

When two or more defendants are jointly charged with a felony, they may be tried separately or jointly in the discretion of the court. In making its determination on whether to order joinder or separate trials, the court shall consider the nature of the offense charged, the impact on the victim, the potential prejudice to the defendant, and the interests of justice.

Sec. 2. Minnesota Statutes 1986, section 631.07, is amended to read:

631.07 ORDER OF FINAL ARGUMENT.

When the giving of evidence is concluded in a criminal trial, unless the case is submitted on either ~~or~~ both sides without argument, ~~the plaintiff shall begin and the defendant conclude the argument to the jury~~ prosecution may make a closing argument to the jury. The defense may then make its closing argument to the jury. On the motion of the prosecution, the court may permit the prosecution to reply in rebuttal if the court determines that the defense has made in its closing argument a misstatement of law or fact or a statement that is inflammatory or prejudicial. The rebuttal must be limited to a direct response to the misstatement of law or fact or the inflammatory or prejudicial statement.

Sec. 3. EFFECTIVE DATE.

Sections 1 and 2 are effective August 1, 1987, and apply to prosecutions commenced on or after that date.

Approved June 3, 1987

CHAPTER 396—H.F.No. 303

An act relating to agriculture; regulating the functions of the rural finance authority; fixing conditions for certain land sales and foreclosures; providing programs for the agricultural economy; regulating agriculture related commerce; appropriating money; amending Minnesota Statutes 1986, sections 17.03, by adding subdivisions; 17.101, subdivision 1; 17.102; 17.103; 17B.15, subdivision 1; 18.023, subdivision 1; 19.58, subdivision 1; 28A.08; 31.101, subdivisions 3, 4, 5, 6, 7, and 8; 32.394, subdivisions 8, 8b, and 9; 40.071; 40A.03, subdivision 2; 40A.152, subdivisions 1 and 2; 41.56, subdivision 4; 41B.01, subdivision 2; 41B.02, subdivisions 4, 5, 6, 9, 11, 13, 14, and 15; 41B.03; 41B.035, subdivision 5, and by adding a subdivision; 41B.04, subdivisions 7, 8, 9, 10, 11, and 12; 41B.05; 41B.08, subdivision 4; 41B.12; 41B.19, subdivisions 5 and 6; 223.17, subdivision 1; 308.58, subdivision 2; 308.62; 308.77; 308.83; 308.85; 473H.10, subdivision 3; 473H.17, subdivisions 1, 2, and by adding a subdivision; 500.24, subdivisions 2, 6, and by adding a subdivision; 582.041, subdivisions 1, 2, 3, and 5; Laws 1985, chapter 19, section 2, subdivision 2, as amended, and section 6, subdivision 6, as amended; proposing coding for new law in Minnesota Statutes, chapters 17; 41; 41B; 116J; 236A; 550; and 582; repealing Minnesota Statutes 1986, sections 17.03, subdivision 5; 18.023, subdivision 1a; 41B.02, subdivision 17; 41B.035, subdivision 4; 41B.04, subdivisions 6, 13, 14, 15, and 16.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

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

ARTICLE 1

RURAL FINANCE AUTHORITY

Section 1. Minnesota Statutes 1986, section 41.56, subdivision 4, is amended to read:

Subd. 4. **SALE OF DEFAULTED PROPERTY.** In the event that title to any property is acquired by the state, upon conveyance of title to the state and expiration of the period of redemption, the commissioner shall undertake to sell the property by publishing a notice of the impending sale at least once each week for four successive weeks in a legal newspaper and also in a newspaper of general distribution in the county in which the property to be sold is situated. The notice must describe the lots or tracts to be offered and the terms of sale. Except as further provided, the terms and method of sale shall be determined by the commissioner.

The commissioner shall first attempt to sell the property to a person who is eligible for a family farm security loan. If the commissioner is unable to effect a sale to an eligible person, the commissioner shall attempt to sell the property for cash as provided in subdivision 4a. If the commissioner is unable to effect a sale to an eligible person or for cash, or if the commissioner finds that sale to an eligible person or for cash would not best protect the interests of the state, the commissioner may sell the property on terms which the commissioner finds will best protect the interests of the state. The commissioner may lease any real property which the commissioner is unable to sell with reasonable promptness. In any event, any acquired farm property must be sold within three years after the conveyance of title to the state or after the expiration of the period of redemption. The commissioner may contract for the services of a licensed real estate agent or broker to assist in selling any property acquired under this section and may pay for the services from the proceeds of the sale before proceeds are distributed under subdivision 4b.

In lieu of selling property under this subdivision, the commissioner may utilize participation under the beginning farmer program under chapter 41B.

In selling property acquired under this section, the commissioner may not sell the property to a relative within the second degree of kindred according to common law of a person who has defaulted.

Sec. 2. [41.65] USE AND DISPOSITION OF PROPERTY.

Subdivision 1. COMMISSIONER MAY SELL OR LEASE PROPERTY. The commissioner may sell or lease property acquired by the state in a manner that protects the interests of the state. Persons desiring to purchase or lease property must apply to the commissioner.

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Subd. 2. MANAGING AND SELLING PROPERTY. (a) The commissioner must attempt to sell agricultural property to persons entering farming and farmers that need additional property to continue their farming operations.

(b) The commissioner must give priority to applicants desiring to purchase or lease property who:

(1) are residents of the state of Minnesota;

(2) have sufficient education, training, or experience in the type of farming for which the property is desired and agree to continued participation in a farm management program, approved by the commissioner for at least the first ten years;

(3) have, including the applicant's dependents and spouse, a total net worth valued at less than \$100,000 and have demonstrated a need for acquiring property from the commissioner;

(4) intend to purchase farm land to be used by the applicant for agricultural purposes; and

(5) are credit worthy according to standards prescribed by the commissioner.

(c) The commissioner must attempt to sell the property by a cash sale. Agricultural property may be leased with an option to purchase to accommodate a sale. The commissioner should avoid long-term leasing of property.

Subd. 3. RESTRICTED AGRICULTURAL USE. (a) Acquired property that has marginal land as defined in section 40.42, subdivision 6, or wetlands must be restricted from agricultural use on the marginal land or wetlands.

(b) If the commissioner determines that all or a portion of acquired property should be taken out of agricultural use or particular agricultural uses should be restricted, the commissioner shall have the attorney general prepare an easement restricting the agricultural use and file the easement with the county recorder where the property is located.

Subd. 4. EXCLUSIVE AGRICULTURAL USE. The commissioner may place easements on acquired property restricting development and allowing only agricultural or conservation use.

Sec. 3. Minnesota Statutes 1986, section 41B.01, subdivision 2, is amended to read:

Subd. 2. **PURPOSE.** Sections 41B.01 to 41B.23 create and establish the Minnesota rural finance ~~administration~~ authority and establish a program under which state bonds are authorized to be issued and proceeds of their sale are appropriated under the authority of article XI, section 5, clause (h) of the Minnesota Constitution, to develop the state's agricultural resources by extending credit on real estate security. The purpose of the ~~program~~ rural finance

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authority's programs and of the bonds issued to finance or provide security for the ~~program~~ programs is to purchase participation interests in loans to be made available by agricultural lenders to farmers in order to restructure existing debt and to make available additional credit to farmers who own or purchase agricultural properties on terms and conditions not otherwise available from other credit sources. It is hereby found and declared that there presently exist in the state economic conditions which have severely adversely affected the economic viability of farms to the detriment of the rural economy and to the detriment of the economy of the state of Minnesota as a whole. It is further found and declared that as a result of public agricultural policies, agricultural market conditions, and other causes, the condition of the farm economy of the state of Minnesota is such as to jeopardize the continued existence and successful operation of farms in this state, necessitating the establishment of the ~~program~~ programs in sections 41B.01 to 41B.23 to provide new sources of credit on favorable terms and conditions. It is further found and declared that providing credit for farmers on favorable terms and conditions will serve and promote the public welfare by assuring the viability of farm operations, by preventing erosion of the tax base in rural areas, by reducing foreclosures on farm property, and by enhancing the financial stability of farmers and of the businesses which depend on farmers as customers. It is further found and declared that in establishing a Minnesota rural finance ~~administration~~ authority and in authorizing the programs in sections 41B.01 to 41B.23, the legislature is acting in all respects for the benefit of the people of the state of Minnesota to serve the public purpose of improving and otherwise promoting their health, welfare, and prosperity and that the Minnesota rural finance ~~administration~~ authority, as created and established, is empowered to act on behalf of the people of the state of Minnesota in serving this public purpose for the benefit of the general public.

Sec. 4. Minnesota Statutes 1986, section 41B.02, subdivision 4, is amended to read:

Subd. 4. **ELIGIBLE AGRICULTURAL LENDER; ELIGIBLE LENDER.** "Eligible agricultural lender" or "eligible lender" means ~~an entity of the kind described in section 41B.04, subdivision 6, which enters into an agreement with the administration providing for the purchase by the administration of participation interests in eligible agricultural loans originated and serviced by the qualified agricultural lender~~ a bank, credit union, or savings and loan association chartered by the state or federal government, a subdivision of the Farm Credit System, the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or any insurance company, fund, or other financial institution doing business as an agricultural lender within the state, if the authority determines that the agricultural lender has sufficient personnel and other resources to efficiently and properly originate and service qualified agricultural loans. An eligible agricultural lender must enter into one or more agreements with the authority providing for the origination and servicing of qualified agricultural loans on the terms and conditions the authority determines to be appropriate.

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Sec. 5. Minnesota Statutes 1986, section 41B.02, subdivision 5, is amended to read:

Subd. 5. **ELIGIBLE BORROWER.** "Eligible borrower" means a borrower who meets the eligibility criteria for a program in section 41B.03.

Sec. 6. Minnesota Statutes 1986, section 41B.02, subdivision 6, is amended to read:

Subd. 6. **QUALIFIED AGRICULTURAL LOAN.** "Qualified agricultural loan" means a loan to an eligible borrower made ~~by an eligible agricultural lender which the administration purchases or in which the administration purchases a participation interest~~ under agricultural programs established and implemented by the authority.

Sec. 7. Minnesota Statutes 1986, section 41B.02, subdivision 9, is amended to read:

Subd. 9. **PRIMARY PRINCIPAL.** "Primary principal" means that portion of the ~~principal~~ outstanding balance on a loan covered by sections 41B.01 to 41B.23 that is equal to the current market value of the property secured by the loan.

Sec. 8. Minnesota Statutes 1986, section 41B.02, subdivision 11, is amended to read:

Subd. 11. **BASIC INTEREST.** "Basic interest" means that part of interest on primary principal that is payable ~~annually~~ while the loan is in effect.

Sec. 9. Minnesota Statutes 1986, section 41B.02, subdivision 13, is amended to read:

Subd. 13. **CURRENT MARKET VALUE.** "Current market value" means, for the purposes of section 41B.04, the value determined by an appraisal considering comparable sales in the area where the real estate is located and the reasonable productive value of the property based on past production history. The state and the eligible agricultural lender must mutually agree on the current market value.

Sec. 10. Minnesota Statutes 1986, section 41B.02, subdivision 14, is amended to read:

Subd. 14. **BORROWER.** "Borrower" means the person or persons liable on a ~~restructured note~~ qualified agricultural loan.

Sec. 11. Minnesota Statutes 1986, section 41B.02, subdivision 15, is amended to read:

Subd. 15. **ORIGINAL LOAN.** "Original loan" means a loan prior to restructuring as provided in section 41B.04.

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Sec. 12. Minnesota Statutes 1986, section 41B.03, is amended to read:

41B.03 BORROWER ELIGIBILITY CRITERIA.

Subdivision 1. ELIGIBILITY GENERALLY. To be eligible for a program in sections 41B.01 to 41B.23:

~~(a) (1) a borrower must be a resident of Minnesota or a domestic family farm corporation, as defined in section 500.24, subdivision 2;~~

~~(b) (2) the borrower or one of the borrowers must be the principal operator of the farm; or, for a prospective homestead redemption borrower, must have at one time been the principal operator of a farm; and~~

~~(3) the borrower must not previously have received assistance under sections 41B.01 to 41B.23.~~

Subd. 2. ELIGIBILITY FOR RESTRUCTURED LOAN. In addition to the eligibility requirements of subdivision 1, a prospective borrower for a restructured loan must:

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

~~(d) The borrower must (2) have a debt-to-asset ratio equal to or greater than 50 percent; and in determining this ratio, the assets must be determined by the value at their current market value of the assets;~~

~~(e) The borrower's (3) have projected annual expenses, including operating expenses, family living, and interest expenses after the restructuring, must that do not exceed 95 percent of the borrower's projected annual income considering prior production history and projected prices for farm production, except that the authority may reduce the 95 percent requirement if it finds that other significant factors in the loan application support the making of the loan; and~~

~~(f) The borrower must be unable to meet (4) demonstrate substantial difficulty in meeting projected annual expenses without restructuring the loan.~~

~~(g) The borrower must not previously have received restructuring assistance pursuant to sections 41B.01 to 41B.23.~~

Subd. 3. BEGINNING FARMER LOANS. In addition to the requirements under subdivision 1 a prospective borrower for a beginning farm loan must:

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

(2) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$100,000;

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(3) demonstrate a need for the loan;

(4) demonstrate an ability to repay the loan;

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

(6) demonstrate that farming will be the principal occupation of the borrower.

