ~~the Clean Air Act, United States Code, title 42, section 7545, subsection (f), paragraph (4).~~

10.5 (b) For purposes of enforcing the minimum ethanol requirement of paragraph
10.6 (a), clause (1), a gasoline/ethanol blend will be construed to be in compliance if the
10.7 ethanol content, exclusive of denaturants and other permitted contaminants components,
10.8 comprises not less than 18.4 percent by volume and not more than 20 percent by volume
10.9 of the blend as determined by an appropriate United States Environmental Protection
10.10 Agency or American Society of Testing Materials standard method of analysis of alcohol
10.11 content in motor fuels.

10.12 ~~(c) No motor fuel shall be deemed to be a defective product by virtue of the fact~~
10.13 ~~that the motor fuel is formulated or blended pursuant to the requirements of paragraph~~
10.14 ~~(a) under any theory of liability except for simple or willful negligence or fraud. This~~
10.15 ~~paragraph does not preclude an action for negligent, fraudulent, or willful acts. This~~
10.16 ~~paragraph does not affect a person whose liability arises under chapter 115, water pollution~~
10.17 ~~control; 115A, waste management; 115B, environmental response and liability; 115C,~~
10.18 ~~leaking underground storage tanks; or 299J, pipeline safety; under public nuisance law~~
10.19 ~~for damage to the environment or the public health; under any other environmental or~~
10.20 ~~public health law; or under any environmental or public health ordinance or program of a~~
10.21 ~~municipality as defined in section 466.01.~~

10.22 ~~(d)~~ (c) This subdivision expires on December 31, ~~2010~~ 2012, if by that date:

10.23 (1) the commissioner of agriculture certifies and publishes the certification in
10.24 the State Register that at least 20 percent of the volume of gasoline sold in the state
10.25 is denatured ethanol; or

10.26 (2) federal approval has not been granted under paragraph (a), clause (1). The
10.27 United States Environmental Protection Agency's failure to act on an application shall not
10.28 be deemed approval under paragraph (a), clause (1), or a waiver under section 211(f)(4) of
10.29 the Clean Air Act, United States Code, title 42, section 7545, subsection (f), paragraph (4).

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

10.31 Sec. 19. Minnesota Statutes 2008, section 239.791, is amended by adding a subdivision
10.32 to read:

10.33 **Subd. 2a. Federal Clean Air Act waivers; conditions.** (a) Before a waiver granted
10.34 by the United States Environmental Protection Agency under section 211(f)(4) of the
10.35 Clean Air Act, United States Code, title 42, section 7545, subsection (f), paragraph (4),

11.1 may alter the minimum content level required by subdivision 1, paragraph (a), clause (2),
11.2 or subdivision 1a, paragraph (a), clause (2), the waiver must:

11.3 (1) apply to all gasoline-powered motor vehicles irrespective of model year; and

11.4 (2) allow for special regulatory treatment of Reid vapor pressure under Code of
11.5 Federal Regulations, title 40, section 80.27(d), for blends of gasoline and ethanol up to the
11.6 maximum percent of denatured ethanol by volume authorized under the waiver.

11.7 (b) The minimum ethanol requirement in subdivision 1, paragraph (a), clause (2),
11.8 or subdivision 1a, paragraph (a), clause (2), shall, upon the grant of the federal waiver,
11.9 be effective the day after the commissioner of commerce publishes notice in the State
11.10 Register. In making this determination, the commissioner shall consider the amount of
11.11 time required by refiners, retailers, pipeline and distribution terminal companies, and
11.12 other fuel suppliers, acting expeditiously, to make the operational and logistical changes
11.13 required to supply fuel in compliance with the minimum ethanol requirement.

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

11.15 Sec. 20. Minnesota Statutes 2008, section 239.791, is amended by adding a subdivision
11.16 to read:

11.17 Subd. 2b. **Limited liability waiver.** No motor fuel shall be deemed to be a defective
11.18 product by virtue of the fact that the motor fuel is formulated or blended pursuant to
11.19 the requirements of subdivision 1, paragraph (a), clause (2), or subdivision 1a, under
11.20 any theory of liability except for simple or willful negligence or fraud. This subdivision
11.21 does not preclude an action for negligent, fraudulent, or willful acts. This subdivision
11.22 does not affect a person whose liability arises under chapter 115, water pollution control;
11.23 115A, waste management; 115B, environmental response and liability; 115C, leaking
11.24 underground storage tanks; or 299J, pipeline safety; under public nuisance law for damage
11.25 to the environment or the public health; under any other environmental or public health
11.26 law; or under any environmental or public health ordinance or program of a municipality
11.27 as defined in section 466.01.

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

11.29 Sec. 21. Minnesota Statutes 2008, section 239.791, is amended by adding a subdivision
11.30 to read:

11.31 Subd. 2c. **Fuel dispensing equipment; blends over ten percent ethanol.**

11.32 Notwithstanding any other law or rule, fuel dispensing equipment authorized to dispense

12.1 fuel under subdivision 1, paragraph (a), clause (1), is authorized to dispense fuel under
12.2 subdivision 1, paragraph (a), clause (2), or subdivision 1a.

12.3 Sec. 22. Minnesota Statutes 2008, section 336.9-531, is amended to read:

12.4 **336.9-531 ELECTRONIC ACCESS; LIABILITY; RETENTION.**

12.5 (a) **Electronic access.** The secretary of state may allow private parties to have
12.6 electronic access to the central filing system and to other computerized records maintained
12.7 by the secretary of state on a fee basis, except that: (1) visual access to electronic display
12.8 terminals at the public counters at the Secretary of State's Office must be without charge
12.9 and must be available during public counter hours; and (2) access by law enforcement
12.10 personnel, acting in an official capacity, must be without charge. If the central filing system
12.11 allows a form of electronic access to information regarding the obligations of debtors, the
12.12 access must be available 24 hours a day, every day of the year. ~~Notwithstanding section~~
12.13 ~~13.355, private parties who have electronic access to computerized records may view the~~
12.14 ~~Social Security number information about a debtor that is of record.~~

12.15 ~~Notwithstanding section 13.355, a filing office may include Social Security number~~
12.16 ~~information in an information request response under section 336.9-523 or a search of~~
12.17 ~~other liens in the central filing system. A filing office may also include Social Security~~
12.18 ~~number information on a photocopy or electronic copy of a record whether provided in~~
12.19 ~~an information request response or in response to a request made under section 13.03. A~~
12.20 Social Security number or tax identification number maintained by the secretary of state
12.21 under this section is private data on individuals or nonpublic data, as defined in section
12.22 13.02.

12.23 (b) **Liability.** The secretary of state, county recorders, and their employees and
12.24 agents are not liable for any loss or damages arising from errors in or omissions from
12.25 information entered into the central filing system as a result of the electronic transmission
12.26 of tax lien notices under sections 268.058, subdivision 1, paragraph (c); 270C.63,
12.27 subdivision 4; 272.483; and 272.488, subdivisions 1 and 3.

12.28 The state, the secretary of state, counties, county recorders, and their employees and
12.29 agents are immune from liability that occurs as a result of errors in or omissions from
12.30 information provided from the central filing system.

12.31 (c) **Retention.** Once the image of a paper record has been captured by the central
12.32 filing system, the secretary of state may remove or direct the removal from the files and
12.33 destroy the paper record.

13.1 **EFFECTIVE DATE.** This section is effective for financing statements filed in the
13.2 central filing system after November 30, 2010.

