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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. **4133**

03/21/2018 Authored by Anderson, P.; Backer; Lueck and Hamilton
The bill was read for the first time and referred to the Committee on Agriculture Policy
03/29/2018 Adoption of Report: Amended and re-referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to agriculture; making policy and technical changes to various agricultural
1.3 provisions; classifying agricultural research data maintained by the University of
1.4 Minnesota; amending Minnesota Statutes 2016, sections 13.643, subdivision 7;
1.5 17.494; 17.4982, by adding subdivisions; 18.83, subdivision 7; 18B.34, subdivision
1.6 5; 25.33, subdivision 8; 28A.04, subdivision 1; 28A.08, subdivision 3; 29.26;
1.7 34A.11, subdivision 7; 41A.15, subdivision 10, by adding a subdivision; 41A.16,
1.8 subdivisions 1, 4; 41A.17, subdivisions 1, 2, 3; 41A.18, subdivisions 1, 3; 41B.02,
1.9 subdivision 10a; 41B.047, subdivisions 1, 3; 41B.049, subdivision 5; 41B.055,
1.10 subdivision 3; 41B.057, subdivision 3; 41B.06; 103H.275, subdivision 1; Minnesota
1.11 Statutes 2017 Supplement, sections 28A.05; 32D.13, by adding a subdivision;
1.12 32D.20, subdivision 2; 32D.22; 41B.0391, subdivisions 1, 5; proposing coding
1.13 for new law in Minnesota Statutes, chapters 17; 41B; repealing Minnesota Statutes
1.14 2016, section 41A.15, subdivisions 2a, 2b.

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

1.16 Section 1. Minnesota Statutes 2016, section 13.643, subdivision 7, is amended to read:

1.17 Subd. 7. **Research, monitoring, or assessment data.** (a) Except as provided in paragraph
1.18 (b), the following data created, collected, ~~and~~ or maintained by the Department of Agriculture
1.19 or the University of Minnesota during research, monitoring, or the assessment of farm
1.20 practices and related to natural resources, the environment, agricultural facilities, or
1.21 agricultural practices are classified as private or nonpublic:

1.22 (1) names, addresses, telephone numbers, and e-mail addresses of study participants or
1.23 cooperators; ~~and~~

1.24 (2) location of research, study site, and global positioning system data; and

1.25 (3) data created, collected, or maintained by the University of Minnesota for inclusion
1.26 on an agricultural data analysis platform maintained and hosted by the University of
1.27 Minnesota that identify or could identify an individual or business.

2.1 (b) The following data are public:

2.2 (1) location data and unique well numbers for wells and springs unless protected under
2.3 section 18B.10 or another statute or rule; and

2.4 (2) data from samples collected from a public water supply as defined in section 144.382,
2.5 subdivision 4.

2.6 (c) The Department of Agriculture or the University of Minnesota may disclose data
2.7 collected under paragraph (a) if the Department of Agriculture or the University of Minnesota
2.8 determines that there is a substantive threat to human health and safety or to the environment,
2.9 or to aid in the law enforcement process. The Department of Agriculture or the University
2.10 of Minnesota may also disclose data with written consent of the subject of the data.

2.11 Sec. 2. Minnesota Statutes 2016, section 17.494, is amended to read:

2.12 **17.494 AQUACULTURE PERMITS; RULES.**

2.13 (a) The commissioner shall act as permit or license coordinator for aquatic farmers and
2.14 shall assist aquatic farmers to obtain licenses or permits.

2.15 ~~By July 1, 1992,~~ (b) A state agency issuing multiple permits or licenses for aquaculture
2.16 shall consolidate the permits or licenses required for every aquatic farm location. The
2.17 Department of Natural Resources transportation permits are exempt from this requirement.
2.18 State agencies shall adopt rules or issue commissioner's orders that establish permit and
2.19 license requirements, approval timelines, and compliance standards. Saltwater aquatic farms,
2.20 as defined in section 17.4982, and processing facilities for saltwater aquatic life, as defined
2.21 in section 17.4982, must be classified as agricultural operations for purposes of any
2.22 construction, discharge, or other permit issued by the Pollution Control Agency.

2.23 (c) Nothing in this section modifies any state agency's regulatory authority over
2.24 aquaculture production.

2.25 Sec. 3. Minnesota Statutes 2016, section 17.4982, is amended by adding a subdivision to
2.26 read:

2.27 Subd. 20a. **Saltwater aquaculture.** "Saltwater aquaculture" means the commercial
2.28 propagation and rearing of saltwater aquatic life including, but not limited to, crustaceans,
2.29 primarily for consumption as human food.

3.1 Sec. 4. Minnesota Statutes 2016, section 17.4982, is amended by adding a subdivision to
3.2 read:

3.3 Subd. 20b. **Saltwater aquatic farm.** "Saltwater aquatic farm" means a facility used for
3.4 saltwater aquaculture including but not limited to artificial ponds, vats, tanks, raceways,
3.5 and other facilities that an aquatic farmer owns or has exclusive control of for the sole
3.6 purpose of producing saltwater aquatic life.

3.7 Sec. 5. Minnesota Statutes 2016, section 17.4982, is amended by adding a subdivision to
3.8 read:

3.9 Subd. 20c. **Saltwater aquatic life.** "Saltwater aquatic life" means aquatic species that
3.10 are saltwater obligates or perform optimally when raised in salinities closer to that of natural
3.11 seawater and need saltwater to survive.

3.12 Sec. 6. [17.499] **TRANSPORTATION OR IMPORTATION OF SALTWATER**
3.13 **AQUATIC LIFE; QUARANTINE REQUIREMENT.**

3.14 Subdivision 1. **Purpose.** The legislature finds that it is in the public interest to increase
3.15 private saltwater aquaculture production and processing in this state under the coordination
3.16 of the commissioner of agriculture. Additional private production will reduce dependence
3.17 on foreign suppliers and benefit the rural economy by creating new jobs and economic
3.18 activity.

3.19 Subd. 2. **Transportation permit.** (a) Notwithstanding the requirements in section
3.20 17.4985, saltwater aquatic life transportation and importation requirements are governed
3.21 by this section. A transportation permit is required prior to any importation or intrastate
3.22 transportation of saltwater aquatic life not exempted under subdivision 3. A transportation
3.23 permit may be used for multiple shipments within the 30-day term of the permit if the source
3.24 and the destination remain the same. Transportation permits must be obtained from the
3.25 commissioner prior to shipment of saltwater aquatic life.

3.26 (b) An application for a transportation permit must be made in the form required by the
3.27 commissioner. The commissioner may reject an incomplete application.