Subd. 4. CONTINUING ELIGIBILITY REQUIREMENTS. After qualifying for a restructured loan, a borrower must continue to meet only the requirements of subdivision 1, clauses (1) and (2).

Sec. 13. Minnesota Statutes 1986, section 41B.035, subdivision 5, is amended to read:

Subd. 5. **BOARD ACTIONS OF THE AUTHORITY.** ~~The powers of the board are vested in the members in office from time to time.~~ A majority of the members of the ~~board~~ authority, excluding vacancies, constitutes a quorum for the purpose of conducting its business and exercising its powers and for all other purposes. Action may be taken by the ~~board~~ authority upon a vote of a majority of a quorum present.

Sec. 14. Minnesota Statutes 1986, section 41B.035, is amended by adding a subdivision to read:

Subd. 8. TECHNICAL ASSISTANCE. The authority must make technical assistance available to potential lenders and applicants to encourage applications for loans.

Sec. 15. [41B.037] **HOMESTEAD REDEMPTION PROGRAM.**

The authority may establish and implement a homestead redemption program under sections 41B.01 to 41B.23. The purpose of the program is to assist persons who have lost their farms due to foreclosure, granting a deed in lieu of foreclosure, or other actions necessary to settle their agricultural debts, and who are otherwise unable to secure the credit necessary to repurchase their farm homestead. The authority may enter into agreements with an eligible lender for the purposes of the program. The authority may, by rule, establish eligibility standards for the program that are different from those established for other programs of the authority. The authority's interest in a homestead redemption loan may not exceed one-half of the loan amount or \$25,000, whichever is less.

Sec. 16. [41B.038] **PROGRAMS FOR COMMITMENTS TO OTHER ENTITIES.**

The authority may establish programs to make or purchase and enter into commitments to make or purchase qualified agricultural loans or portions of the loans issued to persons described in section 41B.03, subdivision 1. The agricultural loans must be insured or guaranteed by the United States Department of

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Agriculture, Farmers Home Administration, Farm Credit System, a subdivision of the Farm Credit System, or any similar federal agency or federally chartered institution whose obligations are directly or indirectly guaranteed or insured by the United States. The commissioner of finance may not issue general obligation bonds pursuant to sections 41B.19 or 41B.195 to finance any programs established under this section.

Sec. 17. **[41B.039] BEGINNING FARMER PROGRAM.**

Subdivision 1. ESTABLISHMENT. The authority may establish, develop criteria, and implement a beginning farmer program. The program must assist persons entering farming who have not owned a farm before entering the beginning farmer program.

Subd. 2. STATE PARTICIPATION. The state may participate in a new real estate loan with an eligible lender to a beginning farmer to the extent of one-fourth of the principal of the loan or \$25,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Subd. 3. SOIL AND WATER CONSERVATION AGREEMENTS. (a) As a condition of receiving a beginning farmer loan the borrower must agree to implement an approved soil and water conservation plan on the land.

(b) The borrower must place marginal land as defined in section 40.42, subdivision 6, in a permanent conservation easement as provided in section 40.43. The authority may compensate the borrower for the easement as provided in section 40.43, subdivision 6.

Subd. 4. FARM MANAGEMENT. A borrower must agree to participate in a farm management program approved by the commissioner of agriculture for at least the first eight years of the loan.

Subd. 5. LOAN REVIEW. The authority shall refer all applications for the beginning farmer program to the family farm advisory council to review the loan with the beginning farmer and make recommendations to the authority.

Sec. 18. Minnesota Statutes 1986, section 41B.04, subdivision 7, is amended to read:

Subd. 7. RESTRUCTURING PROCEDURE. (a) The eligible agricultural lender or borrower shall propose restructuring a loan to the ~~administration~~ authority. Within 30 days of receiving adequate information concerning a proposal, the ~~administration~~ authority and the eligible lender shall notify the borrower of their determination of eligibility. An eligible agricultural lender shall then expeditiously ~~conduct necessary appraisals~~ and draft the loan restructuring agreement which must be consistent with this section and documents previously approved by the ~~administration and eligible lenders~~ authority. The

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~~loan restructuring agreement must be approved by the eligible lender, the administration, and the borrower.~~

(b) An eligible borrower may participate in the restructured loan or the homestead redemption loan, but not both loans.

Sec. 19. Minnesota Statutes 1986, section 41B.04, subdivision 8, is amended to read:

Subd. 8. **STATE'S PARTICIPATION.** With respect to loans that are eligible for restructuring under sections 41B.01 to 41B.23 and upon acceptance by the administration authority, the ~~administration authority~~ shall enter into a participation agreement or other financial arrangement whereby it shall participate in a restructured loan to the extent of one-quarter of the primary principal or \$50,000, whichever is less; ~~except that the administration may participate in restructured loans made for the redemption of homesteads to the extent of one-half of the primary principal or \$25,000, whichever is less.~~ The ~~administration's authority's~~ portion of the loan must thereafter be protected during the authority's participation by the first mortgage held by the eligible lender to the extent of its participation in the loan.

Sec. 20. Minnesota Statutes 1986, section 41B.04, subdivision 9, is amended to read:

Subd. 9. **RESTRUCTURED LOAN AGREEMENT.** (a) All payments on the primary and secondary principal of the restructured loan, all payments of interest on the secondary principal, and an agreed portion of the interest payable to the eligible agricultural lender on the primary principal must be deferred to the end of the term of the loan.

(b) A borrower may prepay the restructured loan, with all primary and secondary principal and interest and deferred interest at any time without prepayment penalty.

(c) Interest on secondary principal must accrue at a below market interest rate.

(d) At the conclusion of the term of the restructured loan, the borrower owes primary principal, secondary principal, and deferred interest on primary and secondary principal. However, part of this balloon payment may be forgiven following an appraisal by the lender and the administration authority to determine the current market value of the real estate subject to the mortgage. If the current market value of the land after appraisal is less than the amount of debt owed by the borrower to the lender and ~~administration authority~~ on this obligation, that portion of the obligation that exceeds the current market value of the real property must be forgiven by the lender and the ~~administration authority~~ authority in the following order:

- (1) deferred interest on secondary principal;

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- (2) secondary principal;
- (3) deferred interest on primary principal;
- (4) primary principal as provided in an agreement between the administration and the lender; and
- (5) accrued but not deferred interest on primary principal.

The debt forgiveness may be combined with a renegotiated loan on the unforgiven balance due if the borrower is able to establish that there are reasonable prospects of repayment on a debt equal to the current market value of real estate at then existing interest rates. If so, the loan must be reamortized on terms and conditions acceptable to the lender, the administration, and the farmer.

(e) The authority may not participate in refinancing a restructured loan at the conclusion of the restructured loan.

Sec. 21. Minnesota Statutes 1986, section 41B.04, subdivision 10, is amended to read:

Subd. 10. **INTEREST RATE.** Unless the authority determines that it is not in the best interests of the restructured loan program, the interest rate per annum on the portion of the ~~restructuring~~ restructured loan represented by the participation interest purchased by the ~~administration~~ authority must be that rate of interest determined by the ~~administration~~ authority to be necessary to provide for the timely payment of principal and interest when due on bonds or other obligations issued by the ~~administration~~ authority, and to provide for the reasonable and necessary costs of issuing, carrying, administering, and securing the bonds or notes and to pay the costs incurred and to be incurred by the ~~administration~~ authority in the implementation of the program. The interest rate per annum borne by the primary principal portion of the restructuring loan retained by the eligible agricultural lender must be a rate of interest approved by the ~~administration~~ authority. The ~~administration~~ authority may specify the points, fees, and other charges which the eligible agricultural lender may charge to the eligible borrower.

Sec. 22. Minnesota Statutes 1986, section 41B.04, subdivision 11, is amended to read:

Subd. 11. **ADMINISTRATION.** The eligible lender shall administer the loan and shall bear all costs of the loan administration. Ordinary costs of administration include appraisals, litigation, abstracts of title, and similar costs. ~~The administration agrees to share in any other responsibilities common to a loan participation agreement.~~

Sec. 23. Minnesota Statutes 1986, section 41B.04, subdivision 12, is amended to read:

Subd. 12. **ASSIGNABILITY.** Loans restructured under this section may

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not be assigned to anyone other than a ~~direct descendant of the original borrower and the assignee must intend to engage in the direct operation and management of the farm which is subject to the mortgage meeting the eligibility requirements of section 41B.03, subdivision 1, and any other requirements imposed or approved by the authority.~~ If such an assignment is contemplated, the borrower must obtain prior written approval of the eligible lender and the administration and the assignee shall thereafter be subject to the same terms and conditions and events of default as the original borrower. If assigned to some other party, the eligible agricultural lender may exercise its foreclosure remedies as provided by its contracts and by law.

Sec. 24. Minnesota Statutes 1986, section 41B.05, is amended to read:

41B.05 GENERAL POWERS OF THE ~~ADMINISTRATION~~ AUTHORITY.

For the purpose of exercising the specific powers granted in section 41B.04 and effectuating the other purposes of sections 41B.01 to 41B.23 the ~~administration~~ authority has the general powers granted in this section.

- (a) It may sue and be sued.
- (b) It may have a seal and alter the seal.
- (c) It may make, and from time to time, amend and repeal rules consistent with sections 41B.01 to 41B.23.
- (d) It may acquire, hold, and dispose of personal property for its corporate purposes.
- (e) It may enter into agreements, contracts, or other transactions with any federal or state agency, any person and any domestic or foreign partnership, corporation, association, or organization, including contracts or agreements for administration and implementation of all or part of sections 41B.01 to 41B.23.
- (f) It may acquire real property, or an interest therein, in its own name, by purchase or foreclosure, where such acquisition is necessary or appropriate.
- (g) It may provide general technical services related to rural finance.
- (h) It may provide general consultative assistance services related to rural finance, ~~and shall make available technical assistance to potential lenders and applicants to encourage applications for loans.~~
- (i) It may promote research and development in matters related to rural finance.
- (j) It may enter into agreements with lenders, borrowers, or the issuers of securities for the purpose of regulating the development and management of farms financed in whole or in part by the proceeds of qualified agricultural loans.

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(k) It may enter into agreements with other appropriate federal, state, or local governmental units to foster rural finance. It may give advance reservations of loan financing as part of the agreements, with the understanding that the ~~administration authority~~ will only approve the loans pursuant to normal procedures, and may adopt special procedures designed to meet problems inherent in such programs.

(l) It may undertake and carry out studies and analyses of rural financing needs within the state and ways of meeting such needs including: data with respect to geographical distribution; farm size; the distribution of farm credit needs according to debt ratios and similar factors; the amount and quality of available financing and its distribution according to factors affecting rural financing needs and the meeting thereof; and may make the results of such studies and analyses available to the public and may engage in research and disseminate information on rural finance.

(m) It may survey and investigate the rural financing needs throughout the state and make recommendations to the governor and the legislature as to legislation and other measures necessary or advisable to alleviate any existing shortage in the state.

(n) It may establish cooperative relationships with such county and multicounty authorities as may be established and may develop priorities for the utilization of ~~administration authority~~ resources and assistance within a region in cooperation with county and multicounty authorities.

(o) It may contract with, use, or employ any federal, state, regional, or local public or private agency or organization, legal counsel, financial advisors, investment bankers or others, upon terms it deems necessary or desirable, to assist in the exercise of any of the powers granted in sections 41B.01 to 41B.23 and to carry out the objectives of sections 41B.01 to 41B.23 and may pay for the services from ~~administration authority~~ funds.

(p) It may establish cooperative relationships with counties to develop priorities for the use of ~~administration authority~~ resources and assistance within counties and to consider county plans and programs in the process of setting the priorities.

(q) It may delegate any of its powers to its officers or staff.

(r) It may enter into agreements with qualified agricultural lenders or others insuring or guaranteeing to the state the payment of all or a portion of qualified agricultural loans.