13.3 Sec. 23. Minnesota Statutes 2008, section 336A.08, subdivision 1, is amended to read:

13.4 Subdivision 1. **Compilation.** (a) The secretary of state shall compile the information
13.5 on effective financing statements in the computerized filing system into a master list:

13.6 (1) organized according to farm product;

13.7 (2) arranged within each product:

13.8 (i) in alphabetical order according to the last name of the individual debtor or, in
13.9 the case of debtors doing business other than as individuals, the first word in the name
13.10 of the debtors;

13.11 (ii) in numerical order according to the ~~Social Security number of the individual~~
13.12 ~~debtor or, in the case of debtors doing business other than as individuals, the Internal~~
13.13 ~~Revenue Service taxpayer identification number of the debtors~~ unique identifier assigned
13.14 by the secretary of state to, and associated with, the Social Security number or tax
13.15 identification number of the debtor;

13.16 (iii) geographically by county; and

13.17 (iv) by crop year;

13.18 (3) containing the information provided on an effective financing statement; and

13.19 (4) designating any applicable terminations of the effective financing statement.

13.20 (b) The secretary of state shall compile information from lien notices recorded in the
13.21 computerized filing system into a statutory lien master list in alphabetical order according
13.22 to the last name of the individual debtor or, in the case of debtors doing business other
13.23 than as individuals, the first word in the name of the debtors. The secretary of state may
13.24 also organize the statutory lien master list according to one or more of the categories of
13.25 information established in paragraph (a). Any terminations of lien notices must be noted.

13.26 **EFFECTIVE DATE.** This section is effective for lists compiled pursuant to this
13.27 section after October 31, 2010.

13.28 Sec. 24. Minnesota Statutes 2008, section 336A.08, subdivision 4, is amended to read:

13.29 Subd. 4. **Distribution of master and partial lists.** (a) The secretary of state shall
13.30 maintain the information on the effective financing statement master list:

13.31 (1) by farm product arranged alphabetically by debtor; and

13.32 (2) by farm product arranged numerically by the ~~debtor's Social Security number for~~
13.33 ~~an individual debtor or, in the case of debtors doing business other than as individuals, the~~
13.34 ~~Internal Revenue Service taxpayer identification number of the debtors~~ unique identifier

14.1 assigned by the secretary of state to, and associated with, the Social Security number
14.2 or tax identification number of the debtor.

14.3 (b) The secretary of state shall maintain the information in the farm products
14.4 statutory lien master list by county arranged alphabetically by debtor.

14.5 (c) The secretary of state shall distribute or make available the requested master and
14.6 partial master lists on a monthly basis to farm product dealers registered under section
14.7 336A.11. Lists will be distributed or made available on or before the tenth day of each
14.8 month or on the next business day thereafter if the tenth day is not a business day.

14.9 (d) The secretary of state shall make the master and partial master lists available
14.10 as written or printed paper documents and may make lists available in other forms or
14.11 media, including:

14.12 (1) any electronically transmitted medium; or

14.13 (2) any form of digital media.

14.14 (e) There shall be no fee for partial or master lists distributed via an electronically
14.15 transmitted medium. The annual fee for any other form of digital media is \$200. The
14.16 annual fee for paper partial lists is \$250 and \$400 for paper master lists.

14.17 (f) A farm products dealer shall register pursuant to section 336A.11 by the last
14.18 business day of the month to receive the monthly lists requested by the farm products
14.19 dealer for that month.

14.20 (g) If a registered farm products dealer receives a monthly list that cannot be read or
14.21 is incomplete, the farm products dealer must immediately inform the secretary of state by
14.22 telephone or e-mail of the problem. The registered farm products dealer shall confirm the
14.23 existence of the problem by writing to the secretary of state. The secretary of state shall
14.24 provide the registered farm products dealer with new monthly lists in the medium chosen
14.25 by the registered farm products dealer no later than five business days after receipt of the
14.26 oral notice from the registered farm products dealer. A registered farm products dealer is
14.27 not considered to have received notice of the information on the monthly lists until the
14.28 duplicate list is received from the secretary of state or until five days have passed since the
14.29 duplicate lists were deposited in the mail by the secretary of state, whichever comes first.

14.30 (h) On receipt of a written notice pursuant to section 336A.13, the secretary of state
14.31 shall duplicate the monthly lists requested by the registered farm products dealer. The
14.32 duplicate monthly lists must be sent to the registered farm products dealer no later than five
14.33 business days after receipt of the written notice from the registered farm products dealer.

14.34 (i) A registered farm products dealer may request monthly lists in one medium
14.35 per registration.

15.1 (j) Registered farm products dealers must have renewed their registration before the
15.2 first day of July each year. Failure to send in the registration before that date will result in
15.3 the farm products dealer not receiving the requested monthly lists.

15.4 (k) Registered farm products dealers choosing to obtain monthly lists via an
15.5 electronically transmitted medium or in any form of digital media may choose to receive
15.6 all of the information for the monthly lists requested the first month and then only
15.7 additions and deletions to the database for the remaining 11 months of the year. Following
15.8 the first year of registration, the registered farm products dealer may choose to continue to
15.9 receive one copy of the full monthly list at the beginning of each year or may choose to
15.10 receive only additions and deletions.

15.11 **EFFECTIVE DATE.** This section is effective for lists distributed pursuant to this
15.12 section after October 31, 2010.

15.13 Sec. 25. Minnesota Statutes 2008, section 336A.14, is amended to read:

15.14 **336A.14 RESTRICTED USE OF INFORMATION.**

15.15 A Social Security number or tax identification number maintained by the secretary
15.16 of state under this section is private data on individuals or nonpublic data, as defined in
15.17 section 13.02. Information obtained from the seller of a farm product relative to the Social
15.18 Security number or tax identification number of the true owner of the farm product and all
15.19 information obtained from the master or limited list may not be used for purposes that are
15.20 not related to: (1) purchase of a farm product; (2) taking a security interest against a farm
15.21 product; or (3) perfecting a farm product statutory lien.

15.22 **EFFECTIVE DATE.** This section is effective October 31, 2010.

15.23 Sec. 26. Minnesota Statutes 2008, section 500.221, subdivision 2, is amended to read:

15.24 Subd. 2. **Aliens and non-American corporations.** Except as hereinafter provided,
15.25 no natural person shall acquire directly or indirectly any interest in agricultural land unless
15.26 the person is a citizen of the United States or a permanent resident alien of the United
15.27 States. In addition to the restrictions in section 500.24, no corporation, partnership,
15.28 limited partnership, trustee, or other business entity shall directly or indirectly, acquire
15.29 or otherwise obtain any interest, whether legal, beneficial or otherwise, in any title to
15.30 agricultural land unless at least 80 percent of each class of stock issued and outstanding or
15.31 80 percent of the ultimate beneficial interest of the entity is held directly or indirectly by
15.32 citizens of the United States or permanent resident aliens. This section shall not apply:

S.F. No. 2737, 2nd Engrossment - 86th Legislative Session (2009-2010) [s2737-2]

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

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

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

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

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

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

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

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

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

16.29 (ii) becomes a permanent resident alien of the United States or a United States
16.30 citizen; or

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

16.33 Sec. 27. Minnesota Statutes 2008, section 500.221, subdivision 4, is amended to read:

16.34 Subd. 4. **Reports.** (a) Any natural person, corporation, partnership, limited
16.35 partnership, trustee, or other business entity prohibited from future acquisition of

17.1 agricultural land may retain title to any agricultural land lawfully acquired within this state
17.2 prior to June 1, 1981, but shall file a report with the commissioner of agriculture annually
17.3 before January 31 containing a description of all agricultural land held within this state,
17.4 the purchase price and market value of the land, the use to which it is put, the date of
17.5 acquisition and any other reasonable information required by the commissioner.