3.28 (c) An application for a transportation permit must be accompanied by satisfactory
3.29 evidence, as determined by the commissioner, that the shipment is free of any nonindigenous
3.30 species of animal other than the saltwater aquatic species and either:

3.31 (1) the facility from which the saltwater aquatic life originated has provided
3.32 documentation of 36 or more consecutive months of negative testing by an approved

4.1 laboratory as free of any disease listed by OIE - the World Organisation for Animal Health
4.2 for that species following the testing guidelines outlined in the OIE Aquatic Animal Health
4.3 Code for crustaceans or the AFS Fish Health Blue Book for other species, as appropriate;
4.4 or

4.5 (2) the saltwater aquatic life to be imported or transported includes documentation of
4.6 negative testing for that specific lot by an approved laboratory as free of any disease listed
4.7 by OIE - the World Organisation for Animal Health for crustaceans or in the AFS Fish
4.8 Health Blue Book for other species, as appropriate.

4.9 If a shipment authorized by the commissioner under clause (1) includes saltwater aquatic
4.10 life that originated in a foreign country, the shipment must be quarantined at the receiving
4.11 facility according to a quarantine plan approved by the commissioner. A shipment authorized
4.12 by the commissioner under clause (2) must be quarantined at the receiving facility according
4.13 to a quarantine plan approved by the commissioner.

4.14 (d) For purposes of this subdivision, "approved laboratory" means a laboratory approved
4.15 by the commissioner or the United States Department of Agriculture, Animal and Plant
4.16 Health Inspection Services.

4.17 (e) No later than 14 calendar days after a completed transportation permit application
4.18 is received, the commissioner must approve or deny the transportation permit application.

4.19 (f) A copy of the transportation permit must accompany a shipment of saltwater aquatic
4.20 life while in transit and must be available for inspection by the commissioner.

4.21 (g) A vehicle used by a licensee for transporting aquatic life must be identified with the
4.22 license number and the licensee's name and town of residence as it appears on the license.
4.23 A vehicle used by a licensee must have identification displayed so that it is readily visible
4.24 from either side of the vehicle in letters and numbers not less than 2-1/2 inches high and
4.25 three-eighths inch wide. Identification may be permanently affixed to vehicles or displayed
4.26 on removable plates or placards placed on opposite doors of the vehicle or on the tanks
4.27 carried on the vehicle.

4.28 (h) An application to license a vehicle for brood stock or larvae transport or for use as
4.29 a saltwater aquatic life vendor that is received by the commissioner is a temporary license
4.30 until approved or denied by the commissioner.

4.31 Subd. 3. Exemptions. (a) A transportation permit is not required to transport or import
4.32 saltwater aquatic life:

4.33 (1) previously processed for use as food or other purposes unrelated to propagation;

5.1 (2) transported directly to an outlet for processing as food or for other food purposes if
 5.2 accompanied by shipping documents;

5.3 (3) that is being exported if accompanied by shipping documents;

5.4 (4) that is being transported through the state if accompanied by shipping documents;

5.5 or

5.6 (5) transported intrastate within or between facilities licensed for saltwater aquaculture
 5.7 by the commissioner if accompanied by shipping documents.

5.8 (b) Shipping documents required under paragraph (a) must include the place of origin,
 5.9 owner or consignee, destination, number, species, and satisfactory evidence, as determined
 5.10 by the commissioner, of the disease-free certification required under subdivision 2, paragraph
 5.11 (c), clauses (1) and (2).

5.12 Sec. 7. Minnesota Statutes 2016, section 18.83, subdivision 7, is amended to read:

5.13 Subd. 7. **Expenses; reimbursements.** A claim for the expense of controlling or
 5.14 eradicating noxious weeds, which may include the costs of serving notices, is a legal charge
 5.15 against the county in which the land is located. The officers having the work done must file
 5.16 with the county auditor a verified and itemized statement of cost for all services rendered
 5.17 on each separate tract or lot of land. The county auditor shall immediately issue proper
 5.18 warrants to the persons named on the statement as having rendered services. To reimburse
 5.19 the county for its expenditure in this regard, the county auditor shall certify the total amount
 5.20 due and, unless an appeal is made in accordance with section 18.84, enter it on the tax roll
 5.21 as a tax upon the land and it must be collected as other real estate taxes are collected.

5.22 If ~~public~~ publicly owned or managed land is involved, the amount due must be paid
 5.23 from ~~funds provided~~ money appropriated for maintenance of the land or from the general
 5.24 revenue or operating fund of the agency responsible for the land. ~~Each claim for control or~~
 5.25 ~~eradication of noxious weeds on public lands must first be approved by the commissioner~~
 5.26 ~~of agriculture.~~

5.27 Sec. 8. Minnesota Statutes 2016, section 18B.34, subdivision 5, is amended to read:

5.28 Subd. 5. **Fees.** (a) A person initially applying for or renewing a noncommercial applicator
 5.29 license must pay a nonrefundable application fee of \$50, except an applicant who ~~is~~ uses
 5.30 pesticides in the course of performing official duties as: (1) a government employee; (2) a
 5.31 contractor providing rest area custodial services for the commissioner of transportation; or

6.1 ~~(3) a Conservation Corps Minnesota employee who uses pesticides in the course of~~
6.2 ~~performing official duties~~ must pay a nonrefundable application fee of \$10.

6.3 (b) A license renewal application received after March 1 in the year for which the license
6.4 is to be issued is subject to a penalty fee of 50 percent of the application fee. The penalty
6.5 fee must be paid before the renewal license may be issued.

6.6 (c) An application for a duplicate noncommercial applicator license must be accompanied
6.7 by a nonrefundable application fee of \$10.

6.8 Sec. 9. Minnesota Statutes 2016, section 25.33, subdivision 8, is amended to read:

6.9 Subd. 8. **Drug.** "Drug" means (1) any article intended for use in the diagnosis, cure,
6.10 mitigation, treatment, or prevention of disease in animals other than humans; and (2) articles
6.11 other than feed intended to affect the structure or any function of the animal body.

6.12 Sec. 10. Minnesota Statutes 2016, section 28A.04, subdivision 1, is amended to read:

6.13 Subdivision 1. **Application; date of issuance.** (a) No person shall engage in the business
6.14 of manufacturing, processing, selling, handling, or storing food without having first obtained
6.15 from the commissioner a license for doing such business. Applications for such license shall
6.16 be made to the commissioner in such manner and time as required and upon such forms as
6.17 provided by the commissioner and shall contain the name and address of the applicant,
6.18 address or description of each place of business, and the nature of the business to be
6.19 conducted at each place, and such other pertinent information as the commissioner may
6.20 require.