(s) It may enter into agreements with eligible agricultural lenders providing for advance reservations of purchases of participation interests in restructuring loans, if the agreements provide that the authority may only purchase participation interests in restructuring loans under the normal procedure. The authority may provide in an agreement for special procedures or requirements designed to meet specific conditions or requirements.

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Sec. 25. Minnesota Statutes 1986, section 41B.08, subdivision 4, is amended to read:

Subd. 4. **REQUIRED RATING.** No bonds may be issued unless a rating of "A" or better has been awarded to the bonds by a national bond rating agency. The "A" rating is not required if the bonds are initially sold to corporations or financial institutions for investment purposes and not for the purpose of remarketing the bonds to the public.

Sec. 26. Minnesota Statutes 1986, section 41B.12, is amended to read:

41B.12 REVENUE BONDS; NONLIABILITY OF INDIVIDUALS.

~~Neither The members of the administration nor authority and its staff and any person executing the bonds is~~ liable are not personally liable on the bonds or subject to any personal liability or accountability by reason of their issuance.

Sec. 27. Minnesota Statutes 1986, section 41B.19, subdivision 5, is amended to read:

Subd. 5. **RURAL FINANCE ADMINISTRATION AUTHORITY SECURITY ACCOUNT.** The commissioner of finance shall maintain a separate state building fund account designated as the rural finance ~~administration authority~~ security account, into which must be deposited the proceeds of the rural renewal general obligation bonds issued as provided in this section. The commissioner of finance shall maintain a separate bookkeeping account to record receipts and disbursements of money transferred to or from the security account and to record income from the investment of money in the account. Upon the written request of the ~~administration authority~~, the commissioner of finance shall transfer from the security account to an account or accounts the ~~administration authority~~ authority shall designate, a sum of money sufficient in amount, if available, when added to the balances then on hand in the designated accounts, to pay bonds issued by the ~~administration authority~~ authority under sections 41B.01 to 41B.23 and the interest on them due and to become due on the next succeeding date for the payment of the principal of and interest on the bonds of the administration or to restore to any debt service reserve fund established in connection with the bonds any amount withdrawn from the debt service reserve account to pay the bonds. When no revenue bonds secured by the security account are outstanding under the resolution authorizing their issuance, the commissioner of finance shall ~~further transfer from all money and securities on hand in~~ the security account ~~on or before the date on which any installment of the principal of and interest on bonds authorized by this section is due; a sum sufficient in amount,~~ when added to the balance then on hand in the rural renewal bond account, to pay all bonds issued under this section and the interest on them due and to become due on the next succeeding date for payment of the bonds to the state bond fund.

Sec. 28. Minnesota Statutes 1986, section 41B.19, subdivision 6, is amended to read:

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Subd. 6. **INVESTMENT OF SECURITY ACCOUNT.** (a) Money from time to time on deposit in the security account must be invested by the state board of investment at the request of the ~~administration~~ authority in any investment authorized by this subdivision. Money on deposit in the security account may be invested in:

(1) ~~certificates of deposit insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation;~~ (2) ~~certificates of deposit issued by eligible agricultural lenders, whether or not fully insured or secured issued by or interest-bearing time deposits with a national banking association or a bank and trust company organized under the laws of any state;~~

~~(3)~~ (2) deposits secured by obligations of the United States or of the state of a market value equal at all times to the amount of the deposit and all banks and trust companies are authorized to give security for those deposits;

(4) (3) qualified agricultural loans or in participation interests in qualified agricultural loans; or

~~(5)~~ (4) qualified restructured loans.

(b) The principal amount of the investment under paragraph (a), clause (1), must be fully insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation; or if not fully insured, the institution issuing the certificate of deposit or accepting the time deposit must be rated in the AA or a higher category as defined by a nationally recognized bond rating agency or in an equivalent or higher rating category based on any later redefinition.

(c) If and to the extent money has been transferred from the security account to provide for the timely payment of the principal of and interest on bonds issued by the ~~administration~~ authority, or to transfer money to a debt service reserve fund established in connection with the bonds, the ~~administration~~ authority shall transfer to the security account on or before December 1 of each succeeding year an amount equal to that previously transferred from the security account, provided that the ~~administration's~~ authority's obligation to transfer money to the security account is limited to money then on hand in funds or accounts of the ~~administration~~ authority in excess of those appropriated to other purposes or required to provide for the payment of the principal of and interest on bonds issued by the ~~administration~~ authority and to pay the costs of issuing, carrying, administering, and securing the bonds of the ~~administration~~ authority and of administering and implementing the programs of the ~~administration~~ authority financed by the bonds.

Sec. 29. [41B.19] **ADDITIONAL USE OF GENERAL OBLIGATION BONDS.**

Notwithstanding the limit set forth in section 41B.19, subdivision 1, the commissioner of finance, upon the request of the rural finance authority, may issue the general obligation bonds authorized by section 41B.19 and use the

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proceeds of the bonds to purchase participations in qualified agricultural loans if the commissioner determines that it is not practical or efficient to issue revenue bonds under section 41B.08 for the purpose of section 41B.04 and sections 13, 15, and 16 as a result of reduced program size or increased program costs. Subject to the other provisions of this section, the proceeds of the bonds must be deposited, held, and disbursed from a separate state building fund account, the bonds are payable from the bond account established by section 41B.19, subdivision 4, and the participations purchased with the bond proceeds must be held as assets of the bond account. If the rural finance authority later determines to issue revenue bonds under section 41B.08 for the purposes specified in section 41B.04, the commissioner may by order provide for the transfer of all or a portion of the remaining bond proceeds and interest on them, and all or a portion of the participations purchased with the bond proceeds and proceeds of them, to be transferred to the security account established in section 41B.19, subdivision 5, and used for the purposes specified in section 41B.19, subdivisions 1 and 5.

Sec. 30. [41B.211] DATA PRIVACY.

Financial information, including credit reports, financial statements, and net worth calculations, received or prepared by the authority regarding any authority loan and the name of each individual who is the recipient of a loan are private data on individuals, under chapter 13.

Sec. 31. INSTRUCTIONS TO REVISOR.

The revisor of statutes is instructed to change the phrases "rural finance administration" and "administration" when the term is applied to the rural finance administration to "rural finance authority" and "authority" respectively in Minnesota Statutes. The revisor is further instructed to rearrange the subdivisions of Minnesota Statutes 1986, section 41B.02, so that the terms defined therein are in alphabetical order.

The revisor of statutes shall renumber each section of Minnesota Statutes specified in column A with the number set forth in column B. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

<u>Column A</u>	<u>Column B</u>
<u>41B.035</u>	<u>41B.025</u>
<u>41B.05</u>	<u>41B.036</u>

Sec. 32. REPEALER.

Minnesota Statutes 1986, sections 41B.02, subdivision 17; 41B.035, subdivision 4; and 41B.04, subdivisions 6, 13, 14, 15, and 16, are repealed.

Sec. 33. EFFECTIVE DATE.

This article is effective on the day following final enactment.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

ARTICLE 2

RIGHT OF FIRST REFUSAL

Section 1. Minnesota Statutes 1986, section 500.24, subdivision 2, is amended to read:

Subd. 2. **DEFINITIONS.** For the purposes of this section, the terms defined in this subdivision have the meanings here given them:

(a) "Farming" means the production of (1) agricultural products; (2) livestock or livestock products; (3) milk or milk products; or (4) fruit or other horticultural products. It does not include the processing, refining or packaging of said products, nor the provision of spraying or harvesting services by a processor or distributor of farm products. It does not include the production of timber or forest products or the production of poultry or poultry products.

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

(c) "Family farm corporation" means a corporation founded for the purpose of farming and the ownership of agricultural land in which the majority of the voting stock is held by and the majority of the stockholders are persons or the spouses of persons related to each other within the third degree of kindred according to the rules of the civil law, and at least one of said related persons is residing on or actively operating the farm, and none of whose stockholders are corporations; provided that a family farm corporation shall not cease to qualify as such hereunder by reason of any devise or bequest of shares of voting stock.

(d) "Authorized farm corporation" means a corporation meeting the following standards:

(1) Its shareholders do not exceed five in number;

(2) All its shareholders, other than any estate are natural persons;

(3) It does not have more than one class of shares; and

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

(5) Shareholders holding a majority of the shares must be residing on the farm or actively engaging in farming.

(e) "Agricultural land" means land used for farming.

(f) "Pension or investment fund" means a pension or employee welfare benefit fund, however organized, a mutual fund, a life insurance company separate account, a common trust of a bank or other trustee established for the investment and reinvestment of money contributed to it, a real estate invest-

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ment trust, or an investment company as defined in United States Code, title 15, section 80a-3. "Pension or investment fund" does not include a benevolent trust established by the owners of a family farm, authorized farm corporation or family farm corporation.

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

Sec. 2. Minnesota Statutes 1986, section 500.24, subdivision 6, is amended to read:

Subd. 6. **DISPOSAL OF LAND.** (a) A state or federal agency or a corporation, other than a family farm corporation or an authorized farm corporation, when leasing may not lease or selling farm sell agricultural land or a farm homestead must offer that was acquired by enforcing a debt against the agricultural land or farm homestead, including foreclosure of a mortgage, accepting a deed in lieu of foreclosure, terminating a contract for deed, or accepting a deed in lieu of terminating a contract for deed, before offering or make making a good faith effort to offer the land for sale or lease to the immediately preceding former owner at a price no higher than the highest price offered by a third party that is acceptable to the seller or lessor. The offer must be made on the notice to offer form under section 3. Selling or leasing property to a third party at a price is prima facie evidence that the price is acceptable to the seller or lessor.

(b) For purposes of this subdivision, the term "a price no higher than the highest price offered by a third party" means the acceptable cash price offered by a third party or the acceptable time-price offer made by a third party. A cash price offer is one that involves simultaneous transfer of title for payment of the entire amount of the offer. If the acceptable offer made by a third party is a time-price offer, the seller or lessor must make the same time-price offer or an equivalent cash offer to the immediately preceding former owner. An equivalent cash offer is equal to the total of the payments made over a period of the time-price offer discounted by yield curve of the United States treasury notes and bonds on the first business day of the month in which the offer is personally delivered or mailed for time periods similar to the time period covered by the time-price offer, plus 2.0 percent. A time-price offer is an offer that defers payment of a portion of the price and does not involve a transfer of fee title until payment of the entire amount of the offer is made.

(c) This subdivision applies to a seller when the property is sold and to a lessor each time the property is leased, for five years after the agricultural land is acquired except:

(1) an offer to lease to the immediately preceding former owner is required only on the first occasion on which the property is leased; until the immediately preceding owner fails to accept an offer to lease the property or the property is sold; and

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(2) an offer to sell to the immediately preceding former owner is required ~~only on until~~ the first occasion on which the property is sold.

(d) The notice of an offer delivered under section 3 that is personally delivered with a signed receipt or sent by certified mail with a receipt of mailing to the immediately preceding former owner's last known address is a good faith offer.

(e) This subdivision does not apply to a sale or lease that occurs after the seller or lessor has held the property for five years or longer.

(f) For purposes of this subdivision, if the immediately preceding former owner is a bankruptcy estate the debtor in the bankruptcy is the immediately preceding owner.

(g) The immediately preceding former owner must exercise the right to lease farm agricultural land or a homestead located on agricultural land in writing within ten 15 days after receiving an offer to lease under this subdivision is mailed with a receipt of mailing or personally delivered. The immediately preceding former owner must exercise the right to buy farm the agricultural land or farm homestead located on agricultural land, in writing, within 60 65 days after receiving an offer to buy under this subdivision. This subdivision does not apply if the former owner is a bankruptcy estate. is mailed with a receipt of mailing or is personally delivered. Within ten days after exercising the right to lease or buy by accepting the offer, the immediately preceding owner must fully perform according to the terms of the offer including paying the amounts due. A seller may sell and a lessor may lease the agricultural land or farm homestead subject to this subdivision to the third party in accordance with their lease or purchase agreement if:

(1) the immediately preceding former owner does not accept an offer to lease or buy before the offer terminates; or

(2) the immediately preceding former owner does not perform the obligations of the offer, including paying the amounts due, within ten days after accepting the offer.

(h) A certificate indicating whether or not the property contains agricultural land or a farm homestead that is signed by the county assessor where the property is located and recorded in the office of the county recorder or the registrar of titles where the property is located is prima facie evidence of whether the property is agricultural land or a farm homestead.