17.6 (b) An individual or entity that qualifies for an exemption under subdivision 2,
17.7 clause (2) or (9), and owns an interest in agricultural land shall file a report with the
17.8 commissioner of agriculture by December 31 of each year in which the individual or
17.9 entity acquires an interest in agricultural land. The report must contain a description of all
17.10 interests in agricultural land held by the individual or entity within this state.

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

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

17.14 Sec. 28. Minnesota Statutes 2008, section 500.24, subdivision 2, is amended to read:

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

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

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

17.25 (c) "Family farm corporation" means a corporation founded for the purpose of
17.26 farming and the ownership of agricultural land in which the majority of the stock is held
17.27 by and the majority of the stockholders are persons, the spouses of persons, or current
17.28 beneficiaries of one or more family farm trusts in which the trustee holds stock in a family
17.29 farm corporation, related to each other within the third degree of kindred according to
17.30 the rules of the civil law, and at least one of the related persons is residing on or actively
17.31 operating the farm, and none of whose stockholders are corporations; provided that a
17.32 family farm corporation shall not cease to qualify as such hereunder by reason of any:

17.33 (1) transfer of shares of stock to a person or the spouse of a person related within
17.34 the third degree of kindred according to the rules of civil law to the person making the

18.1 transfer, or to a family farm trust of which the shareholder, spouse, or related person is
18.2 a current beneficiary; or

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

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

18.11 (d) "Family farm trust" means:

18.12 (1) a trust in which:

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

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

18.18 (iii) one of the family member current beneficiaries is residing on or actively
18.19 operating the farm; or the trust leases the agricultural land to a family farm unit, a
18.20 family farm corporation, an authorized farm corporation, an authorized livestock farm
18.21 corporation, a family farm limited liability company, a family farm trust, an authorized
18.22 farm limited liability company, a family farm partnership, or an authorized farm
18.23 partnership; or

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

18.27 (e) "Authorized farm corporation" means a corporation meeting the following
18.28 standards:

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

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

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

18.34 (4) its revenue from rent, royalties, dividends, interest, and annuities does not exceed
18.35 20 percent of its gross receipts;

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

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

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

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

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

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

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

19.14 (4) its revenue from rent, royalties, dividends, interest, and annuities does not exceed
19.15 20 percent of its gross receipts;

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

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

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

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

19.26 (h) "Pension or investment fund" means a pension or employee welfare benefit fund,
19.27 however organized, a mutual fund, a life insurance company separate account, a common
19.28 trust of a bank or other trustee established for the investment and reinvestment of money
19.29 contributed to it, a real estate investment trust, or an investment company as defined in
19.30 United States Code, title 15, section 80a-3.

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

19.34 (j) "Family farm partnership" means a limited partnership formed for the purpose of
19.35 farming and the ownership of agricultural land in which the majority of the interests in
19.36 the partnership is held by and the majority of the partners are natural persons or current

20.1 beneficiaries of one or more family farm trusts in which the trustee holds an interest in a
20.2 family farm partnership related to each other within the third degree of kindred according
20.3 to the rules of the civil law, and at least one of the related persons is residing on the farm,
20.4 actively operating the farm, or the agricultural land was owned by one or more of the
20.5 related persons for a period of five years before its transfer to the limited partnership, and
20.6 none of the partners is a corporation. A family farm partnership does not cease to qualify
20.7 as a family farm partnership because of a:

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

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

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

20.20 (k) "Authorized farm partnership" means a limited partnership meeting the following
20.21 standards:

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

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

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

20.27 (4) its revenue from rent, royalties, dividends, interest, and annuities does not exceed
20.28 20 percent of its gross receipts;

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

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

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

21.1 (8) none of its limited partners are limited partners in other authorized farm
21.2 partnerships that directly or indirectly in combination with the partnership own more than
21.3 1,500 acres of agricultural land.

21.4 (l) "Family farm limited liability company" means a limited liability company
21.5 founded for the purpose of farming and the ownership of agricultural land in which the
21.6 majority of the membership interests is held by and the majority of the members are
21.7 natural persons, or current beneficiaries of one or more family farm trusts in which the
21.8 trustee holds an interest in a family farm limited liability company related to each other
21.9 within the third degree of kindred according to the rules of the civil law, and at least one of
21.10 the related persons is residing on the farm, actively operating the farm, or the agricultural
21.11 land was owned by one or more of the related persons for a period of five years before
21.12 its transfer to the limited liability company, and none of the members is a corporation or
21.13 a limited liability company. A family farm limited liability company does not cease to
21.14 qualify as a family farm limited liability company because of:

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

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

21.23 For the purposes of this section, a transfer may be made with or without
21.24 consideration, either directly or indirectly, during life or at death, whether or not in trust, of
21.25 a membership interest in the family farm limited liability company, and interest owned by
21.26 a family farm trust is considered to be owned in equal shares by the current beneficiaries.
21.27 Except for a state or federally chartered financial institution acquiring an encumbrance
21.28 for the purpose of security or an interest under paragraph (x), a member of a family farm
21.29 limited liability company may not transfer a membership interest, including a financial
21.30 interest, to a person who is not otherwise eligible to be a member under this paragraph.

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

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

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

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

22.1 (4) its revenue from rent, royalties, dividends, interest, and annuities does not exceed
22.2 20 percent of its gross receipts;

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

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

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

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

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

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

22.22 (p) "Research or experimental farm" means a corporation, limited partnership,
22.23 pension, investment fund, or limited liability company that owns or operates agricultural
22.24 land for research or experimental purposes, provided that any commercial sales from the
22.25 operation are incidental to the research or experimental objectives of the corporation. A
22.26 corporation, limited partnership, limited liability company, or pension or investment fund
22.27 seeking initial approval by the commissioner to operate agricultural land for research or
22.28 experimental purposes must first submit to the commissioner a prospectus or proposal of
22.29 the intended method of operation containing information required by the commissioner
22.30 including a copy of any operational contract with individual participants.

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

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

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

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

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

23.10 (t) "Utility corporation" means a corporation regulated under Minnesota Statutes
23.11 1974, chapter 216B, that owns agricultural land for purposes described in that chapter, or
23.12 an electric generation or transmission cooperative that owns agricultural land for use in
23.13 its business if the land is not used for farming except under lease to a family farm unit,
23.14 a family farm corporation, a family farm trust, a family farm partnership, or a family
23.15 farm limited liability company.

23.16 (u) "Development organization" means a corporation, limited partnership, limited
23.17 liability company, or pension or investment fund that has an interest in agricultural land
23.18 for which the corporation, limited partnership, limited liability company, or pension or
23.19 investment fund has documented plans to use and subsequently uses the land within
23.20 six years from the date of purchase for a specific nonfarming purpose, or if the land is
23.21 zoned nonagricultural, or if the land is located within an incorporated area. A corporation,
23.22 limited partnership, limited liability company, or pension or investment fund may hold
23.23 agricultural land in the amount necessary for its nonfarm business operation; provided,
23.24 however, that pending the development of agricultural land for nonfarm purposes, the land
23.25 may not be used for farming except under lease to a family farm unit, a family farm
23.26 corporation, a family farm trust, an authorized farm corporation, an authorized livestock
23.27 farm corporation, a family farm partnership, an authorized farm partnership, a family farm
23.28 limited liability company, or an authorized farm limited liability company, or except when
23.29 controlled through ownership, options, leaseholds, or other agreements by a corporation
23.30 that has entered into an agreement with the United States under the New Community Act
23.31 of 1968 (Title IV of the Housing and Urban Development Act of 1968, United States Code,
23.32 title 42, sections 3901 to 3914) as amended, or a subsidiary or assign of such a corporation.