6.21 (b) A retail or wholesale food handler license shall be issued for the period July 1 to
6.22 June 30 following and shall be renewed thereafter by the licensee on or before July 1 each
6.23 year, except that:

6.24 (1) licenses for all mobile food concession units and retail mobile units must be issued
6.25 for the period April 1 to March 31, and must be renewed thereafter by the licensee on or
6.26 before April 1 each year; and

6.27 (2) a license issued for a temporary food concession stand must have a license issuance
6.28 and renewal date consistent with appropriate statutory provisions.

6.29 (c) A custom exempt food handler license shall be issued for the period July 1 to June
6.30 30 following and shall be renewed thereafter by the licensee on or before July 1 each year.
6.31 The custom exempt food handler license is for businesses that only conduct custom exempt
6.32 operations and mark all products as "Not For Sale." Food handlers that conduct retail exempt

7.1 operations or other operations other than custom exempt processing or slaughter are not
7.2 eligible for this license.

7.3 (d) A license for a food broker or for a food processor or manufacturer shall be issued
7.4 for the period January 1 to December 31 following and shall be renewed thereafter by the
7.5 licensee on or before January 1 of each year, except that a license for a wholesale food
7.6 processor or manufacturer operating only at the state fair shall be issued for the period July
7.7 1 to June 30 following and shall be renewed thereafter by the licensee on or before July 1
7.8 of each year. A penalty for a late renewal shall be assessed in accordance with section
7.9 28A.08.

7.10 ~~(e)~~ (e) A person applying for a new license up to 14 calendar days before the effective
7.11 date of the new license period under paragraph (b) must be issued a license for the 14 days
7.12 and the next license year as a single license and pay a single license fee as if the 14 days
7.13 were part of the upcoming license period.

7.14 Sec. 11. Minnesota Statutes 2017 Supplement, section 28A.05, is amended to read:

7.15 **28A.05 CLASSIFICATION.**

7.16 All persons required to have a license under section 28A.04 shall be classified into one
7.17 of the following classes of food handlers, according to their principal mode of business.

7.18 (a) Retail food handlers are persons who sell or process and sell food directly to the
7.19 ultimate consumer or who custom process meat or poultry. The term includes a person who
7.20 sells food directly to the ultimate consumer through the use of vending machines, and a
7.21 person who sells food for consumption on site or off site if the sale is conducted on the
7.22 premises that are part of a grocery or convenience store operation.

7.23 (b) Wholesale food handlers are persons who sell to others for resale. A person who
7.24 handles food in job lots (jobbers) is included in this classification.

7.25 (c) Wholesale food processors or manufacturers are persons who process or manufacture
7.26 raw materials and other food ingredients into food items, or who reprocess food items, or
7.27 who package food for sale to others for resale, or who commercially slaughter animals or
7.28 poultry. Included herein are persons who can, extract, ferment, distill, pickle, bake, freeze,
7.29 dry, smoke, grind, mix, stuff, pack, bottle, recondition, or otherwise treat or preserve food
7.30 for sale to others for resale, cold storage warehouse operators as defined in section 28.01,
7.31 subdivision 3, salvage food processors as defined in section 31.495, subdivision 1, and dairy
7.32 plants as defined in section 32D.01, subdivision 6.

8.1 (d) Custom exempt food handlers are persons who only conduct custom exempt
 8.2 processing as defined in section 31A.02, subdivision 5. A retail or wholesale transaction
 8.3 may not take place in a facility operated by a person with a custom exempt food handler
 8.4 license.

8.5 ~~(d)~~ (e) A food broker is a person who buys and sells food and who negotiates between
 8.6 a buyer and a seller of food, but who at no time has custody of the food being bought and
 8.7 sold.

8.8 Sec. 12. Minnesota Statutes 2016, section 28A.08, subdivision 3, is amended to read:

8.9 **Subd. 3. Fees effective July 1, 2003.**

8.10	Penalties			
8.11	Type of food handler	License Fee Effective July 1, 2003	Late Renewal	No License
8.14	1. <u>Retail food handler or custom exempt food handler</u>			
8.15				
8.16	(a) Having gross sales of only prepackaged nonperishable food of less than \$15,000 for the immediately previous license or fiscal year and filing a statement with the commissioner	\$ 50	\$ 17	\$ 33
8.17				
8.18				
8.19				
8.20				
8.21	(b) Having under \$15,000 gross sales or service including food preparation or having \$15,000 to \$50,000 gross sales or service for the immediately previous license or fiscal year	\$ 77	\$ 25	\$ 51
8.22				
8.23				
8.24				
8.25				
8.26	(c) Having \$50,001 to \$250,000 gross sales or service for the immediately previous license or fiscal year	\$155	\$ 51	\$102
8.27				
8.28				
8.29	(d) Having \$250,001 to \$1,000,000 gross sales or service for the immediately previous license or fiscal year	\$276	\$ 91	\$182
8.30				
8.31				
8.32	(e) Having \$1,000,001 to \$5,000,000 gross sales or service for the immediately previous license or fiscal year	\$799	\$264	\$527
8.33				
8.34				
8.35	(f) Having \$5,000,001 to \$10,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,162	\$383	\$767
8.36				
8.37				
8.38	(g) Having \$10,000,001 to \$15,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,376	\$454	\$908
8.39				
8.40				
8.41	(h) Having \$15,000,001 to \$20,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,607	\$530	\$1,061
8.42				
8.43				

9.1	(i) Having \$20,000,001 to \$25,000,000			
9.2	gross sales or service for the immediately			
9.3	previous license or fiscal year	\$1,847	\$610	\$1,219
9.4	(j) Having over \$25,000,001 gross sales or			
9.5	service for the immediately previous license			
9.6	or fiscal year	\$2,001	\$660	\$1,321
9.7	2. Wholesale food handler			
9.8	(a) Having gross sales or service of less than			
9.9	\$25,000 for the immediately previous			
9.10	license or fiscal year	\$ 57	\$ 19	\$ 38
9.11	(b) Having \$25,001 to \$250,000 gross sales			
9.12	or service for the immediately previous			
9.13	license or fiscal year	\$284	\$ 94	\$187
9.14	(c) Having \$250,001 to \$1,000,000 gross			
9.15	sales or service from a mobile unit without			
9.16	a separate food facility for the immediately			
9.17	previous license or fiscal year	\$444	\$147	\$293
9.18	(d) Having \$250,001 to \$1,000,000 gross			
9.19	sales or service not covered under paragraph			
9.20	(c) for the immediately previous license or			
9.21	fiscal year	\$590	\$195	\$389
9.22	(e) Having \$1,000,001 to \$5,000,000 gross			
9.23	sales or service for the immediately previous			
9.24	license or fiscal year	\$769	\$254	\$508
9.25	(f) Having \$5,000,001 to \$10,000,000 gross			
9.26	sales or service for the immediately previous			
9.27	license or fiscal year	\$920	\$304	\$607
9.28	(g) Having \$10,000,001 to \$15,000,000			
9.29	gross sales or service for the immediately			
9.30	previous license or fiscal year	\$990	\$327	\$653
9.31	(h) Having \$15,000,001 to \$20,000,000			
9.32	gross sales or service for the immediately			
9.33	previous license or fiscal year	\$1,156	\$381	\$763
9.34	(i) Having \$20,000,001 to \$25,000,000			
9.35	gross sales or service for the immediately			
9.36	previous license or fiscal year	\$1,329	\$439	\$877
9.37	(j) Having over \$25,000,001 or more gross			
9.38	sales or service for the immediately previous			
9.39	license or fiscal year	\$1,502	\$496	\$991
9.40	3. Food broker	\$150	\$ 50	\$ 99
9.41	4. Wholesale food processor or manufacturer			
9.42	(a) Having gross sales or service of less than			
9.43	\$125,000 for the immediately previous			
9.44	license or fiscal year	\$169	\$ 56	\$112
9.45	(b) Having \$125,001 to \$250,000 gross sales			
9.46	or service for the immediately previous			
9.47	license or fiscal year	\$392	\$129	\$259