(i) As prima facie evidence that an offer to sell or lease agricultural land or a farm homestead has terminated, a receipt of mailing the notice under section 3 and an affidavit, signed by a person authorized to act on behalf of a state, federal agency, or corporation selling or leasing the agricultural land or a farm homestead may be filed in the office of the county recorder or registrar of titles of the county where the agricultural land or farm homestead is located. The affidavit must state that:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(1) notice of an offer to buy or lease the agricultural land or farm homestead was provided to the immediately preceding former owner at a price not higher than the highest price offered by a third party that is acceptable;

(2) the time during which the immediately preceding former owner is required to exercise the right to buy or lease the agricultural land or farm homestead has expired;

(3) the immediately preceding former owner has not exercised the right to buy or lease the agricultural land or farm homestead as provided in this subdivision or has accepted an offer and has not fully performed according to the terms of the offer; and

(4) the offer to the immediately preceding former owner has terminated.

(j) The right of an immediately preceding former owner to receive an offer to lease or purchase agricultural land under this subdivision or to lease or purchase at a price no higher than the highest price offered by a third party that is acceptable to the seller or lessor may be extinguished or limited by an express statement signed by the immediately preceding owner that complies with the plain language requirements of section 325G.31. The right may not be extinguished or limited except by the express statement in a deed in lieu of foreclosure or in a deed in lieu of a termination of a contract for deed for the agricultural land.

(k) The right of an immediately preceding former owner to receive an offer to lease or purchase agricultural land under this subdivision may not be assigned or transferred, but may be inherited.

Sec. 3. Minnesota Statutes 1986, section 500.24, is amended by adding a subdivision to read:

Subd. 7. NOTICE OF OFFER. (a) The state, a federal agency, or a corporation subject to subdivision 6 must provide a notice of an offer to sell or lease agricultural land substantially as follows, after inserting the appropriate terms within the parentheses:

"NOTICE OF OFFER TO (LEASE, BUY) AGRICULTURAL LAND

TO: (...Immediately preceding former owner...)
FROM: (...The state, federal agency, or corporation
subject to subdivision 6...)
DATE: (...date notice is mailed or personally delivered...)

(...The state, federal agency, or corporation...) HAS ACQUIRED THE AGRICULTURAL LAND DESCRIBED BELOW AND HAS RECEIVED AN ACCEPTABLE OFFER TO (LEASE, SELL) THE AGRICULTURAL LAND FROM

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

ANOTHER PARTY. UNDER MINNESOTA STATUTES, SECTION 500.24, SUBDIVISION 6, AN OFFER FROM (...the state, federal agency, or corporation...) MUST BE MADE TO YOU AT A PRICE NO HIGHER THAN THE HIGHEST OFFER MADE BY ANOTHER PARTY.

THE AGRICULTURAL LAND BEING OFFERED CONTAINS APPROXIMATELY (...approximate number of acres...) ACRES AND IS INFORMALLY DESCRIBED AS FOLLOWS:

(Informal description of the agricultural land being offered that reasonably describes the land. This description does not need to be a legal description.)

(...The state, federal agency, or corporation...) OFFERS TO (SELL, LEASE) THE AGRICULTURAL LAND DESCRIBED ABOVE FOR A CASH PRICE OF \$(...cash price or equivalent cash price for lease and lease period, or cash price or equivalent cash price for sale of land...), WHICH IS NOT HIGHER THAN THE PRICE OFFERED BY ANOTHER PARTY. THE PRICE IS OFFERED ON THE FOLLOWING TERMS:

(Terms, if any, of acceptable offer)

IF YOU WANT TO ACCEPT THIS OFFER YOU MUST NOTIFY (...the state, federal agency, or corporation...) IN WRITING THAT YOU ACCEPT THE OFFER OR SIGN UNDERNEATH THE FOLLOWING PARAGRAPH AND RETURN A COPY OF THIS NOTICE BY (15 for a lease, 65 for a sale) DAYS AFTER THIS NOTICE IS PERSONALLY DELIVERED OR MAILED TO YOU. THE OFFER IN THIS NOTICE TERMINATES ON (...date of termination - 15 days for lease and 65 days for sale after date of mailing or personal delivery...).

ACCEPTANCE OF OFFER

I ACCEPT THE OFFER TO (BUY, LEASE) THE AGRICULTURAL LAND DESCRIBED ABOVE AT THE PRICE OFFERED TO ME IN THIS NOTICE. AS PART OF ACCEPTING THIS OFFER I WILL PERFORM ACCORDING TO THE TERMS OF THE OFFER, INCLUDING MAKING PAYMENTS DUE UNDER THE OFFER, WITHIN TEN DAYS AFTER THE DATE I ACCEPT THIS OFFER.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

.....
Signature of Former Owner Accepting Offer

.....
Date

(b) For an offer to sell, a copy of the purchase agreement containing the price and terms of the highest offer made by a third party that is acceptable to the seller and a signed affidavit by the seller affirming that the purchase agreement is true, accurate, and made in good faith must be included with the notice under this subdivision. At the seller's discretion, reference to the third party's identity may be deleted from the copy of the purchase agreement.

(c) For an offer to lease, a copy of the lease containing the price and terms of the highest offer made by a third party that is acceptable to the lessor and a signed affidavit by the lessor affirming that the lease is true, accurate, and made in good faith must be included with the notice under this subdivision. At the lessor's discretion, reference to the third party's identity may be deleted from the copy of the lease agreement.

(d) The affidavit under paragraphs (b) and (c) is subject to section 609.48.

Sec. 4. EFFECTIVE DATE.

This article is effective July 1, 1987, and applies to property with initial offers made under section 500.24, subdivision 6, after July 1, 1987.

ARTICLE 3

WAIVER OF DEBTOR'S RIGHTS

Section 1. [550.42] WAIVER OF AGRICULTURAL DEBTOR'S RIGHTS.

Subdivision 1. WAIVER IS VOID. (a) A waiver of statutory rights of a debtor in a contract, loan agreement, or security agreement as a condition for a loan of money for agricultural production is void, unless the waiver is expressly authorized by law.

(b) A waiver of mediation rights under chapter 583, the right to an offer under section 500.24, subdivision 6, or the debtor's statutory rights under chapter 580, 581, or 582 for a mortgage on agricultural property, is void unless the waiver is expressly authorized by law.

Subd. 2. PENALTY. A person, corporation, financial institution, or other legal entity is liable to a debtor for up to \$2,500 plus attorney fees if the person or entity:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(1) requires a waiver subject to subdivision 1 in a contract, loan agreement, or security agreement, and does not acknowledge that the waiver subject to subdivision 1 is void; or

(2) attempts to enforce a waiver that is void under subdivision 1.

Sec. 2. EFFECTIVE DATE.

This article is effective July 1, 1987, except: section 1, subdivision 1, is effective the day after final enactment; and section 1, subdivision 2, applies to contracts, loan agreements, and security agreements entered into after July 1, 1987.

ARTICLE 4

DESIGNATION OF HOMESTEADS AND SEPARATE AGRICULTURAL TRACTS

Section 1. Minnesota Statutes 1986, section 582.041, subdivision 1, is amended to read:

Subdivision 1. **NOTIFICATION OF HOMESTEAD DESIGNATION.** If a mortgage on real property is foreclosed and the property contains a portion of ~~the a homestead of the mortgagor,~~ the mortgagor person in possession of the real property must be notified by the foreclosing mortgagee that the homestead may be sold and redeemed separately from the remaining property. The notice in subdivision 2 must be ~~included in~~ served with the notice of foreclosure ~~that is served on the mortgagor under person in possession of the real property with the requirements in section 580.04 580.03~~ or for a foreclosure by action under chapter 581, in the summons and complaint served on the person in possession of the real property.

Sec. 2. Minnesota Statutes 1986, section 582.041, subdivision 2, is amended to read:

Subd. 2. **HOMESTEAD DESIGNATION NOTICE.** (a) The following notice must be ~~included in~~ served with the foreclosure notice of property containing a homestead that is served on the ~~mortgagor person in possession of the real property~~ under section 580.04 580.03. The notice is not to be published. The notice must be in 10-point capitalized letters.

"IF PART OF THE PROPERTY TO BE SOLD CONTAINS YOUR HOUSE, YOU MAY DESIGNATE AN AREA AS A HOMESTEAD TO BE SOLD AND REDEEMED SEPARATELY.

YOU MAY DESIGNATE THE HOUSE YOU OCCUPY AND ANY AMOUNT OF THE PROPERTY AS A HOMESTEAD. THE DESIGNATED

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

HOMESTEAD PROPERTY MUST CONFORM TO THE LOCAL ZONING ORDINANCES AND BE COMPACT SO THAT IT DOES NOT UNREASONABLY REDUCE THE VALUE OF THE REMAINING PROPERTY.

YOU MUST PROVIDE THE PERSON FORECLOSING ON THE PROPERTY, THE SHERIFF, AND THE COUNTY RECORDER WITH A COPY OF THE LEGAL DESCRIPTION OF THE HOMESTEAD YOU HAVE DESIGNATED BY TEN BUSINESS DAYS BEFORE THE DATE THE PROPERTY IS TO BE SOLD."

(b) The following notice must be served with the summons and complaint in an action to foreclose a mortgage of property containing a homestead under chapter 581. The notice must be in 10-point capitalized letters and is not to be published with the summons if the summons is published.

"IF PART OF THE PROPERTY TO BE SOLD CONTAINS YOUR HOUSE, YOU MAY DESIGNATE AN AREA AS A HOMESTEAD TO BE SOLD AND REDEEMED SEPARATELY.

YOU MAY DESIGNATE THE HOUSE YOU OCCUPY AND ANY AMOUNT OF THE PROPERTY AS A HOMESTEAD. THE DESIGNATED HOMESTEAD PROPERTY MUST CONFORM TO THE LOCAL ZONING ORDINANCES AND BE COMPACT SO THAT IT DOES NOT UNREASONABLY REDUCE THE VALUE OF THE REMAINING PROPERTY.

YOU MUST PROVIDE THE COURT WITH A LEGAL DESCRIPTION OF THE HOMESTEAD YOU HAVE DESIGNATED."

Sec. 3. Minnesota Statutes 1986, section 582.041, subdivision 3, is amended to read:

Subd. 3. **DESIGNATION OF HOMESTEAD PROPERTY.** The ~~mortgagor~~ person who is homesteading the property must designate a legal description of the homestead property to be sold separately. The homestead property designated may include any amount of the property. The designation must conform to local zoning, include the dwelling occupied by the ~~mortgagor~~ person homesteading the property, and be compact so that it does not unreasonably affect the value of the remaining property. The ~~mortgagor~~ person homesteading the property must serve a copy of the designation on the foreclosing mortgagee, the sheriff, and the county recorder or registrar of titles by ten business days before the sale is scheduled, or for a foreclosure by action under chapter 581, a copy of the designation must be provided to the court.

Sec. 4. Minnesota Statutes 1986, section 582.041, subdivision 5, is amended to read:

Subd. 5. **REDEMPTION.** ~~The mortgagor~~ A party who has a right of redemption may redeem the designated homestead, the remaining property, or the entire property including the homestead. The period of redemption is the period for the entire property including the designated homestead.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Sec. 5. [582.042] FORECLOSURE OF AGRICULTURAL LAND THAT INCLUDES SEPARATE TRACTS.

Subdivision 1. NOTIFICATION OF SEPARATE TRACT DESIGNATION. If a mortgage on real property that is agricultural land is foreclosed and the property contains separate tracts, the person in possession of the real property must be notified by the foreclosing mortgagee that the separate tracts may be sold and redeemed separately. The notice in subdivision 2 must be served with the notice of foreclosure that is served on the person in possession of the property under section 580.03, or for a foreclosure by action under chapter 581, in the summons and complaint.

Subd. 2. DESIGNATION NOTICE. (a) The following notice must be served with the foreclosure notice of the property that is served on the person in possession of the real property under section 580.03. The notice must be in 10-point capitalized letters and the notice is not to be published.

"IF THE PROPERTY TO BE SOLD CONTAINS SEPARATE TRACTS, YOU MAY REQUEST THAT THE TRACTS BE SOLD AND REDEEMED SEPARATELY. EACH OF THE SEPARATE TRACTS MUST CONFORM TO LOCAL ZONING ORDINANCES, MUST HAVE AN ENTRANCE BY DIRECT ACCESS TO A PUBLIC ROAD OR BY PERMANENT EASEMENT, AND MUST NOT UNREASONABLY AFFECT THE VALUE OF THE REMAINING PROPERTY.

YOU MUST PROVIDE THE PERSON FORECLOSING ON THE PROPERTY, THE SHERIFF, AND THE COUNTY RECORDER WITH A COPY OF THE LEGAL DESCRIPTIONS OF EACH OF THE TRACTS YOU HAVE DESIGNATED TO BE SOLD SEPARATELY BY TEN BUSINESS DAYS BEFORE THE DATE THE PROPERTY IS TO BE SOLD."