23.33 (v) "Exempt land" means agricultural land owned or leased by a corporation as of
23.34 May 20, 1973, agricultural land owned or leased by a pension or investment fund as of
23.35 May 12, 1981, agricultural land owned or leased by a limited partnership as of May 1,
23.36 1988, or agricultural land owned or leased by a trust as of the effective date of Laws 2000,

24.1 chapter 477, including the normal expansion of that ownership at a rate not to exceed 20
24.2 percent of the amount of land owned as of May 20, 1973, for a corporation; May 12, 1981,
24.3 for a pension or investment fund; May 1, 1988, for a limited partnership, or the effective
24.4 date of Laws 2000, chapter 477, for a trust, measured in acres, in any five-year period,
24.5 and including additional ownership reasonably necessary to meet the requirements of
24.6 pollution control rules. A corporation, limited partnership, or pension or investment fund
24.7 that is eligible to own or lease agricultural land under this section prior to May 1997, or a
24.8 corporation that is eligible to own or lease agricultural land as a benevolent trust under this
24.9 section prior to the effective date of Laws 2000, chapter 477, may continue to own or lease
24.10 agricultural land subject to the same conditions and limitations as previously allowed.

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

24.15 (x) "Repossessed land" means agricultural land acquired by a corporation, limited
24.16 partnership, limited liability company, or pension or investment fund by process of law
24.17 in the collection of debts, or by any procedure for the enforcement of a lien or claim on
24.18 the land, whether created by mortgage or otherwise if all land so acquired is disposed of
24.19 within five years after acquiring the title. The five-year limitation is a covenant running
24.20 with the title to the land against any grantee, assignee, or successor of the pension or
24.21 investment fund, corporation, limited partnership, or limited liability company. The land
24.22 so acquired must not be used for farming during the five-year period, except under a
24.23 lease to a family farm unit, a family farm corporation, a family farm trust, an authorized
24.24 farm corporation, an authorized livestock farm corporation, a family farm partnership, an
24.25 authorized farm partnership, a family farm limited liability company, or an authorized
24.26 farm limited liability company. Notwithstanding the five-year divestiture requirement
24.27 under this paragraph, a financial institution may continue to own the agricultural land if the
24.28 agricultural land is leased to the immediately preceding former owner, but must dispose
24.29 of the agricultural land within ten years of acquiring the title. Livestock acquired by a
24.30 pension or investment fund, corporation, limited partnership, or limited liability company
24.31 in the collection of debts, or by a procedure for the enforcement of lien or claim on the
24.32 livestock whether created by security agreement or otherwise after August 1, 1994, must
24.33 be sold or disposed of within one full production cycle for the type of livestock acquired
24.34 or 18 months after the livestock is acquired, whichever is earlier.

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

25.1 (z) "Nonprofit corporation" means a nonprofit corporation organized under state
25.2 nonprofit corporation or trust law or qualified for tax-exempt status under federal tax law
25.3 that: (1) uses the land for a specific nonfarming purpose or; (2) leases the agricultural
25.4 land to a family farm unit, a family farm corporation, an authorized farm corporation, an
25.5 authorized livestock farm corporation, a family farm limited liability company, a family
25.6 farm trust, an authorized farm limited liability company, a family farm partnership, or an
25.7 authorized farm partnership; or (3) actively farms less than 160 acres that were acquired
25.8 by the nonprofit corporation prior to August 1, 2010, or actively farms less than 40 acres
25.9 that were acquired by the nonprofit corporation after August 1, 2010, and the nonprofit
25.10 corporation uses all profits from the agricultural land for educational purposes.

25.11 (aa) "Current beneficiary" means a person who at any time during a year is entitled
25.12 to, or at the discretion of any person may, receive a distribution from the income or
25.13 principal of the trust. It does not include a distributee trust, other than a trust described in
25.14 section 170(c) of the Internal Revenue Code, as amended, but does include the current
25.15 beneficiaries of the distributee trust. It does not include a person in whose favor a power
25.16 of appointment could be exercised until the holder of the power of appointment actually
25.17 exercises the power of appointment in that person's favor. It does not include a person who
25.18 is entitled to receive a distribution only after a specified time or upon the occurrence of a
25.19 specified event until the time or occurrence of the event. For the purposes of this section, a
25.20 distributee trust is a current beneficiary of a family farm trust.

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

25.25 Sec. 29. Minnesota Statutes 2008, section 514.965, subdivision 2, is amended to read:

25.26 Subd. 2. **Agricultural lien.** "Agricultural lien" means an agricultural lien as defined
25.27 in section 336.9-102(a)(5) and includes a veterinarian's lien, breeder's lien, livestock
25.28 production input lien, temporary livestock production input lien, and feeder's lien under
25.29 this section and section 514.966.

25.30 Sec. 30. Minnesota Statutes 2008, section 514.966, is amended by adding a subdivision
25.31 to read:

25.32 Subd. 3a. **Temporary livestock production input lien; debtor in mediation.** (a)
25.33 A supplier furnishing livestock production inputs in the ordinary course of business to
25.34 a debtor who has filed a mediation request under chapter 583 has a temporary livestock

26.1 production input lien for the unpaid retail cost of the livestock production input. A
26.2 perfected temporary livestock production input lien that attaches to livestock may not
26.3 exceed the amount, if any, that the sales price of the livestock for which the inputs were
26.4 received exceeds the greater of the fair market value of the livestock at the time the lien
26.5 attaches or the acquisition price of the livestock. A temporary livestock production input
26.6 lien becomes effective when the agricultural production inputs are furnished by the
26.7 supplier to the purchaser.

26.8 (b) A temporary livestock production input lien under this subdivision applies
26.9 to livestock production inputs provided to the debtor during the 45 days following a
26.10 mediation request under chapter 583.

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

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

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

26.20 Sec. 31. Minnesota Statutes 2008, section 514.966, subdivision 5, is amended to read:

26.21 Subd. 5. **Scope.** A veterinarian's lien, breeder's lien, livestock production input lien,
26.22 temporary livestock production lien, or feeder's lien attaches to the livestock serviced by
26.23 the agricultural lienholder, and products and proceeds thereof to the extent of the price
26.24 or value of the service provided.

26.25 Sec. 32. Minnesota Statutes 2008, section 514.966, subdivision 6, is amended to read:

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

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

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

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

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

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

27.9 Sec. 33. Laws 2008, chapter 296, article 1, section 25, the effective date, is amended to
27.10 read:

27.11 **EFFECTIVE DATE.** This section is effective June 1, ~~2010~~ 2012.

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

27.13 Sec. 34. **FERTILIZER RESEARCH GRANTS; EXTENSION OF**
27.14 **APPROPRIATION AVAILABILITY.**

27.15 Notwithstanding Minnesota Statutes, section 16A.28:

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

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

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

27.25 Sec. 35. **DAIRY RESEARCH AND EDUCATION FACILITY;**
27.26 **COLLABORATION.**

27.27 The commissioner of agriculture shall convene one or more meetings with milk
27.28 producers, other industry stakeholders, and representatives of the University of Minnesota
27.29 and Minnesota State Colleges and Universities System whose work relates to the dairy
27.30 industry to consider the elements of a dairy research and education facility which would
27.31 represent a partnership between higher education institutions and the dairy industry. No

28.1 later than February 1, 2011, the commissioner shall provide a report on facility and
28.2 financing options to the legislative committees with jurisdiction over agriculture finance.

28.3 **Sec. 36. APPROPRIATION; TERMINAL CAPACITY REPORT.**

28.4 \$40,000 is appropriated in fiscal year 2011 from the liquefied petroleum gas account
28.5 in the special revenue fund under Minnesota Statutes, section 239.785, subdivision 6
28.6 to the commissioner of agriculture for a terminal capacity report. This is a onetime
28.7 appropriation. The commissioner of agriculture, with assistance from the Office of Energy
28.8 Security, shall determine the total propane and anhydrous ammonia terminal capacity
28.9 located in the state and within 100 miles of the state's borders. The commissioner shall
28.10 also use projected grain yields and other relevant factors to estimate total agricultural
28.11 demand for propane and anhydrous ammonia in this state in the year 2020 and shall
28.12 develop a detailed plan for fully and economically satisfying this anticipated demand. No
28.13 later than February 1, 2011, the commissioner shall present the report to the legislative
28.14 committees with jurisdiction over agriculture finance.