10.1	(c) Having \$250,001 to \$1,000,000 gross sales or service for the immediately previous license or fiscal year	\$590	\$195	\$389
10.2				
10.3				
10.4	(d) Having \$1,000,001 to \$5,000,000 gross sales or service for the immediately previous license or fiscal year	\$769	\$254	\$508
10.5				
10.6				
10.7	(e) Having \$5,000,001 to \$10,000,000 gross sales or service for the immediately previous license or fiscal year	\$920	\$304	\$607
10.8				
10.9				
10.10	(f) Having \$10,000,001 to \$15,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,377	\$454	\$909
10.11				
10.12				
10.13	(g) Having \$15,000,001 to \$20,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,608	\$531	\$1,061
10.14				
10.15				
10.16	(h) Having \$20,000,001 to \$25,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,849	\$610	\$1,220
10.17				
10.18				
10.19	(i) Having \$25,000,001 to \$50,000,000 gross sales or service for the immediately previous license or fiscal year	\$2,090	\$690	\$1,379
10.20				
10.21				
10.22	(j) Having \$50,000,001 to \$100,000,000 gross sales or service for the immediately previous license or fiscal year	\$2,330	\$769	\$1,538
10.23				
10.24				
10.25	(k) Having \$100,000,000 or more gross sales or service for the immediately previous license or fiscal year	\$2,571	\$848	\$1,697
10.26				
10.27				
10.28	5. Wholesale food processor of meat or poultry products under supervision of the U.S. Department of Agriculture			
10.29				
10.30				
10.31	(a) Having gross sales or service of less than \$125,000 for the immediately previous license or fiscal year	\$112	\$ 37	\$ 74
10.32				
10.33				
10.34	(b) Having \$125,001 to \$250,000 gross sales or service for the immediately previous license or fiscal year	\$214	\$ 71	\$141
10.35				
10.36				
10.37	(c) Having \$250,001 to \$1,000,000 gross sales or service for the immediately previous license or fiscal year	\$333	\$110	\$220
10.38				
10.39				
10.40	(d) Having \$1,000,001 to \$5,000,000 gross sales or service for the immediately previous license or fiscal year	\$425	\$140	\$281
10.41				
10.42				
10.43	(e) Having \$5,000,001 to \$10,000,000 gross sales or service for the immediately previous license or fiscal year	\$521	\$172	\$344
10.44				
10.45				
10.46	(f) Having over \$10,000,001 gross sales or service for the immediately previous license or fiscal year	\$765	\$252	\$505
10.47				
10.48				

11.1	(g) Having \$15,000,001 to \$20,000,000			
11.2	gross sales or service for the immediately			
11.3	previous license or fiscal year	\$893	\$295	\$589
11.4	(h) Having \$20,000,001 to \$25,000,000			
11.5	gross sales or service for the immediately			
11.6	previous license or fiscal year	\$1,027	\$339	\$678
11.7	(i) Having \$25,000,001 to \$50,000,000			
11.8	gross sales or service for the immediately			
11.9	previous license or fiscal year	\$1,161	\$383	\$766
11.10	(j) Having \$50,000,001 to \$100,000,000			
11.11	gross sales or service for the immediately			
11.12	previous license or fiscal year	\$1,295	\$427	\$855
11.13	(k) Having \$100,000,001 or more gross			
11.14	sales or service for the immediately previous			
11.15	license or fiscal year	\$1,428	\$471	\$942
11.16	6. Wholesale food processor or manufacturer			
11.17	operating only at the State Fair	\$125	\$ 40	\$ 50
11.18	7. Wholesale food manufacturer having the			
11.19	permission of the commissioner to use the			
11.20	name Minnesota Farmstead cheese	\$ 30	\$ 10	\$ 15
11.21	8. Wholesale food manufacturer processing			
11.22	less than 700,000 pounds per year of raw			
11.23	milk	\$ 30	\$ 10	\$ 15
11.24	9. A milk marketing organization without			
11.25	facilities for processing or manufacturing			
11.26	that purchases milk from milk producers for			
11.27	delivery to a licensed wholesale food			
11.28	processor or manufacturer	\$ 50	\$ 15	\$ 25

11.29 Sec. 13. Minnesota Statutes 2016, section 29.26, is amended to read:

11.30 **29.26 EGGS IN POSSESSION OF RETAILER.**

11.31 All eggs sold or offered for sale at retail must have been candled and graded and must
 11.32 be clearly labeled according to Minnesota consumer grades as established by rule under
 11.33 section 29.23. No eggs shall be sold or offered for sale as "ungraded," "unclassified," or by
 11.34 any other name that does not clearly designate the grade. All eggs in possession of the
 11.35 retailer, either in temporary storage or on display, must be held at a temperature not to
 11.36 exceed 45 degrees Fahrenheit (7 degrees Celsius).

11.37 ~~Candled and graded~~ Grade AA eggs held 31 days past the coded pack date for Grade
 11.38 AA eggs, or Grade A eggs held 46 days past the coded pack date for Grade A eggs, lose
 11.39 their grades and must be removed from sale.

12.1 Sec. 14. Minnesota Statutes 2017 Supplement, section 32D.13, is amended by adding a
12.2 subdivision to read:

12.3 Subd. 11. Milk storage requirement. (a) A milk hauler may only pick up milk from a
12.4 farm if the farm's bulk tank is in proper working order.

