

2.1 Subdivision 1. **Establishment.** The Dairy Research, Teaching, and Consumer
2.2 Education Authority is established as a public corporation. The business of the authority
2.3 must be conducted under the name "Dairy Research, Teaching, and Consumer Education
2.4 Authority."

2.5 Subd. 2. **Board of directors.** The authority is governed by a board of nine directors.
2.6 The term of a director, except as otherwise provided in this subdivision, is four years.
2.7 The commissioner of agriculture is a member of the board. The governor shall appoint
2.8 four members of the board. Two of the members appointed by the governor must be
2.9 currently engaged in the business of operating a dairy. Two of the members appointed by
2.10 the governor must be representatives of Minnesota-based corporations actively engaged
2.11 in working with or serving Minnesota's dairy industry. The dean of the University of
2.12 Minnesota College of Food, Agriculture and Natural Resource Sciences, or the dean's
2.13 designee, is a member of the board. One member of the board must be a representative
2.14 of a state trade association that represents the interests of milk producers. One member
2.15 of the board must be a representative of the Minnesota Division of the Midwest Dairy
2.16 Council. One member of the board must be a member of the agricultural education
2.17 faculty of the Minnesota State Colleges and Universities System. The four members of
2.18 the initial board of directors who are appointed by the governor must be appointed for
2.19 terms of four years, and the other four members must be appointed for an initial term of
2.20 two years. Vacancies for the governor's appointed positions on the board must be filled by
2.21 appointment of the governor. Vacancies for other positions on the board must be filled
2.22 by the named represented entities. Board members must not be compensated for their
2.23 services other than to be reimbursed for reasonable expenses incurred in connection with
2.24 their duties as board members. This reimbursement must be reviewed annually by the
2.25 commissioner of management and budget.

2.26 Subd. 3. **Bylaws.** The board must adopt bylaws necessary for the conduct of the
2.27 business of the authority, consistent with this chapter.

2.28 Subd. 4. **Place of business.** The board must locate and maintain the authority's
2.29 place of business within the state.

2.30 Subd. 5. **Chair.** The board must annually elect from among its members a chair and
2.31 other officers necessary for the performance of its duties.

2.32 Subd. 6. **Meetings.** The board must meet at least four times each year and may hold
2.33 additional meetings upon giving notice in accordance with the bylaws of the authority.
2.34 Board meetings are subject to chapter 13D.

3.1 Subd. 7. **Conflict of interest.** A director, employee, or officer of the authority may
3.2 not participate in or vote on a decision of the board relating to an organization in which
3.3 the director has either a direct or indirect financial interest.

3.4 Subd. 8. **Economic interest statements.** Directors and officers of the authority are
3.5 public officials for the purpose of section 10A.09, and must file statements of economic
3.6 interest with the Campaign Finance and Public Disclosure Board.

3.7 Sec. 3. **[32C.03] POWERS.**

3.8 Subdivision 1. **General corporate powers.** (a) The authority has the powers granted
3.9 to a business corporation by section 302A.161, subdivisions 3; 4; 5; 7; 8; 9; 11; 12; 13,
3.10 except that the authority may not act as a general partner in any partnership; 14; 15; 16; 17;
3.11 18; and 22, and the powers necessary or convenient to exercise the enumerated powers.

3.12 (b) Section 302A.041 applies to this chapter and the authority in the same manner
3.13 that it applies to business corporations established under chapter 302A.

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

3.19 (1) housing for bred and lactating animals;

3.20 (2) milking parlor;

3.21 (3) automatic milking systems;

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

3.23 (5) transition cow housing;

3.24 (6) special needs and hospital housing;

3.25 (7) classrooms and a conference room;

3.26 (8) dairy processing facility with retail;

3.27 (9) visitors center;

3.28 (10) student housing;

3.29 (11) laboratory facilities;

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

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

3.33 Notwithstanding the provisions of section 32C.02, subdivision 7, relating to conflict
3.34 of interest, a director or officer of the authority who is also a director, officer, or member
3.35 of a nonprofit corporation with which the authority enters into management contracts or

4.1 lease agreements may participate in and vote on the decision of the board as to the terms
4.2 and conditions of management contracts or lease agreements between the Minnesota
4.3 nonprofit corporation and the authority.

4.4 Subd. 3. **Funds.** The authority may accept and use gifts, grants, or contributions
4.5 from any source to support operation of the facility. Unless otherwise restricted by the
4.6 terms of a gift or bequest, the board may sell, exchange, or otherwise dispose of, and
4.7 invest or reinvest the money, securities, or other property given or bequeathed to it. The
4.8 principal of these funds, the income from them, and all other revenues received by the
4.9 authority from any nonstate source must be placed in depositories chosen by the board
4.10 and are subject to expenditure for the board's purposes. Expenditures of \$25,000 or more
4.11 must be approved by the full board.

4.12 Subd. 4. **Animals; regulation.** The authority must comply with all applicable
4.13 laws and rules relating to quarantine, transportation, examination, habitation, care, and
4.14 treatment of animals.

4.15 Sec. 4. **[32C.04] EMPLOYEES.**

4.16 (a) The board may hire an executive director of the authority and other employees
4.17 the board considers necessary to carry out the program, conduct research, and operate and
4.18 maintain facilities of the authority.

4.19 (b) Persons employed by contractors or lessees are not state employees and may
4.20 not participate in state retirement, deferred compensation, insurance, or other plans that
4.21 apply to state employees generally and are not subject to regulation by the Campaign
4.22 Finance and Public Disclosure Board, provided, however, that any employee of the state
4.23 or any employee or faculty member of the University of Minnesota or Minnesota State
4.24 Colleges and Universities System who teaches or conducts research at the authority does
4.25 not have their status as employees of the state, University of Minnesota, or Minnesota
4.26 State Colleges and Universities System interrupted by virtue of having their employment
4.27 activity take place at facilities owned by the authority.

4.28 Sec. 5. **[32C.05] ACCOUNTS; AUDITS.**

4.29 The authority may establish funds and accounts that it determines to be reasonable
4.30 and necessary to conduct the business of the authority. The board shall provide for and
4.31 pay the cost of an independent annual audit of its official books and records by the state
4.32 auditor. A copy of this audit must be filed with the secretary of state.

4.33 Sec. 6. **[32C.06] ANNUAL REPORT.**

S.F. No. 1074, as introduced - 87th Legislative Session (2011-2012) [11-2731]

5.1 The board shall submit a report to the chairs of the senate and house of
5.2 representatives agriculture committees and the governor on the activities of the authority
5.3 and its contractors and lessees by February 1 of each year. The report must include at
5.4 least the following:

5.5 (1) a description of each of the programs that the authority has provided or
5.6 undertaken at some time during the previous year;

5.7 (2) an identification of the sources of funding in the previous year for the authority's
5.8 programs including federal, state, and local government, foundation, gifts, donations,
5.9 fees, and all other sources;

5.10 (3) a description of the administrative expenses of the authority during the previous
5.11 year;

5.12 (4) a listing of the assets and liabilities of the authority at the end of the previous
5.13 fiscal year;

5.14 (5) a description of any changes made to the operational plan during the previous
5.15 year; and

5.16 (6) a description of any newly adopted or significant changes to bylaws, policies,
5.17 rules, or programs created or administered by the authority during the previous year.

5.18 Reports must be made to the legislature as required by section 3.195.

5.19 **Sec. 7. [32C.07] PROPERTY TAX EXEMPTION.**

5.20 Property of the authority is exempt from taxation on its value in the same manner as
5.21 property listed in section 272.02.