28.15 **Sec. 37. INDUSTRIAL HEMP REPORT.**

28.16 The commissioner of agriculture shall identify and analyze industrial hemp laws
28.17 and procedures in Canada or one or more of the other 30 nations where industrial hemp is
28.18 grown as an agricultural crop. In particular, the commissioner shall report on how law
28.19 enforcement and other authorities differentiate between industrial hemp and marijuana
28.20 growing in the field. No later than February 15, 2011, the commissioner shall present a
28.21 report on this topic to the legislative committees with jurisdiction over agriculture policy
28.22 and finance and provide a copy to the Minnesota Police and Peace Officers Association,
28.23 the Minnesota Chiefs of Police Association, the Minnesota Sheriffs' Association, and the
28.24 Minnesota County Attorneys Association.

28.25 **Sec. 38. BIOENERGY DEVELOPMENT; REPORT.**

28.26 The commissioner of agriculture shall actively pursue federal and other resources
28.27 available to promote and achieve greater production and use of biofuels in this state,
28.28 including but not limited to increasing the availability of retail fuel dispensers for E85 and
28.29 intermediate ethanol-gasoline blends. No later than February 15, 2011, the commissioner
28.30 shall report on activities and accomplishments under this section to the legislative
28.31 committees with jurisdiction over agriculture finance.

28.32 **Sec. 39. FOREST PEST WORKGROUP; REPORT.**

30.1 section. Fold the other protruding section directly upwards so that its edge is flush with
30.2 the display section and then fold it upwards along a 45-degree angle so that a mirror
30.3 of the display section triangle is formed. Fold the mirror section in half from the point
30.4 upwards, then fold the remaining portion upwards, tucking it between the display section
30.5 and the remainder of the flag.

30.6 Sec. 2. Minnesota Statutes 2008, section 1.141, is amended by adding a subdivision to
30.7 read:

30.8 Subd. 7. **Folding of the state flag for storage.** When folding the Minnesota State
30.9 Flag for storage, the proper procedure is to fold and store the flag in the same manner as
30.10 the national colors.

30.11 Sec. 3. Minnesota Statutes 2009 Supplement, section 16C.16, subdivision 6a, is
30.12 amended to read:

30.13 Subd. 6a. **Veteran-owned small businesses.** (a) The commissioner shall award up
30.14 to a six percent preference, but no less than the percentage awarded to any other group
30.15 under this section, in the amount bid on state procurement to certified small businesses
30.16 that are majority-owned and operated ~~either~~ by:

30.17 (1) ~~by recently separated veterans, who are veterans as defined in section 197.447,~~
30.18 ~~who have served in active military service, at any time on or after September 11, 2001,~~
30.19 ~~and who have been discharged under honorable conditions from active service, as~~
30.20 ~~indicated by the person's United States Department of Defense form DD-214 or by the~~
30.21 ~~commissioner of veterans affairs; ~~or~~~~

30.22 (2) ~~by veterans who are veterans as defined in section 197.447,~~ with
30.23 service-connected disabilities, as determined at any time by the United States Department
30.24 of Veterans Affairs; or

30.25 (3) any other veteran-owned small businesses certified under section 16C.19,
30.26 paragraph (d).

30.27 (b) The purpose of this designation is to facilitate the transition of veterans from
30.28 military to civilian life, and to help compensate veterans for their sacrifices, including but
30.29 not limited to their sacrifice of health and time, to the state and nation during their military
30.30 service, as well as to enhance economic development within Minnesota.

30.31 ~~(c) For purposes of this section and section 16C.19, "service-connected disability"~~
30.32 ~~has the meaning given in United States Code, title 38, section 101(16), as determined by~~
30.33 ~~the United States Department of Veterans Affairs.~~

31.1 **EFFECTIVE DATE.** This section is effective July 1, 2010, and applies to
31.2 businesses that apply for state contracts being awarded on or after that date.

31.3 Sec. 4. Minnesota Statutes 2009 Supplement, section 16C.19, is amended to read:

31.4 **16C.19 ELIGIBILITY; RULES.**

31.5 (a) A small business wishing to participate in the programs under section 16C.16,
31.6 subdivisions 4 to 7, must be certified by the commissioner. The commissioner shall adopt
31.7 by rule standards and procedures for certifying that small businesses, small targeted group
31.8 businesses, and small businesses located in economically disadvantaged areas are eligible
31.9 to participate under the requirements of sections 16C.16 to 16C.21. The commissioner
31.10 shall adopt by rule standards and procedures for hearing appeals and grievances and other
31.11 rules necessary to carry out the duties set forth in sections 16C.16 to 16C.21.

31.12 (b) The commissioner may make rules which exclude or limit the participation of
31.13 nonmanufacturing business, including third-party lessors, brokers, franchises, jobbers,
31.14 manufacturers' representatives, and others from eligibility under sections 16C.16 to
31.15 16C.21.

31.16 (c) The commissioner may make rules that set time limits and other eligibility limits
31.17 on business participation in programs under sections 16C.16 to 16C.21.

31.18 (d) Notwithstanding paragraph (c), for purposes of sections 16C.16 to 16C.21,
31.19 a veteran-owned small business ~~or service-disabled veteran-owned small business~~, the
31.20 principal place of business of which is in Minnesota, is certified if:

31.21 ~~(1)~~ it has been verified by the United States Department of Veterans Affairs as
31.22 being either a veteran-owned small business or a service-disabled veteran-owned small
31.23 business, in accordance with Public Law 109-461 and Code of Federal Regulations, title
31.24 38, part 74, ~~and a majority of the owners of the business are recently separated veterans as~~
31.25 ~~provided in section 16C.16, subdivision 6a; or~~

31.26 ~~(2) it has been verified by the United States Department of Veterans Affairs as being~~
31.27 ~~a service-disabled veteran-owned small business in accordance with Public Law 109-461~~
31.28 ~~and Code of Federal Regulations, title 38, part 74.~~

31.29 **EFFECTIVE DATE.** This section is effective July 1, 2010, and applies to
31.30 businesses that apply for state contracts being awarded on or after that date.

31.31 Sec. 5. Minnesota Statutes 2008, section 123B.35, is amended to read:

31.32 **123B.35 GENERAL POLICY.**

32.1 It is the policy of the state of Minnesota that public school education shall be
32.2 free and no pupil shall be denied an education because of economic inability to furnish
32.3 educational books and supplies necessary to complete educational requirements necessary
32.4 for graduation. Any practice leading to suspension, coercion, exclusion, withholding of
32.5 grades or diplomas, or discriminatory action based upon nonpayment of fees denies pupils
32.6 their right to equal protection and entitled privileges. It is recognized that school boards
32.7 do have the right to accept voluntary contributions ~~and~~ to make certain charges and to
32.8 establish fees in areas considered extra curricular, noncurricular or supplementary to the
32.9 requirements for the successful completion of a class or educational program, and to waive
32.10 those fees under certain circumstances. No public school board may require, except as
32.11 authorized by sections 123B.36 and 123B.38, the payment of fees.

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

32.13 Sec. 6. Minnesota Statutes 2008, section 123B.36, subdivision 6, is amended to read:

32.14 Subd. 6. **Waiver of student fees ~~based on need~~.** (a) A board may waive any deposit
32.15 or fee for any pupil whose parent is serving in, or within the past year has served in, active
32.16 military service as defined under section 190.05.