12.5 (b) Milk must not have been stored for longer than 72 hours when the milk is picked up
12.6 by a milk hauler at a farm for transport to a plant. The commissioner or an agent of the
12.7 commissioner may waive the 72-hour time limit in the case of hardship, emergency, or
12.8 natural disaster.

12.9 Sec. 15. Minnesota Statutes 2017 Supplement, section 32D.20, subdivision 2, is amended
12.10 to read:

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

12.15 (b) Milk and dairy products must be labeled:

12.16 (1) with the plant number where the product was produced; or

12.17 (2) if produced in a state where official plant numbers are not assigned, with the name
12.18 and address of the manufacturer and the address of the plant where it was manufactured or
12.19 distributor.

12.20 Sec. 16. Minnesota Statutes 2017 Supplement, section 32D.22, is amended to read:

12.21 **32D.22 MANUFACTURE OF CHEESE; REQUIREMENTS IN PROCESS.**

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

12.28 (b) Any cheese described in paragraph (a), clause (3), that has been made from
12.29 unpasteurized milk must be labeled with a statement that the cheese is more than 60 days
12.30 of age.

13.1 Sec. 17. Minnesota Statutes 2016, section 34A.11, subdivision 7, is amended to read:

13.2 Subd. 7. **Emergency powers.** After an emergency declaration issued under chapter 12,
13.3 chapter 35, or the federal Stafford Act, the commissioner may restrict the movement of food
13.4 if the commissioner has probable cause to believe that the movement of food may: threaten
13.5 the agricultural economy; transport a dangerous, infectious, or communicable disease; or
13.6 threaten the health of animals. The commissioner may provide for the issuance of permits
13.7 to allow for the continued movement of food upon meeting the ~~disease~~ control measures
13.8 established by the commissioner.

13.9 Sec. 18. Minnesota Statutes 2016, section 41A.15, is amended by adding a subdivision to
13.10 read:

13.11 Subd. 2e. **Biomass.** "Biomass" means any organic matter that is available on a renewable
13.12 or recurring basis, including agricultural crops and trees, wood and wood waste and residues,
13.13 plants including aquatic plants, grasses, residues, fibers, animal waste, and the organic
13.14 portion of solid wastes.

13.15 Sec. 19. Minnesota Statutes 2016, section 41A.15, subdivision 10, is amended to read:

13.16 Subd. 10. **Renewable chemical.** "Renewable chemical" means a chemical with biobased
13.17 content, polymer, monomer, plastic, or composite material that is entirely produced from
13.18 biomass.

13.19 Sec. 20. Minnesota Statutes 2016, section 41A.16, subdivision 1, is amended to read:

13.20 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
13.21 source at least 80 percent ~~raw materials~~ of biomass from Minnesota-, ~~except that,~~ if a facility
13.22 is sited 50 miles or less from the state border, ~~raw materials~~ biomass may be sourced from
13.23 outside of Minnesota, but only if it is sourced from within a 100-mile radius of the facility.
13.24 ~~Raw materials must be from agricultural or forestry sources or from solid waste.~~ The facility
13.25 must be located in Minnesota, must begin production at a specific location by June 30, 2025,
13.26 and must not begin operating above 23,750 MMbtu of quarterly biofuel production before
13.27 July 1, 2015. Eligible facilities include existing companies and facilities that are adding
13.28 advanced biofuel production capacity, or retrofitting existing capacity, as well as new
13.29 companies and facilities. Production of conventional corn ethanol and conventional biodiesel
13.30 is not eligible. Eligible advanced biofuel facilities must produce at least 23,750 MMbtu of
13.31 biofuel quarterly.

14.1 (b) No payments shall be made for advanced biofuel production that occurs after June
14.2 30, 2035, for those eligible biofuel producers under paragraph (a).

14.3 (c) An eligible producer of advanced biofuel shall not transfer the producer's eligibility
14.4 for payments under this section to an advanced biofuel facility at a different location.

14.5 (d) A producer that ceases production for any reason is ineligible to receive payments
14.6 under this section until the producer resumes production.

14.7 (e) Renewable chemical production for which payment has been received under section
14.8 41A.17, and biomass thermal production for which payment has been received under section
14.9 41A.18, are not eligible for payment under this section.

14.10 (f) Biobutanol is eligible under this section.

14.11 Sec. 21. Minnesota Statutes 2016, section 41A.16, subdivision 4, is amended to read:

14.12 Subd. 4. **Cellulosic forestry biomass requirements.** All forestry-derived cellulosic
14.13 biomass must be produced using Minnesota ~~state~~ forest biomass harvesting guidelines or
14.14 the equivalent. All cellulosic biomass from brushlands must be produced using Minnesota
14.15 brushland ~~harvesting~~ biomass ~~harvest~~ harvesting guidelines or the equivalent.
14.16 Forestry-derived cellulosic biomass that comes from land parcels greater than 160 acres
14.17 must be certified by the Forest Stewardship Council, the Sustainable Forestry Initiative, or
14.18 the American Tree Farm System. Uncertified land from parcels of 160 acres or less and
14.19 federal land must be harvested by a logger who has completed training for biomass harvesting
14.20 from the Minnesota logger education program or the equivalent and have a forest ~~stewardship~~
14.21 management plan, as defined in section 290C.02, subdivision 7, or its equivalent.

14.22 Sec. 22. Minnesota Statutes 2016, section 41A.17, subdivision 1, is amended to read:

14.23 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this ~~program~~ section
14.24 must source at least 80 percent ~~biobased content~~ of biomass from Minnesota, ~~except that,~~
14.25 if a facility is sited 50 miles or less from the state border, ~~biobased content must~~ biomass
14.26 may be sourced from outside of Minnesota, but only if it is sourced from within a 100-mile
14.27 radius of the facility. ~~Biobased content must be from agricultural or forestry sources or from~~
14.28 ~~solid waste.~~ The facility must be located in Minnesota, must begin production at a specific
14.29 location by June 30, 2025, and must not begin production of 750,000 pounds of chemicals
14.30 quarterly before January 1, 2015. Eligible facilities include existing companies and facilities
14.31 that are adding production capacity, or retrofitting existing capacity, as well as new
14.32 companies and facilities. Eligible renewable chemical facilities must produce at least 750,000

15.1 pounds of renewable chemicals quarterly. Renewable chemicals produced through processes
15.2 that are fully commercial before January 1, 2000, are not eligible.

15.3 (b) No payments shall be made for renewable chemical production that occurs after June
15.4 30, 2035, for those eligible renewable chemical producers under paragraph (a).

15.5 (c) An eligible producer of renewable chemicals shall not transfer the producer's eligibility
15.6 for payments under this section to a renewable chemical facility at a different location.

15.7 (d) A producer that ceases production for any reason is ineligible to receive payments
15.8 under this section until the producer resumes production.