(b) The following notice must be served with the summons and complaint in an action to foreclose a mortgage of real property containing separate tracts under chapter 581. The notice must be in 10-point capitalized letters and is not to be published with the summons if the summons is published.

"IF THE PROPERTY TO BE SOLD CONTAINS SEPARATE TRACTS, YOU MAY REQUEST THAT THE TRACTS BE SOLD AND REDEEMED SEPARATELY. EACH OF THE SEPARATE TRACTS MUST CONFORM TO LOCAL ZONING ORDINANCES.

YOU MUST PROVIDE THE COURT WITH A COPY OF THE LEGAL DESCRIPTIONS OF EACH OF THE TRACTS YOU HAVE DESIGNATED TO BE SOLD SEPARATELY."

Subd. 3. DESIGNATION OF SEPARATE TRACTS. The person being foreclosed must designate by legal description each of the tracts to be sold separately. The tracts designated must be previously recorded as separate tracts. Each of the separate tracts must conform to local zoning ordinances, must have an entrance by direct access to a public road or by permanent easement, and must not unreasonably affect the value of the remaining property. The person being foreclosed must serve a copy of the legal descriptions of the tracts to be

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sold separately on the foreclosing mortgagee, the sheriff, and the county recorder or registrar of titles by ten business days before the sale is scheduled, or for a foreclosure by action under chapter 581, a copy of the legal descriptions of the tracts to be sold separately must be provided to the court.

Subd. 4. SALE OF PROPERTY. If the sheriff receives a designation of separate tracts under subdivision 3, or is ordered by the court, the sheriff must offer and sell the tracts separately.

Subd. 5. REDEMPTION. The designated tracts may be redeemed separately or the entire foreclosed property may be redeemed. The period of redemption is the period for the entire property including all of the designated tracts.

Sec. 6. EFFECTIVE DATE.

This article is effective July 1, 1987, and applies to foreclosures where the first publication occurs on or after July 1, 1987, and to foreclosures under chapter 581 where the first service or publication occurs on or after July 1, 1987.

ARTICLE 5

AGRICULTURAL DATA COLLECTION TASK FORCE

Section 1. REACTIVATION OF THE AGRICULTURAL COLLECTION DATA TASK FORCE.

The agricultural data collection task force created by Laws 1985, chapter 19, as reactivated and amended by Laws 1986, chapter 398, article 11, is reactivated.

Sec. 2. Laws 1985, chapter 19, section 2, subdivision 2, as amended by Laws 1986, chapter 398, article 11, section 2, is amended to read:

Subd. 2. DUTIES. The duties of the data collection task force are to:

(1) continue the uniform procedure for collecting data on the financial status of agriculture in Minnesota;

(2) report the results of the program to the legislature no later than December 31, ~~1986~~ of each fiscal year the data collection task force is funded.

Sec. 3. Laws 1985, chapter 19, section 6, subdivision 6, as amended by Laws 1986, chapter 398, article 11, section 4, is amended to read:

Subd. 6. EXPIRATION. The data collection task force expires ~~January April 15, 1987~~ 1989, or 15 days after reporting to the legislature whichever date comes later, but in no circumstance later than ~~March June 1, 1987~~ 1989.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Sec. 3. EFFECTIVE DATE.

This article is effective the day following final enactment.

ARTICLE 6

MINNESOTA GROWN

Section 1. Minnesota Statutes 1986, section 17.102, is amended to read:

17.102 MINNESOTA PRODUCTS, STATE LOGO OR GROWN LABEL.

Subdivision 1. ESTABLISHMENT AND USE OF LABEL. (a) The commissioner shall establish a "Minnesota grown" logo or labeling statement for use in identifying ~~food~~ agricultural products which that are Minnesota grown, processed, or manufactured in this state. ~~The commissioner shall promulgate rules authorizing and governing the use of the logo or labeling statement.~~ The Minnesota grown logo or labeling statement may be used on raw agricultural products that are not processed into a different physical form or frozen, only if 80 percent of the agricultural product is produced in this state.

(b) The Minnesota grown logo or labeling statement may not be used without a license from the commissioner except that wholesalers and retailers may use the Minnesota grown logo and labeling statement for displaying and advertising products that qualify for use of the Minnesota grown logo or labeling statement.

Subd. 2. LABEL DOES NOT REPLACE OTHER REQUIREMENTS. The logo or labeling statement ~~shall~~ does not supersede or replace any federal label or grade standard ~~which that~~ is required by law ~~and its use shall be discretionary with a grower, processor, or manufacturer.~~

Subd. 3. LICENSE. A person may not use the Minnesota grown logo or labeling without an annual license from the commissioner. The commissioner shall issue licenses for a fee of \$5. The commissioner shall charge a late fee of \$10 for renewal of a license that has expired.

Subd. 4. MINNESOTA GROWN ACCOUNT. The Minnesota grown account is established as an account in the state treasury. License fee receipts and penalties collected under this section must be deposited in the state treasury and credited to the Minnesota grown account. The money in the account is continuously appropriated to the commissioner to implement and enforce this section and to promote the Minnesota grown logo and labeling.

Subd. 5. PENALTY. A person who is required to have a license and uses the Minnesota grown logo or labeling without a license after being notified by the commissioner that a license is required is subject to a civil penalty up to \$1,000.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 6. RULES. The commissioner shall promulgate rules authorizing and licensing the use of the logo or labeling statement.

Sec. 2. MINNESOTA GROWN MATCHING ACCOUNT.

Subdivision 1. ESTABLISHMENT. The Minnesota grown matching account is established as a separate account in the state treasury. The account shall be administered by the commissioner of agriculture as provided in this section.

Subd. 2. FUNDING SOURCES. The Minnesota grown matching account shall consist of contributions from private sources and appropriations.

Subd. 3. APPROPRIATIONS MUST BE MATCHED BY PRIVATE FUNDS. (a) Appropriations to the Minnesota grown matching account may be expended only to the extent that they are matched with contributions to the account from private sources as provided in paragraph (b) for fiscal years 1988 and 1989.

(b) Private contributions shall be matched on a basis of four dollars of the appropriation to each one dollar of private contributions. Matching funds are not available after the appropriation is encumbered. Private contributions made from January 1, 1987, until the end of fiscal year 1987 shall be matched by the appropriation for fiscal year 1988. Amounts that are not matched in fiscal year 1988 are available to be matched in fiscal year 1989.

Subd. 4. EXPENDITURES. The amount in the Minnesota grown matching account that is matched by private contributions and the private contributions are appropriated to the commissioner of agriculture for promotion of products using the Minnesota grown logo and labeling.

Sec. 3. EFFECTIVE DATE.

Section 2 is effective the day following final enactment.

ARTICLE 7

AGRICULTURAL PRESERVES

Section 1. Minnesota Statutes 1986, section 40A.03, subdivision 2, is amended to read:

Subd. 2. PLANS AND OFFICIAL CONTROLS. By July + December 31, 1987, each pilot county selected under subdivision 1 shall submit to the commissioner and to the regional development commission in which it is located, if one exists, a proposed agricultural land preservation plan and proposed official controls implementing the plan. The commissioner, in consultation with the regional development commission, shall review the plan and controls for consistency with the elements in this chapter and shall submit written comments to

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the county within 90 days of receipt of the proposal. The comments must include a determination of whether the plan and controls are consistent with the elements in this chapter. The commissioner shall notify the county of its determination. If the commissioner determines that the plan and controls are consistent, the county shall adopt the controls within 60 days of completion of the commissioner's review.

Sec. 2. Minnesota Statutes 1986, section 40A.152, subdivision 1, is amended to read:

Subdivision 1. **FEE.** A county that is a metropolitan county under section 473.121, subdivision 4, has allowed exclusive agricultural zones to be created under this chapter, ~~that has designated lands eligible for agricultural preserves under section 473H.04,~~ or that has elected to become an agricultural land preservation pilot county, shall impose an additional fee of ~~\$\$~~ \$5 per transaction on the recording or registration of a mortgage subject to the tax under section 287.05 and an additional ~~\$\$~~ \$5 on the recording or registration of a deed subject to the tax under section 287.21. One-half of the fee must be deposited in a special conservation account to be created in the county general revenue fund and one-half must be transferred to the commissioner of revenue for deposit in the state treasury and credited to the Minnesota conservation fund.

Sec. 3. Minnesota Statutes 1986, section 40A.152, subdivision 2, is amended to read:

Subd. 2. **USE OF ACCOUNT.** Money from the county conservation account must be spent by the county to reimburse the county and taxing jurisdictions within the county for revenue lost under the conservation tax credit under section 273.119 or the valuation of agricultural preserves under section 473H.10. If expenditures from other county funds for the same purposes remain at least equal to the amount spent in the previous county budget year, money remaining in the account after ~~these payments~~ the reimbursements are made may be spent for the following purposes:

- (1) agricultural land preservation and conservation planning and implementation of official controls under this chapter or chapter 473H;
- (2) soil conservation activities and enforcement of soil loss ordinances;
- (3) incentives for landowners who create exclusive agricultural use zones;
- (4) payments to municipalities within the county for the purposes of clauses (1) to (3).

Sec. 4. Minnesota Statutes 1986, section 473H.10, subdivision 3, is amended to read:

Subd. 3. **COMPUTATION OF TAX; STATE REIMBURSEMENT.** (a) After having determined the market value of all land valued according to subdivision 2, the assessor shall compute the assessed value of those properties by

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applying the appropriate classification percentages. When computing the rate of tax pursuant to section 275.08, the county auditor shall include the assessed value of land as provided in this clause.

(b) The county auditor shall compute the tax on lands valued according to subdivision 2 and nonresidential buildings by multiplying the assessed value times the total rate of tax for all purposes as provided in clause (a).

(c) The county auditor shall then compute the maximum ad valorem property tax on lands valued according to subdivision 2 and nonresidential buildings by multiplying the assessed value times 105 percent of the previous year's statewide average mill rate levied on property located within townships for all purposes.

(d) The tax due and payable by the owner of preserve land valued according to subdivision 2 and nonresidential buildings will be the amount determined in clause (b) or (c), whichever is less. If the gross tax in clause (c) is less than the gross tax in clause (b), the state shall reimburse the taxing jurisdictions for the amount of difference. Residential buildings shall continue to be valued and classified according to the provisions of sections 273.11 and 273.13, as they would be in the absence of this section, and the tax on those buildings shall not be subject to the limitation contained in this clause.

The county may transfer money from the county conservation account created in section 40A.152 to the county revenue fund to reimburse the fund for the tax lost as a result of this subdivision or to pay taxing jurisdictions within the county for the tax lost. The county auditor shall certify to the commissioner of revenue on or before June 1 the total amount of tax lost to the county and taxing jurisdictions located within the county as a result of this subdivision and the extent that the tax lost exceeds funds available in the county conservation account. Payments shall be made by the state as provided in section 273.13, subdivision 15a to each of the affected taxing jurisdictions if the county conservation account is insufficient to make the reimbursement. There is annually appropriated from the Minnesota conservation fund under section 40A.151 to the commissioner of revenue an amount sufficient to make the reimbursement provided in this subdivision. If the amount available in the Minnesota conservation fund is insufficient, the balance that is needed is appropriated from the general fund.

Sec. 5. Minnesota Statutes 1986, section 473H.17, subdivision 1, is amended to read:

Subdivision 1. Land within an agricultural preserve shall be maintained for agricultural production. The average maximum density of residential structures within an agricultural preserve shall not exceed one unit per 40 acres. The location of any new structure shall conform to locally applicable zoning regulations. Commercial and industrial uses shall not be permitted except ~~that small on-farm commercial or industrial operations normally associated with and important to farming in the area may be permitted by the~~ as provided in section 7

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after the user is issued a permit by the authority. The authority shall be responsible for enforcing this section.

Sec. 6. Minnesota Statutes 1986, section 473H.17, is amended by adding a subdivision to read:

Subd. 1a. ALLOWED COMMERCIAL AND INDUSTRIAL OPERATIONS. (a) Commercial and industrial operations are not allowed on land within an agricultural preserve except:

(1) small on-farm commercial or industrial operations normally associated with and important to farming in the agricultural preserve area;

(2) storage use of existing farm buildings that does not disrupt the integrity of the agricultural preserve; and

(3) small commercial use of existing farm buildings for trades not disruptive to the integrity of the agricultural preserve such as a carpentry shop, small scale mechanics shop, and similar activities that a farm operator might conduct.