32.17 (b) A board may waive any deposit or fee if any pupil or the pupil's parent or
32.18 guardian is unable to pay it.

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

32.20 Sec. 7. Minnesota Statutes 2008, section 168.123, subdivision 2, is amended to read:

32.21 Subd. 2. **Design.** The commissioner of veterans affairs shall design the emblem for
32.22 the veterans' special plates, subject to the approval of the commissioner, that satisfy the
32.23 following requirements:

32.24 (a) For a Vietnam veteran who served after July 1, 1961, and before July 1, 1978,
32.25 in the active military service in a branch of the armed forces of the United States or a
32.26 nation or society allied with the United States the special plates must bear the inscription
32.27 "VIETNAM VET" and the letters "V" and "V" with the first letter directly above the
32.28 second letter and both letters just preceding the first numeral of the special plate number.

32.29 (b) For a veteran stationed on the island of Oahu, Hawaii, or offshore, during the
32.30 attack on Pearl Harbor on December 7, 1941, the special plates must bear the inscription
32.31 "PEARL HARBOR SURVIVOR" and the letters "P" and "H" with the first letter directly
32.32 above the second letter and both letters just preceding the first numeral of the special
32.33 plate number.

33.1 (c) For a veteran who served during World War I or World War II, the plates must
33.2 bear the inscription "WORLD WAR VET" and:

33.3 (1) for a World War I veteran, the characters "W" and "I" with the first character
33.4 directly above the second character and both characters just preceding the first numeral
33.5 of the special plate number; or

33.6 (2) for a World War II veteran, the characters "W" and "II" with the first character
33.7 directly above the second character and both characters just preceding the first numeral of
33.8 the special plate number.

33.9 (d) For a veteran who served during the Korean Conflict, the special plates must
33.10 bear the inscription "KOREAN VET" and the letters "K" and "V" with the first letter
33.11 directly above the second letter and both letters just preceding the first numeral of the
33.12 special plate number.

33.13 (e) For a combat wounded veteran who is a recipient of the purple heart medal, the
33.14 plates must bear the inscription "COMBAT WOUNDED VET" and have a facsimile on an
33.15 emblem of the official purple heart medal and the letters "C" over "W" with the first letter
33.16 directly over the second letter just preceding the first numeral of the special plate number.

33.17 A member of the United States armed forces who is serving actively in the military
33.18 and who is a recipient of the purple heart medal is also eligible for this license plate.
33.19 The commissioner of public safety shall ensure that information regarding the required
33.20 proof of eligibility for any applicant under this paragraph who has not yet been issued
33.21 military discharge papers is distributed to the public officials responsible for administering
33.22 this section.

33.23 (f) For a Persian Gulf War veteran, the plates must bear the inscription "GULF
33.24 WAR VET" and the letters "G" and "W" with the first letter directly above the second
33.25 letter and both letters just preceding the first numeral of the special plate number. For
33.26 the purposes of this section, "Persian Gulf War veteran" means a person who served on
33.27 active duty after August 1, 1990, in a branch of the armed forces of the United States or
33.28 a nation or society allied with the United States or the United Nations during Operation
33.29 Desert Shield, Operation Desert Storm, or other military operation in the Persian Gulf
33.30 area combat zone as designated in United States Presidential Executive Order No. 12744,
33.31 dated January 21, 1991.

33.32 (g) For a veteran who served in the Laos War after July 1, 1961, and before July 1,
33.33 1978, the special plates must bear the inscription "LAOS WAR VET" and the letters "L"
33.34 and "V" with the first letter directly above the second letter and both letters just preceding
33.35 the first numeral of the special plate number.

33.36 (h) For a veteran who is the recipient of:

34.1 (1) the Iraq Campaign Medal, the special plates must be inscribed with a facsimile of
34.2 that medal and must bear the inscription "IRAQ WAR VET" directly below the special
34.3 plate number;

34.4 (2) the Afghanistan Campaign Medal, the special plates must be inscribed with a
34.5 facsimile of that medal and must bear the inscription "AFGHAN WAR VET" directly
34.6 below the special plate number; or

34.7 (3) the Global War on Terrorism Expeditionary Medal, the special plates must
34.8 be inscribed with a facsimile of that medal and must bear the inscription "GWOT
34.9 VETERAN" directly below the special plate number.

34.10 (i) For a veteran who is the recipient of the Global War on Terrorism Service Medal,
34.11 the special plates must be inscribed with a facsimile of that medal and must bear the
34.12 inscription "GWOT VETERAN" directly below the special plate number. In addition,
34.13 any member of the National Guard or other military reserves who has been ordered to
34.14 federally funded state active service under United States Code, title 32, as defined in
34.15 section 190.05, subdivision 5b, and who is the recipient of the Global War on Terrorism
34.16 Service Medal, is eligible for the license plate described in this paragraph, irrespective of
34.17 whether that person qualifies as a veteran under section 197.447.

34.18 **EFFECTIVE DATE.** This section is effective August 1, 2010.

34.19 Sec. 8. Minnesota Statutes 2008, section 196.05, is amended by adding a subdivision
34.20 to read:

34.21 **Subd. 3. Consumer satisfaction.** (a) The commissioner shall submit a
34.22 memorandum each year to the governor and the chairs and ranking minority members of
34.23 the house of representatives and senate standing committees with jurisdiction over the
34.24 department's programs that provides the following information:

34.25 (1) the number of calls made to each of the department's help lines by consumers
34.26 and citizens regarding services provided or regulated by the department;

34.27 (2) the subject matter of the call;

34.28 (3) the number of service-related calls that were resolved;

34.29 (4) the number that remain open; and

34.30 (5) the number that were without merit.

34.31 (b) The commissioner shall publish the annual memorandum on the department's
34.32 Web site each year no later than March 1.

34.33 Sec. 9. Minnesota Statutes 2008, section 197.455, is amended by adding a subdivision
34.34 to read:

35.1 Subd. 5a. **Teacher hiring.** (a) Any public school under the state's Education Code
35.2 that chooses at any time to use a 100-point hiring method to evaluate applicants for
35.3 teaching positions is subject to the requirements of subdivisions 4 and 5 for determining
35.4 veterans preference points.

35.5 (b) Any public school under the state's Education Code opting at any time not to use
35.6 a 100-point hiring method to evaluate applicants for teaching positions is exempt from
35.7 the requirements of subdivisions 4 and 5 for determining veterans preference points, but
35.8 must instead grant to any veteran who applies for a teaching position and who has proper
35.9 licensure for that position an interview for that position.

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

35.11 Sec. 10. Minnesota Statutes 2009 Supplement, section 197.46, is amended to read:

35.12 **197.46 VETERANS PREFERENCE ACT; REMOVAL FORBIDDEN; RIGHT**
35.13 **OF MANDAMUS.**

35.14 Any person whose rights may be in any way prejudiced contrary to any of the
35.15 provisions of this section, shall be entitled to a writ of mandamus to remedy the wrong.
35.16 No person holding a position by appointment or employment in the several counties,
35.17 cities, towns, school districts and all other political subdivisions in the state, who is a
35.18 veteran separated from the military service under honorable conditions, shall be removed
35.19 from such position or employment except for incompetency or misconduct shown after a
35.20 hearing, upon due notice, upon stated charges, in writing.

35.21 Any veteran who has been notified of the intent to discharge the veteran from an
35.22 appointed position or employment pursuant to this section shall be notified in writing of
35.23 such intent to discharge and of the veteran's right to request a hearing within 60 days of
35.24 receipt of the notice of intent to discharge. The failure of a veteran to request a hearing
35.25 within the provided 60-day period shall constitute a waiver of the right to a hearing. Such
35.26 failure shall also waive all other available legal remedies for reinstatement.