15.9 (e) Advanced biofuel production for which payment has been received under section
15.10 41A.16, and biomass thermal production for which payment has been received under section
15.11 41A.18, are not eligible for payment under this section.

15.12 Sec. 23. Minnesota Statutes 2016, section 41A.17, subdivision 2, is amended to read:

15.13 Subd. 2. **Payment amounts; bonus; limits.** (a) The commissioner shall make payments
15.14 to eligible producers of renewable chemicals located in the state. The amount of the payment
15.15 for each producer's annual production is \$0.03 per pound of sugar-derived renewable
15.16 chemical, \$0.03 per pound of cellulosic sugar, and \$0.06 per pound of cellulosic-derived
15.17 renewable chemical produced at a specific location for ten years after the start of production.

15.18 (b) An eligible facility producing renewable chemicals using agricultural cellulosic
15.19 biomass is eligible for a 20 percent bonus payment for each pound produced from agricultural
15.20 biomass that is derived from perennial crop or cover crop biomass.

15.21 (c) Total payments under this section to an eligible renewable chemical producer in a
15.22 fiscal year may not exceed the amount necessary for 99,999,999 pounds of renewable
15.23 chemical production. Total payments under this section to all eligible renewable chemical
15.24 producers in a fiscal year may not exceed the amount necessary for 599,999,999 pounds of
15.25 renewable chemical production. The commissioner shall award payments on a first-come,
15.26 first-served basis within the limits of available funding.

15.27 (d) An eligible facility may blend renewable chemicals with other chemicals that are
15.28 not renewable chemicals, but only the percentage attributable to renewable chemicals in
15.29 the blended product is eligible to receive payment.

15.30 ~~(d)~~ (e) For purposes of this section, an entity that holds a controlling interest in more
15.31 than one renewable chemical production facility is considered a single eligible producer.

16.1 Sec. 24. Minnesota Statutes 2016, section 41A.17, subdivision 3, is amended to read:

16.2 Subd. 3. **Cellulosic forestry biomass requirements.** All forestry-derived cellulosic
16.3 biomass must be produced using Minnesota ~~state forest~~ biomass harvesting guidelines or
16.4 the equivalent. All cellulosic biomass from brushlands must be produced using Minnesota
16.5 brushland ~~harvesting~~ biomass ~~harvest~~ harvesting guidelines or the equivalent.
16.6 Forestry-derived cellulosic biomass that comes from land parcels greater than 160 acres
16.7 must be certified by the Forest Stewardship Council, the Sustainable Forestry Initiative, or
16.8 the American Tree Farm System. Uncertified land from parcels of 160 acres or less and
16.9 federal land must be harvested by a logger who has completed training for biomass harvesting
16.10 from the Minnesota logger education program or the equivalent and have a forest ~~stewardship~~
16.11 management plan, as defined in section 290C.02, subdivision 7, or its equivalent.

16.12 Sec. 25. Minnesota Statutes 2016, section 41A.18, subdivision 1, is amended to read:

16.13 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
16.14 source at least 80 percent ~~raw materials~~ of biomass from Minnesota, ~~except that~~, if a facility
16.15 is sited 50 miles or less from the state border, ~~raw materials should~~ biomass may be sourced
16.16 from outside of Minnesota, but only if it is sourced from within a 100-mile radius of the
16.17 facility. ~~Raw materials~~ Biomass must be from agricultural or forestry sources. The facility
16.18 must be located in Minnesota, must have begun production at a specific location by June
16.19 30, 2025, and must not begin before July 1, 2015. Eligible facilities include existing
16.20 companies and facilities that are adding production capacity, or retrofitting existing capacity,
16.21 as well as new companies and facilities. Eligible biomass thermal production facilities must
16.22 produce at least 250 MMbtu of biomass thermal quarterly.

16.23 (b) No payments shall be made for biomass thermal production that occurs after June
16.24 30, 2035, for those eligible biomass thermal producers under paragraph (a).

16.25 (c) An eligible producer of biomass thermal production shall not transfer the producer's
16.26 eligibility for payments under this section to a biomass thermal production facility at a
16.27 different location.

16.28 (d) A producer that ceases production for any reason is ineligible to receive payments
16.29 under this section until the producer resumes production.

16.30 (e) Biofuel production for which payment has been received under section 41A.16, and
16.31 renewable chemical production for which payment has been received under section 41A.17,
16.32 are not eligible for payment under this section.

17.1 Sec. 26. Minnesota Statutes 2016, section 41A.18, subdivision 3, is amended to read:

17.2 Subd. 3. **Cellulosic forestry biomass requirements.** All forestry-derived cellulosic
17.3 biomass must be produced using Minnesota ~~state forest~~ biomass harvesting guidelines or
17.4 the equivalent. All cellulosic biomass from ~~brushland~~ brushlands must be produced using
17.5 Minnesota brushland ~~harvesting~~ biomass harvesting guidelines or the equivalent.
17.6 Forestry-derived cellulosic biomass that comes from land parcels greater than 160 acres
17.7 must be certified by the Forest Stewardship Council, the Sustainable Forestry Initiative, or
17.8 the American Tree Farm System. Uncertified land from parcels of 160 acres or less and
17.9 federal land must be harvested by a logger who has completed training for biomass harvesting
17.10 from the Minnesota logger education program or the equivalent and have a forest ~~stewardship~~
17.11 management plan, as defined in section 290C.02, subdivision 7, or its equivalent.

17.12 Sec. 27. Minnesota Statutes 2016, section 41B.02, subdivision 10a, is amended to read:

17.13 Subd. 10a. **Livestock expansion.** "Livestock expansion" means the purchase of a
17.14 livestock farm or improvements to a livestock operation, including the purchase and
17.15 construction or installation of improvements to land, buildings, and other permanent
17.16 structures, including equipment incorporated in or permanently affixed to the land, buildings,
17.17 or structures, which are useful for and intended to be used for the purpose of raising livestock.

17.18 Sec. 28. Minnesota Statutes 2017 Supplement, section 41B.0391, subdivision 1, is amended
17.19 to read:

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

17.22 (b) "Agricultural assets" means agricultural land, livestock, facilities, buildings, and
17.23 machinery used for farming in Minnesota.