(b) "Existing" in paragraph (a), clauses (2) and (3), means existing on August 1, 1987.

Sec. 7. Minnesota Statutes 1986, section 473H.17, subdivision 2, is amended to read:

Subd. 2. DENSITY RESTRICTION AFTER SUBDIVISION. When a separate parcel is created for a residential structure, commercial, or industrial use permitted under subdivision 1, the parcel shall cease to be an agricultural preserve unless the eligibility requirements of section 473H.03 are met. However, ~~the residential unit separate parcel shall continue to be included in~~ remain under the maximum residential density restrictions in effect for the original preserve at the time it was placed into the preserve until the agricultural preserve status for the original parcel ends.

Sec. 8. GRANTS FOR OFFICIAL CONTROLS TO OTHER THAN PILOT COUNTIES.

Grants to eligible recipients other than the pilot counties under section 40A.15, subdivision 4, are not available until the pilot county program has been completed and a report on the pilot county experiences has been presented to the legislature. The report must be completed by July 1, 1988.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

ARTICLE 8

AGRICULTURAL COMMODITIES UTILIZATION

Section 1. Minnesota Statutes 1986, section 17.03, is amended by adding a subdivision to read:

Subd. 7. AGRICULTURAL DIVERSIFICATION. The commissioner shall establish a program of agricultural diversification. The commissioner must assist the horticultural industry, help producers diversify farming operations, and coordinate state agency efforts regarding agricultural diversification, after consulting with farm groups, the University of Minnesota and applicable institutions of higher learning. The commissioner shall report to the governor and legislature annually on activities and actions that should be taken in these matters.

Sec. 2. [17.50] POLICY.

The state must explore alternative uses for agricultural products to enable the state's agricultural economy to reach its full potential. The state must promote and encourage cooperative efforts between public and private interests in conducting basic research and disseminating the results on agricultural commodity utilization.

ARTICLE 9

Section 1. RESEARCH STUDY; LOW LIVESTOCK PRODUCTIVITY.

Subdivision 1. STUDY CRITERIA; SCOPE. The University of Minnesota or another institution or organization selected by the commissioner of agriculture in consultation with the advisory board established under subdivision 3 shall perform the study required under this article. The study must provide interdisciplinary analysis of issues frequently believed to be electrical in nature that affect dairy and livestock productivity levels or are manifested in poor animal health. The study may include analysis of possible nonelectrical causes for low productivity levels or poor animal health at the study sites in order to help isolate the specific cause or causes of the problem at the sites. The study must be conducted on farmstead sites within the state as determined appropriate by the study team. The interdisciplinary team studying the selected sites must consist of researchers from the University of Minnesota or elsewhere who have expertise in the following fields: (1) animal sciences; (2) veterinary medicine; (3) electrical power distribution; (4) farmstead electrification; and (5) any other discipline or field deemed appropriate by members of the interdisciplinary team.

Subd. 2. STUDY SITE SELECTION. The farmstead sites to be studied must be selected by the advisory board established under subdivision 3. Study sites must be selected from among farmsteads whose operators request participation in the study. For three or more of the sites, preference must be given to

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farmsteads in dairy production areas which have experienced persistent problems with low milk production levels and poor dairy herd health and where a traditional study of stray voltage has failed to identify or solve the problem.

Subd. 3. ADVISORY BOARD: COMPOSITION, APPOINTMENT, DUTIES. Not later than 30 days after the effective date of this act the governor, in consultation with the commissioner of agriculture, shall appoint an advisory board of nine members who shall determine farmstead sites to be included in the study. The advisory board shall meet at least quarterly to review progress reports on the study. Members of the advisory board shall include farmers experiencing conditions similar to those to be studied (membership on the advisory board does not preclude study of a farmstead operated by a member); farmers whose problems with low productivity levels or poor livestock health have been resolved; other farmers; a member of the Minnesota pollution control agency board; a representative of a cooperative electric association; a representative of an investor-owned electric utility which serves rural areas of Minnesota; a practicing veterinarian; and a representative of the University of Minnesota. Members of the advisory board shall serve without compensation but must be reimbursed by the commissioner of agriculture for mileage and actual expenses for meals related to service on the advisory board. The advisory board expires upon submission of the report required under subdivision 4.

Subd. 4. REPORT. The interdisciplinary study team shall prepare and deliver to the commissioner of agriculture a report on the results of the study. If feasible, the study team shall also submit the results of the study in a form appropriate for publication in one or more recognized scientific journals. The commissioner shall report results of the study to the house and senate committees on agriculture not later than February 1, 1989.

Sec. 2. EFFECTIVE DATE.

This article is effective the day following final enactment.

ARTICLE 10

AGRICULTURE AND TRADE

Section 1. Minnesota Statutes 1986, section 17.03, is amended by adding a subdivision to read:

Subd. 8. COOPERATION WITH MINNESOTA TRADE OFFICE. The commissioner of agriculture, the commissioner of trade and economic development, and the director of the Minnesota trade office shall cooperate with each other to promote the beneficial agricultural interests of the state. The commissioner of trade and economic development and the director of the Minnesota trade office have primary responsibility for promoting state agricultural interests to international markets. The commissioner of agriculture has primary responsibility for promoting the agricultural interests of producers, promoting state

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agricultural markets, and promoting agricultural interests of the state in cooperative production and marketing efforts with other states and the United States Department of Agriculture.

Sec. 2. Minnesota Statutes 1986, section 17.101, subdivision 1, is amended to read:

Subdivision 1. **DEPARTMENTAL DUTIES.** For the purposes of expanding, improving, and developing the markets for products of Minnesota agriculture, the commissioner shall encourage and promote the marketing of these products by means of:

- (a) advertising Minnesota agricultural products;
- (b) assisting state agricultural commodity organizations;
- (c) developing methods to increase processing and marketing of agricultural commodities including commodities not being produced in Minnesota on a commercial scale, but which may have economic potential in national and international markets;
- (d) investigating and identifying new marketing technology and methods to enhance the competitive position of Minnesota agricultural products;
- (e) evaluating livestock marketing opportunities;
- (f) assessing and developing national and international markets for Minnesota agricultural products;
- (g) studying the conversion of raw agricultural products to manufactured products including ethanol;
- (h) hosting the visits of foreign trade teams to Minnesota and defraying the teams' expenses;
- (i) assisting Minnesota agricultural businesses desiring to sell their products ~~in national and international markets;~~ and
- (j) other activities the commissioner deems appropriate to promote Minnesota agricultural products ~~in national and international markets,~~ provided that the activities do not duplicate programs or services provided by the Minnesota trade office.

Sec. 3. Minnesota Statutes 1986, section 17.103, is amended to read:

17.103 TRADE AND EXPORT DEVELOPMENT.

The commissioner of agriculture shall encourage and develop commerce ~~with other states and foreign countries~~ and devise ways and means of removing trade barriers hampering the free flow of commerce between this and other states.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Sec. 4. [116J.967] COMMISSIONER'S TRADE PROMOTION DUTIES.

Subdivision 1. GENERALLY. (a) The commissioner shall promote, develop, and facilitate trade and foreign investment in Minnesota. In furtherance of these goals, and in addition to the powers granted by section 116J.035, the commissioner may:

(1) locate, develop, and promote international markets for Minnesota products and services;

(2) arrange and lead trade missions to countries with promising international markets for Minnesota goods, technology, services, and agricultural products;

(3) promote Minnesota products and services at international trade shows;

(4) organize, promote, and present international trade shows featuring Minnesota products and services;

(5) host trade delegations and assist foreign traders in contacting appropriate Minnesota businesses and investments;

(6) develop contacts with Minnesota businesses and gather and provide information to assist them in locating and communicating with international trading or joint venture counterparts;

(7) provide information, education, and counseling services to Minnesota businesses regarding the economic, commercial, legal, and cultural contexts of international trade;

(8) provide Minnesota businesses with international trade leads and information about the availability and sources of services relating to international trade, such as export financing, licensing, freight forwarding, international advertising, translation, and custom brokering;

(9) locate, attract, and promote foreign investment and business development in Minnesota to enhance employment opportunities in Minnesota;

(10) provide foreign businesses and investors desiring to locate facilities in Minnesota information regarding sources of governmental, legal, real estate, financial, and business services;

(11) undertake activities to support the world trade center; and

(12) enter into contracts or other agreements with private persons and public entities to carry out the purposes of promoting international trade and attracting investment from foreign countries to Minnesota and to carry out this section, without regard to sections 16B.07 and 16B.09.

(b) The programs and activities of the commissioner of energy and economic development and the Minnesota trade office may not duplicate programs and activities of the commissioner of agriculture.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 2. AGRICULTURAL PROMOTION. The commissioner of trade and economic development and the director of the Minnesota trade office shall cooperate and consult with the commissioner of agriculture in promoting the beneficial agricultural interests of the state. The commissioner of trade and economic development and the director of the Minnesota trade office shall have the primary responsibility for promoting state agricultural interests to international markets. The commissioner of agriculture has primary responsibility for promoting the agricultural interests of producers, promoting state agricultural markets, and promoting the agricultural interests of the state in cooperative production and marketing efforts with other states and the United States Department of Agriculture.

Sec. 5. [236A.02] ADMINISTRATIVE SUPPORT.

The commissioner of agriculture in consultation with the director of the Minnesota trade office shall provide administrative staff and support to the Interstate Agricultural Grain Marketing Commission members from this state.

Sec. 6. REORGANIZATION.

The divisions and offices established within the department of trade and economic development include the Minnesota trade office consisting of the Minnesota trade office in the department of agriculture relating to international trade, but do not include the functions and positions of the office relating to domestic agricultural trade.

Sec. 7. REPEALER.

Minnesota Statutes 1986, section 17.03, subdivision 5, is repealed.

Sec. 8. INSTRUCTION TO REVISOR.

The revisor of statutes shall renumber each section of Minnesota Statutes in column A with the corresponding number in column B. The revisor shall also make necessary cross reference changes consistent with the renumbering and change the words "commissioner of agriculture" or similar words to "commissioner of the department of trade and economic development" or similar words.

<u>Column A</u>	<u>Column B</u>
<u>17.103</u>	<u>116J.970</u>
<u>17.104</u>	<u>116J.971</u>
<u>17.105</u>	<u>116J.972</u>

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ARTICLE 11

AGRICULTURE DEPARTMENT

Section 1. Minnesota Statutes 1986, section 17B.15, subdivision 1, is amended to read:

Subdivision 1. **ADMINISTRATION; APPROPRIATION.** The fees for inspection and weighing shall be fixed by the commissioner and be a lien upon the grain. The commissioner shall set fees for all inspection and weighing in an amount adequate to pay the expenses of carrying out and enforcing the purposes of sections 17B.01 to 17B.23, including the portion of general support costs and statewide indirect costs of the agency attributable to that function, with a reserve sufficient for up to six months; ~~and including repayment by the department of any amount appropriated from the general fund to establish the grain inspection and weighing account.~~ The commissioner shall review the fee schedule twice each year. Fee adjustments are not subject to chapter 14. Payment shall be required for services rendered. If the grain is in transit, the fees shall be paid by the carrier and treated as advance charges, and, if received for storage, the fees shall be paid by the warehouse operator, and added to the storage charges.

All fees collected and all fines and penalties for violation of any provision of this chapter shall be deposited in the grain inspection and weighing account, which is created in the state treasury for carrying out the purpose of sections 17B.01 to 17B.23. The money in the account is annually appropriated to the commissioner of agriculture to administer the provisions of sections 17B.01 to 17B.23.

Sec. 2. Minnesota Statutes 1986, section 18.023, subdivision 1, is amended to read:

Subdivision 1. **DEFINITIONS.** As used in subdivisions 1 to 12 the terms defined in this subdivision shall have the meanings given them.

(a) "Metropolitan area" means the area comprising the counties of Hennepin, Ramsey, Anoka, Dakota, Washington, Scott and Carver.

(b) "Commissioner" means the commissioner of agriculture.

(c) "Municipality" means any home rule charter or statutory city or any town exercising municipal powers pursuant to section 368.01, or any general or special law, located in the metropolitan area; or any special park district as organized under chapter 398; or any special purpose park and recreation board organized under the city charter of a city of the first class located in the metropolitan area; or any county in the metropolitan area for the purposes of county owned property or any portion of a county located outside the geographic boundaries of a city or town exercising municipal powers; and any municipality or county located outside the metropolitan area with an approved disease control program.

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(d) "Shade tree disease" means Dutch elm disease ~~or~~, oak wilt ~~disease~~, or any disorder affecting the growth and life of shade trees.