35.27 Request for a hearing concerning such a discharge shall be made in writing and
35.28 submitted by mail or personal service to the employment office of the concerned employer
35.29 or other appropriate office or person.

35.30 In all governmental subdivisions having an established civil service board or
35.31 commission, or merit system authority, such hearing for removal or discharge shall be
35.32 held before such civil service board or commission or merit system authority. Where no
35.33 such civil service board or commission or merit system authority exists, such hearing
35.34 shall be held by a board of three persons appointed as follows: one by the governmental

36.1 subdivision, one by the veteran, and the third by the two so selected. In the event the two
36.2 persons so selected do not appoint the third person within ten days after the appointment
36.3 of the last of the two, then the judge of the district court of the county wherein the
36.4 proceeding is pending, or if there be more than one judge in said county then any judge in
36.5 chambers, shall have jurisdiction to appoint, and upon application of either or both of the
36.6 two so selected shall appoint, the third person to the board and the person so appointed
36.7 by the judge with the two first selected shall constitute the board. The veteran may
36.8 appeal from the decision of the board upon the charges to the district court by causing
36.9 written notice of appeal, stating the grounds thereof, to be served upon the governmental
36.10 subdivision or officer making the charges within 15 days after notice of the decision
36.11 and by filing the original notice of appeal with proof of service thereof in the office of
36.12 the court administrator of the district court within ten days after service thereof. Nothing
36.13 in section 197.455 or this section shall be construed to apply to the position of private
36.14 secretary, superintendent of schools, or one chief deputy of any elected official or head of
36.15 a department, or to any person holding a strictly confidential relation to the appointing
36.16 officer. Nothing in this section shall be construed to apply to the position of teacher.
36.17 The burden of establishing such relationship shall be upon the appointing officer in all
36.18 proceedings and actions relating thereto.

36.19 All officers, boards, commissions, and employees shall conform to, comply with,
36.20 and aid in all proper ways in carrying into effect the provisions of section 197.455 and this
36.21 section notwithstanding any laws, charter provisions, ordinances or rules to the contrary.
36.22 Any willful violation of such sections by officers, officials, or employees is a misdemeanor.

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

36.24 Sec. 11. Minnesota Statutes 2008, section 197.481, subdivision 1, is amended to read:

36.25 Subdivision 1. **Petition.** A veteran, as defined by section 197.447, who has been
36.26 denied rights by the state or any political subdivision, municipality, or other public agency
36.27 of the state as authorized by the Veterans Preference Act under section 43A.11, 197.46,
36.28 197.48, or 197.455 may petition the commissioner of veterans affairs for an order directing
36.29 the agency to grant the veteran such relief the commissioner finds justified by said statutes.

36.30 The petition shall be submitted via United States mail and contain:

36.31 (1) the name, address, telephone number, and ~~acknowledged~~ notarized original
36.32 signature of the veteran;

36.33 (2) the names, telephone numbers, and addresses of all agencies and persons that
36.34 will be directly affected if the petition is granted;

- 37.1 (3) a concise statement of the facts giving rise to the veteran's rights and a concise
37.2 statement showing the manner in which rights were denied;
37.3 (4) a statement of the relief requested; and
37.4 (5) a copy of the veteran's Form DD214 (Separation or Discharge from Active Duty).

37.5 Sec. 12. Minnesota Statutes 2008, section 197.481, subdivision 2, is amended to read:

37.6 Subd. 2. **Service.** Upon receipt and authorization verification of a complete petition
37.7 herein, the commissioner shall serve a copy of same, by certified mail, on all agencies and
37.8 persons named therein and on such other agencies or persons as in the judgment of the
37.9 commissioner should in justice be parties to the proceeding. The veteran and all agencies
37.10 and persons served shall be parties to the proceeding.

37.11 Sec. 13. Minnesota Statutes 2008, section 197.481, subdivision 4, is amended to read:

37.12 Subd. 4. **Hearing.** The commissioner shall ~~hold~~ schedule a hearing on the petition
37.13 of any party to be held or conducted within ~~20~~ 120 days of serving, or being served with
37.14 the authorized and complete petition. ~~The veteran may demand an opportunity to be heard~~
37.15 ~~at a time set by the commissioner. A party who fails to demand such hearing within 20~~
37.16 ~~days shall be heard only by permission of the commissioner, except that if any party~~
37.17 ~~demands to be heard~~ At the hearing, all parties shall have the right to be heard. A hearing
37.18 hereunder shall be conducted and orders issued in accord with sections 14.57 to 14.60
37.19 and 14.62, at the office of the commissioner or at a place the commissioner designates.
37.20 The commissioner shall notify all parties, by certified mail, of the date, time, and place
37.21 of the hearing.

37.22 Sec. 14. Minnesota Statutes 2008, section 197.585, subdivision 5, is amended to read:

37.23 Subd. 5. **Expiration.** This section expires at the end of the first fiscal year in which
37.24 the number of veterans enrolled in Minnesota public institutions of higher education is
37.25 fewer than 4,000, but no later than June 30, ~~2011~~ 2012.

37.26 Sec. 15. Minnesota Statutes 2008, section 197.60, subdivision 1, is amended to read:

37.27 Subdivision 1. **Appointment; administrative support.** The county board of any
37.28 county ~~except Clay County,~~ or the county boards of any two or more counties acting
37.29 pursuant to ~~the provisions of~~ section 197.602, shall appoint a veterans service officer
37.30 ~~and shall provide necessary clerical help, office space, equipment, and supplies for the~~
37.31 ~~officer, together with reimbursement for mileage and other traveling expenses necessarily~~
37.32 ~~incurred in the performance of duties;~~ and may appoint one or more assistant veterans

38.1 service officers who ~~shall have the qualifications prescribed in~~ are qualified under section
38.2 197.601. The county board of Clay County may appoint a veterans service officer and
38.3 ~~assistant veterans service officers as provided in this subdivision.~~ The county board or
38.4 boards shall provide necessary clerical help, office space, equipment, and supplies for the
38.5 officer, and reimbursement for mileage and other traveling expenses necessarily incurred
38.6 in the performance of duties. Subject to the direction and control of the veterans service
38.7 officer, the assistant veterans service officer may exercise all the powers, and shall perform
38.8 the duties, of the veterans service officer, and ~~shall be~~ is subject to all the provisions of
38.9 sections 197.60 to 197.606 relating to a veterans service officer. Every county officer and
38.10 agency shall cooperate with the veterans service officer and shall provide the officer with
38.11 information necessary in connection with the performance of duties.

38.12 Sec. 16. Minnesota Statutes 2008, section 197.601, is amended to read:

38.13 **197.601 QUALIFICATIONS OF VETERANS SERVICE OFFICERS.**

38.14 No person shall be appointed a veterans service officer or an assistant county
38.15 veterans service officer under sections 197.60 to 197.606 ~~without the following~~
38.16 qualifications unless the person is:

- 38.17 (1) ~~residence in a resident of~~ a resident of the state of Minnesota;
- 38.18 (2) ~~citizenship in a citizen of~~ a citizen of the United States; and
- 38.19 (3) a veteran, as defined in section 197.447~~;~~₂
- 38.20 (4) ~~education and training for the duties of veterans service officer;~~
- 38.21 (5) ~~knowledge of the law and the regulations and rulings of the United States~~
38.22 ~~Veterans Administration applicable to cases before it and the administration thereof.~~

38.23 In addition, a person accepting appointment to the position of county veterans
38.24 service officer or assistant county veterans service officer or other equivalent assistant
38.25 position must agree to receive, within six months of the appointment, training and
38.26 education for the duties of the position, including development of an effective working
38.27 knowledge of relevant laws, rules, and regulations pertaining to the United States
38.28 Department of Veterans Affairs, as applicable to veterans cases before the department and
38.29 the administration of those cases.