17.24 (c) "Beginning farmer" means an individual who:

17.25 (1) is a resident of Minnesota;

17.26 (2) is seeking entry, or has entered within the last ten years, into farming;

17.27 (3) intends to farm land located within the state borders of Minnesota; and

17.28 ~~(4) is not and whose spouse is not a family member of the owner of the agricultural~~
17.29 ~~assets from whom the beginning farmer is seeking to purchase or rent agricultural assets;~~

18.1 ~~(5) is not and whose spouse is not a family member of a partner, member, shareholder,~~
18.2 ~~or trustee of the owner of agricultural assets from whom the beginning farmer is seeking to~~
18.3 ~~purchase or rent agricultural assets; and~~

18.4 ~~(6)~~ (4) meets the following eligibility requirements as determined by the authority:

18.5 (i) has a net worth that does not exceed the limit provided under section 41B.03,
18.6 subdivision 3, paragraph (a), clause (2);

18.7 (ii) provides the majority of the day-to-day physical labor and management of the farm;

18.8 (iii) has, by the judgment of the authority, adequate farming experience or demonstrates
18.9 knowledge in the type of farming for which the beginning farmer seeks assistance from the
18.10 authority;

18.11 ~~(iv) demonstrates to the authority a profit potential by submitting projected earnings~~
18.12 ~~statements;~~

18.13 ~~(v)~~ (iv) asserts to the satisfaction of the authority that farming will be a significant source
18.14 of income for the beginning farmer;

18.15 ~~(vi) participates in~~ (v) is enrolled in or has completed within ten years of their first year
18.16 of farming a financial management program approved by the authority or the commissioner
18.17 of agriculture; The commissioner may waive this requirement if the participant requests a
18.18 waiver and has a four-year degree in an agricultural program or related field, reasonable
18.19 agricultural job-related experience, or certification as an adult farm business management
18.20 instructor;

18.21 ~~(vii)~~ (vi) agrees to notify the authority if the beginning farmer no longer meets the
18.22 eligibility requirements within the three-year certification period, in which case the beginning
18.23 farmer is no longer eligible for credits under this section; and

18.24 ~~(viii)~~ (vii) has other qualifications as specified by the authority.

18.25 ~~(d) "Family member" means a family member within the meaning of the Internal Revenue~~
18.26 ~~Code, section 267(e)(4).~~

18.27 ~~(e)~~ (d) "Farm product" means plants and animals useful to humans and includes, but is
18.28 not limited to, forage and sod crops, oilseeds, grain and feed crops, dairy and dairy products,
18.29 poultry and poultry products, livestock, fruits, and vegetables.

18.30 ~~(f)~~ (e) "Farming" means the active use, management, and operation of real and personal
18.31 property for the production of a farm product.

19.1 ~~(g)~~ (f) "Owner of agricultural assets" means an individual, trust, or pass-through entity
19.2 that is the owner in fee of agricultural land or has legal title to any other agricultural asset.
19.3 Owner of agricultural assets does not mean an equipment dealer, livestock dealer defined
19.4 in section 17A.03, subdivision 7, or comparable entity that is engaged in the business of
19.5 selling agricultural assets for profit and that is not engaged in farming as its primary business
19.6 activity. An owner of agricultural assets approved and certified by the authority under
19.7 subdivision 4 must notify the authority if the owner no longer meets the definition in this
19.8 paragraph within the three year certification period and is then no longer eligible for credits
19.9 under this section.

19.10 ~~(h)~~ (g) "Resident" has the meaning given in section 290.01, subdivision 7.

19.11 ~~(i)~~ (h) "Share rent agreement" means a rental agreement in which the principal
19.12 consideration given to the owner of agricultural assets is a predetermined portion of the
19.13 production of farm products produced from the rented agricultural assets and which provides
19.14 for sharing production costs or risk of loss, or both.

19.15 **EFFECTIVE DATE.** This section is effective January 1, 2019.

19.16 Sec. 29. Minnesota Statutes 2017 Supplement, section 41B.0391, subdivision 5, is amended
19.17 to read:

19.18 Subd. 5. **Appeals of authority determinations.** (a) Any decision of the authority under
19.19 this section may be challenged as a contested case under chapter 14. ~~The contested case~~
19.20 ~~proceeding must be initiated within 60 days of the date of written notification by the office.~~
19.21 A party affected by a determination of the authority has 20 days from notice of the decision
19.22 to request an expedited hearing. The hearing must be held within 60 days after a request
19.23 for hearing has been filed with the Office of Administrative Hearings unless both parties
19.24 agree to a later date.

19.25 (b) If a taxpayer challenges a decision of the authority under this subdivision, upon
19.26 perfection of the appeal the authority must notify the commissioner of revenue of the
19.27 challenge within five days.

19.28 (c) Nothing in this subdivision affects the commissioner of revenue's authority to audit,
19.29 review, correct, or adjust returns claiming the credit.

19.30 Sec. 30. Minnesota Statutes 2016, section 41B.047, subdivision 1, is amended to read:

19.31 Subdivision 1. **Establishment.** The authority shall establish and implement a disaster
19.32 recovery loan program to help farmers:

20.1 (1) clean up, repair, or replace farm structures and septic and water systems, as well as
20.2 replace seed, other crop inputs, feed, and livestock, ~~when damaged by high winds, hail,~~
20.3 ~~tornado, or flood;~~

20.4 (2) purchase watering systems, irrigation systems, and other drought mitigation systems
20.5 and practices when drought is the cause of the purchase;

20.6 (3) restore farmland; or

20.7 (4) replace flocks, make building improvements, or cover the loss of revenue when the
20.8 replacement, improvements, or loss of revenue is due to the confirmed presence of the
20.9 highly pathogenic avian influenza in a commercial poultry or game flock located in
20.10 Minnesota.

20.11 Sec. 31. Minnesota Statutes 2016, section 41B.047, subdivision 3, is amended to read:

20.12 Subd. 3. **Eligibility.** To be eligible for this program, a borrower must:

20.13 (1) meet the requirements of section 41B.03, subdivision 1;

20.14 (2) certify that the damage or loss was (i) sustained within a county that was the subject
20.15 of a state or federal disaster declaration, ~~or~~ (ii) due to the confirmed presence of the highly
20.16 pathogenic avian influenza in a commercial poultry or game flock located in Minnesota, or
20.17 (iii) due to a market disaster or emergency as determined by the commissioner;

20.18 (3) demonstrate an ability to repay the loan; and

20.19 (4) have received at least 50 percent of average annual gross income from farming for
20.20 the past three years.

20.21 Sec. 32. Minnesota Statutes 2016, section 41B.049, subdivision 5, is amended to read:

20.22 Subd. 5. **Loan criteria.** (a) To be eligible, a borrower must be a resident of Minnesota
20.23 or an entity that is not prohibited from owning agricultural land under section 500.24.

20.24 (b) State participation in a participation loan is limited to 45 percent of the principal
20.25 amount of the loan. A direct loan or loan participation may not exceed \$250,000.

20.26 (c) Loans under this program may be used as a match for federal loans or grants.