(e) "Wood utilization or disposal system" means facilities, equipment or systems used for the removal and disposal of diseased shade trees which includes the collection, transportation, processing or storage of wood and which aids in the recovery of materials or energy from wood.

(f) "Approved disease control program" means the municipal plan as approved by the commissioner to control shade tree disease.

(g) "Disease control area" means an area approved by the commissioner within which a municipality will conduct an approved disease control program.

(h) "Sanitation" means the identification, inspection, disruption of a common root system, girdling, trimming, removal and disposal of dead or diseased wood of ~~elm or oak~~ shade trees, including subsidies for trees removed pursuant to subdivision 4, on public or private property within a disease control area.

(i) "Reforestation" means the replacement of shade trees removed from public property and the planting of any species of tree as part of a municipal disease control program. For purposes of this clause, "public property" shall include private property within five feet of the boulevard or street terrace in any city which has enacted an ordinance on or before January 1, 1977, that prohibits or requires a permit for the planting of trees in the public right-of-way.

Sec. 3. Minnesota Statutes 1986, section 19.58, subdivision 1, is amended to read:

Subdivision 1. **ENTRY PERMIT.** No person may bring into this state any bees on comb, including nuclei, or used bee equipment without an entry permit issued by the commissioner. A person who wishes to bring any bees on comb or used bee equipment into the state shall apply for an entry permit at least 60 days before the date of entry. The 60-day requirement may be waived for a hobbyist beekeeper who intends to become a resident of Minnesota and who brings ten colonies or less into the state.

Ten days before entry, any person required to obtain an entry permit shall furnish to the commissioner a copy of a valid certificate of inspection signed by a responsible official of the state where the bees or equipment originated. The certificate must be based on ~~either an inspection or an affidavit.~~ A person may not bring into the state any bees on comb including nuclei, combless bees, or used bee equipment from any county or parish where honey bee tracheal mites or Africanized bees have been found unless it is demonstrated to the satisfaction of the commissioner that there will be no risk of introduction either of tracheal mites or Africanized bees into the state. Bees or equipment brought into the state in violation of this subdivision are a public nuisance and may be destroyed without notice by the commissioner.

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This subdivision does not apply to a common carrier transporting bees or used bee equipment from a point of origin outside of the state to a destination outside of the state.

Sec. 4. Minnesota Statutes 1986, section 28A.08, is amended to read:

28A.08 LICENSE FEES; PENALTIES.

The fees for licenses and the License fees, penalties for late renewal of licenses, and penalties for not obtaining a license before conducting business in food handling that are set in this section apply to the sections named except as provided under section 28A.09. Except as specified herein, bonds and assessments based on number of units operated or volume handled or processed which are provided for in said laws shall not be affected, nor shall any penalties for late payment of said assessments, nor shall inspection fees, be affected by this chapter. The late penalty may be waived by the commissioner.

Type of food handler	License Fee	Penalties Penalty Late	No License Renewal
1. Retail food handler			
(a) Having gross sales of less than \$50,000 for the immediately previous license or fiscal year	\$25 <u>\$40</u>	\$10	<u>\$13</u>
(b) Having \$50,000 to \$250,000 gross sales for the immediately previous license or fiscal year	\$50 <u>\$75</u>	\$13 <u>\$25</u>	<u>\$25</u>
(c) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$100 <u>\$125</u>	\$25 <u>\$50</u>	<u>\$50</u>
(d) Having over \$1,000,000 gross sales for the immediately previous license or fiscal year	\$200 <u>\$250</u>	\$50 <u>\$75</u>	<u>\$100</u>
2. Wholesale food handler			
(a) <u>Having gross sales or service of less than \$250,000 for the immediately previous license or fiscal year</u>	\$100	\$25	<u>\$50</u>
(b) <u>Having \$250,000 to \$1,000,000 gross sales or service for the immediately previous license or fiscal year</u>	<u>\$150</u>	\$38	<u>\$75</u>
(c) <u>Having over \$1,000,000 gross sales or service for the immediately previous license or fiscal year</u>	<u>\$200</u>	<u>\$50</u>	<u>\$100</u>
3. Food broker	\$50 <u>\$75</u>	\$13 <u>\$25</u>	<u>\$25</u>
4. Wholesale food processor or manufacturer			

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(a) Having gross sales of less than \$250,000 for the immediately previous license or fiscal year	\$150 <u>\$200</u>	\$38 <u>\$ 50</u>	<u>\$ 75</u>
(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$200 <u>\$275</u>	\$50 <u>\$ 75</u>	<u>\$100</u>
(c) Having over \$1,000,000 gross sales for the immediately previous license or fiscal year	\$250 <u>\$375</u>	\$63 <u>\$100</u>	<u>\$125</u>
5. Wholesale food processor of meat or poultry products under supervision of the U. S. Department of Agriculture			
(a) Having gross sales of less than \$250,000 for the immediately previous license of fiscal year	\$75 <u>\$100</u>	\$19 <u>\$ 25</u>	<u>\$ 38</u>
(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$90 <u>\$150</u>	\$23 <u>\$ 50</u>	<u>\$ 45</u>
(c) Having over \$1,000,000 gross sales for the immediately previous license or fiscal year	\$105 <u>\$175</u>	\$27 <u>\$ 50</u>	<u>\$ 53</u>
6. Wholesale food manufacturer having the permission of the commissioner to use the name Minnesota farmstead cheese			
	\$ 30	\$10	<u>\$ 15</u>

Sec. 5. Minnesota Statutes 1986, section 31.101, subdivision 3, is amended to read:

Subd. 3. Federal pesticide chemical regulations and amendments thereto in effect on April 1, ~~1982~~ 1987 adopted under authority of the Federal Insecticide, Fungicide and Rodenticide Act, as provided by United States Code, title 7, chapter 6, are the pesticide chemical rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act.

Sec. 6. Minnesota Statutes 1986, section 31.101, subdivision 4, is amended to read:

Subd. 4. Federal food additive regulations and amendments thereto in effect on April 1, ~~1982~~ 1987, as provided by Code of Federal Regulations, title 21, parts 170 to 199, are the food additive rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act.

Sec. 7. Minnesota Statutes 1986, section 31.101, subdivision 5, is amended to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 5. Federal color additive regulations and amendments thereto in effect on April 1, ~~1982~~ 1987, as provided by Code of Federal Regulations, title 21, parts 70 to 82, are the color additive rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act.

Sec. 8. Minnesota Statutes 1986, section 31.101, subdivision 6, is amended to read:

Subd. 6. Federal special dietary use regulations and amendments thereto in effect on April 1, ~~1982~~ 1987, as provided by Code of Federal Regulations, title 21, parts 104 and 105, are the special dietary use rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act.

Sec. 9. Minnesota Statutes 1986, section 31.101, subdivision 7, is amended to read:

Subd. 7. Federal regulations and amendments thereto in effect on April 1, ~~1982~~ 1987 adopted under the Fair Packaging and Labeling Act, as provided by United States Code, title 15, sections 1451 to 1461, are the rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act; provided that the commissioner shall not adopt amendments to such rules or adopt other rules which are contrary to the labeling requirements for the net quantity of contents required pursuant to section 4 of the Fair Packaging and Labeling Act and the regulations promulgated thereunder.

Sec. 10. Minnesota Statutes 1986, section 31.101, subdivision 8, is amended to read:

Subd. 8. Applicable federal regulations including recodification contained in Code of Federal Regulations, title 21, parts 0-1299, Food and Drugs, in effect April 1, ~~1982~~ 1987, and not otherwise adopted herein, also are adopted as food rules of this state. Such rules may be amended by the commissioner in accordance with the administrative procedure act.

Sec. 11. Minnesota Statutes 1986, section 32.394, subdivision 8, is amended to read:

Subd. 8. **EXPLORATORY PRELIMINARY INSPECTIONS GRADE A INSPECTION FEES.** ~~Any A processor or marketing organization of milk, milk products, sheep milk, or goat milk who wishes to learn about and acquaint producers with market Grade A requirements may make a request to the commissioner for exploratory inspections and meetings for this purpose. Upon receipt of such request, the commissioner at a convenient time shall cause such exploratory inspections to be made and such meetings to be held as are necessary to acquaint said processor and producers with such requirements. If, after such exploratory inspections are made and such meetings are held and when in the processor's opinion the processor's field service has brought producers into compliance with said requirements, said processor wishes further inspection service, the processor shall so milk or use the Grade A label must apply on a~~

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form furnished by for Grade A inspection service from the commissioner; stating the number of farms to be inspected. Such applications shall be accompanied by a fee payable to the state treasurer in an amount of not less than \$50 and not more than \$300, which fee is to be charged for preliminary inspection prior to continuous inspection; and assessments over \$50 are to be determined by charging \$1 for each farm over 50; but shall not exceed \$300 if more than 300 farms are inspected; provided that, if the plant and farms are accepted for continuous inspection, this charge shall be made only once. If the preliminary inspection discloses that the processor is eligible for use of the Grade A label on products and before the processor so labels said products, the processor shall apply for continuous inspection on a form furnished by the commissioner and shall hold a Grade A permit. Such application shall be accompanied by a fee of not less than \$100 nor more than \$500 per plant and of not less than \$15 nor more than \$50 per farm; said fee to be paid annually. A pasteurization plant requesting Grade A inspection service must hold a Grade A permit and pay an annual inspection fee of no more than \$500. For Grade A farm inspection service, the fee must be no more than \$66 per farm, paid annually by the processor or by the marketing organization on behalf of its patrons. For a farm requiring a reinspection in addition to the required biannual inspections, an additional fee of no more than \$33 per reinspection must be paid by the processor or by the marketing organization on behalf of its patrons. If the commissioner deems it necessary to more nearly meet the cost of the service, the commissioner may annually adjust the assessments within the limits set herein in this subdivision.

Sec. 12. Minnesota Statutes 1986, section 32.394, subdivision 8b, is amended to read:

Subd. 8b. **MANUFACTURING GRADE FARM CERTIFICATION.** A processor or marketing organization of milk, milk products, sheep milk, or goat milk; other than Grade A; who wishes to obtain market other than Grade A milk must apply for a manufacturing grade farm certification; shall make a request to inspection from the commissioner for a farm certification inspection. A processor who requests and receives a farm certification inspection shall pay a fee to the commissioner for the certification of the milk supply. A manufacturing plant that pasteurizes milk or milk byproducts must pay an annual fee based on the number of pasteurization units. This fee must not exceed \$140 per unit. The fee for farm certification inspection must not be more than \$33 per farm to be paid annually by the processor or by the marketing organization on behalf of its patrons. For a farm requiring more than the one annual inspection required for certification, an additional fee of no more than \$33 must be paid by the processor or by the marketing organization on behalf of its patrons. The fee shall must be set by the commissioner in an amount necessary to meet the cost of the service for farm certification; which fee shall but must not exceed 50 percent of the fees charged for Grade A permits the limits in this subdivision.

Sec. 13. Minnesota Statutes 1986, section 32.394, subdivision 9, is amended to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 9. **PAYMENTS; REFUNDS; DISPOSITION.** ~~The amount of such assessments shall be~~ Fees ~~are~~ payable by ~~the a~~ processor ~~on or before or~~ marketing organization ~~by July 1, of each year for Grade A, and by January 1 of each year for manufacturing grade, and if not paid on or before July 31, following within 30 days of the due date, the service shall must be discontinued, and permission to market manufacturing grade or Grade A milk or milk products or use the Grade A label shall must be withdrawn; provided, that such, A processor may terminate such payment and such service without loss of the Grade A label if written notice of such that intention is given prior to the due date of the payment of said an assessment and if the continuous inspection of said the plant and farms is assumed by a city whose milk control ordinance is substantially equivalent to Minnesota law and rule and is enforced with equal effectiveness. When such written notice is given by the processor on or before December 31 preceding the due date, that portion of the assessment for the period January 1 through June 30, immediately following, shall be refunded to the processor. If a farm discontinues the production of milk within six months of the billing date, a request for a refund based on inspection services not received may be made by the processor or by the marketing organization on behalf of its patrons. This request must be made in writing by July 1 for manufacturing grade, or by December 31 for Grade A, and on approval by the commissioner refunds must be made to the processor or marketing organization.~~

The fees for services performed by the activities of this section ~~shall must~~ be deposited in the state treasury and ~~shall~~ constitute a separate account to be known as the milk inspection service account, which is hereby created, set aside, and appropriated as a revolving fund to be used to help to defray the cost of administration, refunds and expenses of the preliminary and continuous milk inspection services and ~~shall be is~~ in addition to and not in substitution for the sums appropriated or otherwise made available for this purpose to the department of agriculture.