38.30 Sec. 17. Minnesota Statutes 2008, section 197.605, is amended to read:

38.31 **197.605 SUPERVISION DEPARTMENT AS A RESOURCE TO COUNTIES.**

38.32 Subdivision 1. ~~Methods of operation~~ Resources available. Every veterans service
38.33 officer appointed under sections 197.60 to 197.606 shall be under the general supervision
38.34 of the commissioner of veterans affairs ~~as to methods of operation.~~ The commissioner of

39.1 veterans affairs shall make resources available within the Department of Veterans Affairs
39.2 to every county that operates a county veterans service office, to assist the county with
39.3 maintaining efficient and effective services to veterans. To receive available resources
39.4 from the department, a county must formally request them from the commissioner and
39.5 invite the commissioner or the commissioner's designee or designees into the county
39.6 as necessary to provide those resources. The commissioner shall consult with the
39.7 Association of Minnesota Counties and the Minnesota Association of County Veterans
39.8 Service Officers in developing a list of resources available to counties in support of their
39.9 county veterans service offices.

39.10 Subd. 2. **Use of agencies to present claims.** Every veterans service officer and
39.11 assistant veterans service officer appointed under sections 197.60 to 197.606 shall use
39.12 the Minnesota Department of Veterans Affairs or any organization recognized by the
39.13 United States Department of Veterans Administration Affairs, as may be designated by the
39.14 veteran by power of attorney, in the presentation of claims to the United States Department
39.15 of Veterans Administration Affairs for the benefits referred to in section 197.603.

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

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

39.24 Sec. 18. Minnesota Statutes 2008, section 197.606, is amended to read:

39.25 **197.606 CLASSED AS COUNTY EMPLOYEES.**

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

39.30 Sec. 19. Minnesota Statutes 2008, section 197.609, subdivision 1, is amended to read:

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

40.1 Sec. 20. Minnesota Statutes 2008, section 197.609, subdivision 2, is amended to read:

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

40.7 Sec. 21. Minnesota Statutes 2008, section 197.75, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

41.9 Sec. 22. Laws 2009, chapter 94, article 3, section 14, the effective date, is amended to
41.10 read:

41.11 EFFECTIVE DATE. This section is effective July 1, 2009, ~~and applies to~~
41.12 ~~appointments to state and local government positions of employment made on or after~~
41.13 ~~that date.~~

41.14 EFFECTIVE DATE. This section is effective the day following final enactment
41.15 and applies to terminations after that date.

41.16 Sec. 23. PLANNING NEW VETERANS CEMETERIES.

41.17 The commissioner of veterans affairs shall determine a suitable site and plan for
41.18 three new state veterans cemeteries, one to be located in northeastern Minnesota, one to
41.19 be located in southeastern Minnesota, and one to be located in southwestern Minnesota.
41.20 In determining the site for a cemetery, the commissioner shall consider available public
41.21 land options and shall seek proposals for donated land from interested counties, local
41.22 communities, civic organizations, veterans service organizations, and individuals.

41.23 The commissioner's planning process for a state veterans cemetery must include, at a
41.24 minimum, the following actions:

41.25 (1) determining the need for the cemetery;

41.26 (2) investigating the availability of suitable land for the cemetery;

41.27 (3) assessment of impacts of the cemetery;

41.28 (4) encouragement of support from veteran service organizations and local
41.29 governments; and

41.30 (5) preparation and submission of a preapplication for a grant from the United States
41.31 Department of Veterans Affairs for commitment of funding for establishing the cemetery.

42.1 By January 15, 2011, the commissioner shall report to the chair and ranking minority
42.2 member of the house of representatives and senate committees having responsibility for
42.3 veterans affairs with a report of the commissioner's progress in implementing this section.

42.4 Sec. 24. **NONCOMPLIANCE.**

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

42.9 Sec. 25. **ALTERNATIVE FUNDING SOURCES.**

42.10 By January 15, 2011, the commissioner of veterans affairs shall report to the chairs
42.11 and ranking minority members of the legislative committees with jurisdiction over
42.12 veterans affairs policy and finance regarding alternative funding sources for the higher
42.13 education veterans assistance program under Minnesota Statutes, section 197.585.

42.14 Sec. 26. **REPEALER.**

42.15 Minnesota Statutes 2008, section 168.1251, is repealed.

APPENDIX
Article locations in s2737-2

ARTICLE 1 AGRICULTURE Page.Ln 2.1
ARTICLE 2 VETERANS Page.Ln 29.24

17.231 NATIVE GRASSES AND WILDFLOWER SEED PRODUCTION INCENTIVE LOAN PROGRAM.

(a) The commissioner shall prepare a plan to establish a seed production loan program to provide loans that enable people to begin or expand efforts to develop and produce new, local-origin, native grass, and native wildflower seed species.

(b) In the plan, the commissioner shall use the ecological regions identified by the commissioner of natural resources covering the entire state. In the plan, the commissioner shall design the loan program to produce at least ten local variety native grass species and 40 local variety native wildflower species for each region. In the plan, the commissioner shall look at the possibility of producing 100 acres of native grass seed production and ten acres of native wildflower seed production in each region.

168.1251 DISABLED AMERICAN VETERAN PLATES.

Subdivision 1. **Issuance and design.** The commissioner shall issue special license plates bearing the inscription "DISABLED AMERICAN VETERAN" to an applicant who is certified in writing by the United States Department of Veterans Affairs or the state commissioner of veterans affairs as having a permanent and total service-connected disability, who complies with all laws relating to the registration and licensing of motor vehicles and drivers, and who pays a fee of \$10 for each set of license plates applied for. The special license plates must be of a design and size determined by the commissioner.

Subd. 2. **Application.** Application for issuance of these plates may be made only at the time of renewal or first application for registration.

Subd. 3. **Transfer.** On payment of a fee of \$5, special plates issued under this section may be transferred to another personal motor vehicle owned or jointly owned by the disabled veteran upon notification to the commissioner.

Subd. 4. **Surcharge.** For each set of special plates issued under this section, the commissioner shall collect a surcharge of \$5 on each \$10 fee collected under subdivision 1.

Subd. 5. **Motor vehicle; special definition.** For purposes of this section, "motor vehicle" means a vehicle for personal use, not used for commercial purposes, and may include a passenger automobile, van, pickup truck, motorcycle, or recreational vehicle.

Subd. 6. **Fees credited.** Fees, including surcharges, collected under this section must be credited to the vehicle services operating account in the special revenue fund.

343.26 CLIPPED ANIMALS; PENALTY.

No person who has custody of any animal which has had its hair removed by clipping or shearing shall cause or permit the animal to stand on a road, street, or other unsheltered place between November 1 and May 1 within 60 days after the clipping or shearing, unless the animal is blanketed. Violation of this section is a misdemeanor.

APPENDIX
Repealed Minnesota Session Laws: s2737-2

Laws 2009, chapter 94, article 1, section 106

Sec. 106. UNUSED OFFICE SPACE.

The commissioner of agriculture, in consultation with the commissioner of administration, shall actively seek tenants to rent vacant or unused space in the Freeman Building. The commissioner of agriculture shall notify entities that receive state funding of the amount and type of space available, the rental rate, and other lease terms. No later than February 1, 2011, the commissioner of agriculture shall report actions taken and outcomes achieved under this section to the legislative committees with jurisdiction over agriculture finance. Any revenue raised under this section is appropriated to the commissioner of agriculture to award grants to livestock producers under Minnesota Statutes, section 41A.12.