20.27 ~~(d) A borrower who has previously received a loan under subdivision 1 is prohibited~~
20.28 ~~from receiving another methane digester loan under subdivision 1.~~

21.1 Sec. 33. Minnesota Statutes 2016, section 41B.055, subdivision 3, is amended to read:

21.2 Subd. 3. **Loans.** (a) The authority may participate in a livestock equipment loan equal
21.3 to 90 percent of the purchased equipment value with an eligible lender to a farmer who is
21.4 eligible under subdivision 2. Participation is limited to 45 percent of the principal amount
21.5 of the loan or ~~\$40,000~~ \$100,000, whichever is less. The interest rates and repayment terms
21.6 of the authority's participation interest may differ from the interest rates and repayment
21.7 terms of the lender's retained portion of the loan, but the authority's interest rate must not
21.8 exceed three percent. The authority may review the interest annually and make adjustments
21.9 as necessary.

21.10 (b) Standards for loan amortization must be set by the Rural Finance Authority and must
21.11 not exceed ten years.

21.12 (c) Security for a livestock equipment loan must be a personal note executed by the
21.13 borrower and whatever other security is required by the eligible lender or the authority.

21.14 (d) Refinancing of existing debt is not an eligible purpose.

21.15 (e) The authority may impose a reasonable, nonrefundable application fee for a livestock
21.16 equipment loan. The authority may review the fee annually and make adjustments as
21.17 necessary. The initial application fee is \$50. Application fees received by the authority must
21.18 be deposited in the Rural Finance Authority administrative account established in section
21.19 41B.03.

21.20 (f) Loans under this program must be made using money in the revolving loan account
21.21 established in section 41B.06.

21.22 Sec. 34. Minnesota Statutes 2016, section 41B.057, subdivision 3, is amended to read:

21.23 Subd. 3. **Loan participation.** The authority may participate in a farm opportunity loan
21.24 with an eligible lender, as defined in section 41B.02, subdivision 8, to a farmer or a group
21.25 of farmers on joint projects who are eligible under subdivision 2, paragraph (c), and who
21.26 are actively engaged in farming. Participation is limited to 45 percent of the principal amount
21.27 of the loan or ~~\$45,000~~ \$100,000 per individual, whichever is less. For loans to a group made
21.28 up of four or more individuals, participation is limited to 45 percent of the principal amount
21.29 of the loan or ~~\$180,000~~ \$250,000, whichever is less. The interest rate on the loans must not
21.30 exceed six percent.

22.1 Sec. 35. **[41B.058] RURAL ENERGY FEASIBILITY PROGRAM.**

22.2 Subdivision 1. Establishment. The authority must establish a rural energy feasibility
 22.3 loan program to provide feasibility study loans to farmers, local units of government,
 22.4 municipalities, and nonprofit entities to explore feasibility of renewable energy projects.

22.5 Subd. 2. Loan criteria. (a) The authority may impose a reasonable, nonrefundable
 22.6 application fee for a rural energy feasibility loan. The authority may review the fee annually
 22.7 and make adjustments as necessary. The initial application fee is \$50. Application fees
 22.8 received by the authority must be deposited in the Rural Finance Authority administrative
 22.9 account established in section 41B.03.

22.10 (b) Standards for loan amortization must be set by the authority and must not exceed
 22.11 five years.

22.12 (c) The borrower must demonstrate ability to repay the loan.

22.13 (d) Loans under this program must be made using money in the revolving loan account
 22.14 established in section 41B.06.

22.15 Subd. 3. Loan participation. The authority may participate in a rural energy feasibility
 22.16 loan with an eligible lender, as defined in section 41B.02, subdivision 8. Participation is
 22.17 limited to 90 percent of the principal amount of the loan or \$50,000 per project, whichever
 22.18 is less.

22.19 Sec. 36. Minnesota Statutes 2016, section 41B.06, is amended to read:

22.20 **41B.06 RURAL FINANCE AUTHORITY REVOLVING LOAN ACCOUNT.**

22.21 There is established in the rural finance administration fund a Rural Finance Authority
 22.22 revolving loan account that is eligible to receive appropriations and the transfer of loan
 22.23 funds from other programs. All repayments of financial assistance granted from this account,
 22.24 including principal and interest, must be deposited into this account. Interest earned on
 22.25 money in the account accrues to the account, and the money in the account is appropriated
 22.26 to the commissioner of agriculture for purposes of the Rural Finance Authority livestock
 22.27 equipment, methane digester, disaster recovery, value-added agricultural product,
 22.28 agroforestry, agricultural microloan, ~~and~~ farm opportunity loan, and rural energy feasibility
 22.29 programs, including costs incurred by the authority to establish and administer the programs.

23.1 Sec. 37. Minnesota Statutes 2016, section 103H.275, subdivision 1, is amended to read:

23.2 Subdivision 1. **Areas where groundwater pollution is detected.** (a) If groundwater
23.3 pollution is detected, a state agency or political subdivision that regulates an activity causing
23.4 or potentially causing a contribution to the pollution identified shall promote implementation
23.5 of best management practices to prevent or minimize the source of pollution to the extent
23.6 practicable.

23.7 (b) The Pollution Control Agency, or for agricultural chemicals and practices, the
23.8 commissioner of agriculture may adopt water source protection requirements under
23.9 subdivision 2 that are consistent with the goal of section 103H.001 and are commensurate
23.10 with the groundwater pollution if the implementation of best management practices has
23.11 proven to be ineffective.

23.12 (c) The water resources protection requirements must be:

23.13 (1) designed to prevent and minimize the pollution to the extent practicable;

23.14 (2) designed to prevent the pollution from exceeding the health risk limits; and

23.15 (3) submitted to the house of representatives and senate committees with jurisdiction
23.16 over the environment, natural resources, and agriculture.

23.17 (d) The commissioner of agriculture shall not adopt water resource protection
23.18 requirements under subdivision 2 for nitrogen fertilizer unless the water resource protection
23.19 requirements are specifically approved by law.

23.20 Sec. 38. **REPEALER.**

23.21 Minnesota Statutes 2016, section 41A.15, subdivisions 2a and 2b, are repealed.

41A.15 DEFINITIONS.

Subd. 2a. **Biobased content.** "Biobased content" means a chemical, polymer, monomer, or plastic that is not sold primarily for use as food, feed, or fuel and that has a biobased percentage of at least 51 percent as determined by testing representative samples using American Society for Testing and Materials specification D6866.

Subd. 2b. **Biobased formulated product.** "Biobased formulated product" means a product that is not sold primarily for use as food, feed, or fuel and that has a biobased content percentage of at least ten percent as determined by testing representative samples using American Society for Testing and Materials specification D6866, or that contains a biobased chemical constituent that displaces a known hazardous or toxic constituent previously used in the product formulation.