Sec. 14. Minnesota Statutes 1986, section 40.071, is amended to read:

40.071 ADDITIONAL POWERS OF A DISTRICT.

In addition to powers and duties otherwise provided by law, a soil and water conservation district may procure liability insurance as provided in section 466.06, automobile insurance on personal cars while used on official business, insurance on the contents of district offices ~~up to a maximum of \$7,500 per office,~~ and workers' compensation insurance, or may require the county or counties in which the district is located to include the district in the county's or counties' insurance coverage for these purposes.

Sec. 15. Minnesota Statutes 1986, section 223.17, subdivision 1, is amended to read:

Subdivision 1. **LICENSES.** An application for a grain buyer's license must be filed with the commissioner and the license issued before any grain may be purchased. The commissioner must provide application forms and licenses that

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state the restrictions and authority to purchase and store grain under the license being applied for and issued. The ~~types~~ categories of grain buyers' licenses are:

- (a) private grain warehouse operator's license;
- (b) public grain warehouse operator's license; and
- (c) independent grain buyer's license.

The applicant for a grain buyer's license shall identify all grain buying locations owned or controlled by the grain buyer and all vehicles owned or controlled by the grain buyer used to transport purchased grain. Every applicant for a grain buyer's license shall have a permanent established place of business at each licensed location. An "established place of business" means a permanent enclosed building, including a house or a farm, either owned by the applicant or leased by the applicant for a period of at least one year, and where the books, records, and files necessary to conduct the business are kept and maintained. The commissioner may maintain information on grain buyers by categories including, but not limited to, the categories provided in clauses (a) to (c) and grain buyers that are licensed to purchase grain using trucks but that do not have a public or private warehouse license.

Sec. 16. Minnesota Statutes 1986, section 308.58, subdivision 2, is amended to read:

Subd. 2. **WHERE FILED; EVIDENCE.** The articles must be subscribed by the several incorporators and acknowledged by one of them before an officer authorized by the law of this state to take and certify acknowledgment of deeds and conveyances; and shall be filed in the office of the secretary of state, and when so filed such incorporation shall be complete ~~and a certified copy of the articles shall be filed with the commissioner of agriculture.~~ The articles, or certified copies thereof, shall be received in all the courts of this state, and other places, as prima facie evidence of the facts contained therein and of the due incorporation of such association.

Sec. 17. Minnesota Statutes 1986, section 308.62, is amended to read:

308.62 DIRECTORS; ELECTION.

The affairs of the association shall be managed by a board of not less than five directors, elected by the members or stockholders from their own number, except as hereinafter provided. The bylaws may provide that the territory in which the association has members shall be divided into districts and that the directors shall be elected according to such districts. In such case the bylaws shall specify the number of directors to be elected by each district, the manner and method of apportioning or reapportioning the directors, and of districting or redistricting the territory covered by the association. The bylaws may provide that primary elections should be held in each district to elect the directors apportioned to such districts, and the result of all such primary elections must

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be ratified by the next regular meeting of the association, or may be considered final by the association.

The bylaws shall provide that one or more directors may be appointed by the commissioner or any other public official or commission. The director or directors so appointed need not be members or stockholders of the association; but shall have the same powers and rights as other directors. Such directors shall not number more than one-fifth of the entire number of directors.

An association may provide a fair remuneration for the time actually spent by its officials and directors in its service. No director, while serving in office, shall be a party to a contract for profit with the association differing in any way from the business relations accorded regular members or holders of common stock of the association, or to any other kind of contract differing from terms generally current in that district.

The bylaws may provide that no director shall occupy any position in the association, except the president and secretary on regular salary or substantially full-time pay.

The bylaws may provide for an executive committee and may allot to such committee all the functions and powers of the board of directors, subject to the general direction and control of the board.

When a vacancy on the board of directors occurs, other than by expiration of term, the remaining members of the board, by a majority vote, shall fill the vacancy, unless the bylaws provide for an election of directors by district. In such a case the board of directors shall immediately call a special meeting of the members or stockholders in that district to fill the vacancy.

Sec. 18. Minnesota Statutes 1986, section 308.77, is amended to read:

308.77 ASSOCIATION HERETOFORE ORGANIZED MAY ADOPT PROVISIONS.

Any corporation or association organized under previously existing statutes may, by a majority vote of its stockholders or members, be brought under the provisions of sections 308.53 to 308.85 by limiting its membership and adopting the other restrictions, as provided therein. It shall make out, in duplicate, a statement signed and sworn to by its directors; ~~upon forms supplied by the commissioner of agriculture,~~ to the effect that the corporation or association has, by a majority vote of its stockholders or members, decided to accept the benefits and be bound by the provisions of sections 308.53 to 308.85. Articles of incorporation shall be filed as required in section 308.58, except that they shall be signed by the members of the board of directors. The filing fee shall be the same as for filing an amendment to the articles of incorporation. Where any association or corporation may be incorporated or brought under sections 308.53 to 308.85, all contracts heretofore made by or on behalf of the same by the promoters thereof in anticipation of such association becoming incorporated

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under the laws of this state or otherwise, including such contracts made by or in the name of some corporation organized elsewhere, and when same would have been valid, if entered into subsequent to the passage of Laws 1923, chapter 264, are hereby accepted and validated as if made after that date. Cooperative corporations and associations heretofore or hereafter organized and doing business under the existing law or laws supplementary thereto or amendatory thereof shall continue to be governed thereby unless and until they shall elect to be brought under the provisions of sections 308.53 to 308.85 in the manner provided in this section.

Sec. 19. Minnesota Statutes 1986, section 308.83, is amended to read:

308.83 GOVERNOR TO ACT UPON REPORT.

The governor shall have the power to remove from office any officer or director of any association, such removal to be upon such notice to the association and to the officers or directors thereof as shall be prescribed by the governor. In case ~~the commissioner has decided that~~ the further operation of any such association is deemed hazardous to the public interest, ~~and so reports to the governor;~~ the governor may refer the matter of winding up the affairs of such association to the attorney general and it shall thereupon be the duty of the attorney general to proceed to wind up the affairs of any such association in the manner provided by law for winding up the business of insolvent banking institutions in the state.

Sec. 20. Minnesota Statutes 1986, section 308.85, is amended to read:

308.85 FEES.

For filing articles of incorporation, or amendments thereto, any association organized under sections 308.29 to ~~308.84~~ 308.85 shall pay \$15.

Sec. 21. **REPEALER.**

Minnesota Statutes 1986, section 18.023, subdivision 1a, is repealed.

Sec. 22. **EFFECTIVE DATE.**

This article is effective the day after final enactment.

ARTICLE 12

APPROPRIATIONS

Section 1. **AGRICULTURAL DATA COLLECTION TASK FORCE.**

\$50,000 is appropriated from the general fund to the legislative advisory commission to fund the activities of the agricultural data collection task force to be available until June 30, 1989.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Sec. 2. MINNESOTA GROWN MATCHING ACCOUNT.

\$360,000 is appropriated from the general fund to the Minnesota grown matching account to be available in the amounts for the fiscal years indicated

	1988	1989
	<u>\$160,000</u>	<u>\$200,000</u>

Sec. 3. METROPOLITAN AGRICULTURAL PRESERVE DEFICIENCY.

The amount necessary to pay the deficiency in reimbursement under Minnesota Statutes, section 473H.10, subdivision 3, in fiscal year 1987 is appropriated to the commissioner of revenue from the Minnesota conservation fund to reimburse counties. The amount of the deficiency must be certified by the county auditor on or before June 1, 1988, with the amount of tax lost in fiscal year 1988.

Sec. 4. AGRICULTURAL LAND PRESERVATION PLANNING GUIDE.

\$30,000 is appropriated from the general fund to the commissioner of agriculture to provide technical assistance for agricultural land preservation and conservation activities, including preparation and publication of an agricultural land preservation planning handbook for use by local units of government, and for a study and report on the costs of providing public services to agricultural and other land uses.

Sec. 5. INTERSTATE COMPACT ON GRAIN MARKETING.

\$50,000 is appropriated from the general fund to the commissioner of agriculture for payment of financing the operations of the state's portion of the interstate compact on grain marketing.

Sec. 6. SUSTAINABLE AGRICULTURE CHAIR.

Subdivision 1. APPROPRIATION. \$75,000 is appropriated from the general fund to the University of Minnesota to establish an endowment for a chair in sustainable agriculture subject to the conditions of subdivision 2. This appropriation is to be included in the nonstate sources of endowment under section 137.022, subdivision 3. Sustainable agriculture represents the best aspects of traditional and modern agriculture by utilizing a fundamental understanding of nature, as well as the latest scientific advances to create integrated, self-reliant, resource conserving practices that enhance the enrichment of the environment and provide short- and long-term productive agriculture.

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Subd. 2. PRIVATE CONTRIBUTIONS REQUIRED. The appropriation under subdivision 1 is not effective until sufficient private contributions or pledges have been made so that the private contributions and pledges, plus the appropriation under subdivision 1, are sufficient to establish the endowment for a chair in sustainable agriculture. The appropriation cancels on June 30, 1992, if sufficient private contributions and pledges have not been made.

Sec. 7. SWEET SORGHUM RESEARCH.

\$300,000 is appropriated from the general fund to the state board of vocational technical education for a demonstration project at the Mankato vocational technical institute involving butanol and ethanol production from sweet sorghum, for the biennium ending June 30, 1989.

Sec. 8. WILD RICE RESEARCH.

\$38,000 is appropriated from the general fund to the University of Minnesota for the agricultural experimental station to conduct wild rice research to be available until June 30, 1989, as follows:

- | | |
|---|-----------------|
| <u>(a) for experiments on use of fertilizers</u> | <u>\$ 8,000</u> |
| <u>(b) for experiments on the influence of rotation and residue removal on diseases, weeds, and yield</u> | <u>\$ 8,000</u> |
| <u>(c) to evaluate cost advantages and effect on yields of leveling and tiling</u> | <u>\$ 6,000</u> |
| <u>(d) to conduct controlled-site experiments into the advantages of existing and future varieties of wild rice</u> | <u>\$16,000</u> |

Sec. 9. STATE BOARD OF VOCATIONAL TECHNICAL EDUCATION.

\$1,450,000 is appropriated from the general fund to the state board of vocational technical education for the biennium ending June 30, 1989, to provide the following services:

- | | |
|---|--------------------|
| <u>(1) support staff for farm business management instructors</u> | <u>\$ 160,000</u> |
| <u>(2) additional farm business and small business management programs</u> | <u>\$1,175,500</u> |
| <u>(3) workshops for farmers for marketing, alternative enterprises, and financial management and staff development workshops</u> | <u>\$ 50,000</u> |
| <u>(4) beginning farmer programs</u> | <u>\$ 64,500</u> |

Sec. 10. RURAL FINANCE AUTHORITY.

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Subdivision 1. RURAL FINANCE AUTHORITY. \$300,000 is appropriated from the general fund to the rural finance authority for administering the beginning farmer loan program.

The complement of the authority is increased by three positions.

Subd. 2. DEBT SERVICE. \$270,000 is appropriated from the general fund to the rural finance authority for debt service on general obligation bonds issued for the beginning farmer program.

Sec. 11. AGRICULTURAL PROMOTION AND MARKETING.

\$858,000 is appropriated from the general fund to the commissioner of agriculture in the fiscal years indicated for promoting the agricultural interests of producers, promoting state agricultural markets, and promoting the agricultural interests of the state in cooperative production and marketing with other states.

	1988	1989
	\$408,000	\$450,000

The complement of the department of agriculture is increased by nine positions to reflect the programs and positions remaining in the department of agriculture.

Sec. 12. DAIRY SHEEP DEMONSTRATION PROJECT.

\$35,000 is appropriated from the general fund to the University of Minnesota for purposes of continuing the dairy sheep experiment project being performed at the Rosemount Experiment Station.

Sec. 13. PSEUDORABIES CONTROL.

\$185,000 is appropriated from the general fund to the board of animal health in the fiscal years indicated, to be available until June 30, 1989, to be used for a control program for pseudorabies in swine in which the state will pay costs of a program for testing of blood samples. Blood samples must be drawn from swine herds by practicing veterinarians. The program must be coordinated by board of animal health personnel. This appropriation is in addition to other appropriations to the board of animal health for pseudorabies control.

Sec. 14. APPROPRIATION; LOW LIVESTOCK PRODUCTIVITY STUDY.

\$50,000 is appropriated from the general fund to the commissioner of agriculture for purposes of the study required under article 9. Of this appropriation not more than \$4,000 is available for administrative costs of the department of agriculture and mileage and expense reimbursements to members of the advisory board. This appropriation is available until June 30, 1989.

Approved June 4, 1987

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