

Subd. 3. REVIEW BY THE BOARD. The board shall review the siting procedures and considerations for siting large energy electric generating plants under sections 116C.51 to 116C.69 and rules adopted under those sections and shall adopt, by resolution, after a public comment period, those procedures, considerations, and rules it determines are necessary to designate a site for a dry cask storage facility and to issue a certificate of site comparability. The siting procedures and considerations must provide for an opportunity for all interested persons to participate.

Presented to the governor May 6, 1994

Signed by the governor May 10, 1994, 4:05 p.m.

CHAPTER 642—S.F.No. 2168

An act relating to agricultural businesses; providing for promotion of nontraditional agriculture, inspection of agricultural operations, ethanol development, a value-added agricultural product loan program, sale of stock in cooperatives, and care of dogs and cats; creating an interest buy-down program; exempting from the sales tax the gross receipts from sales of used farm machinery; providing matching money for federal emergency disaster funds in flood damaged counties; providing for emergency job creation; authorizing a grain grading and testing equipment pilot program; providing supplemental funding for grain inspection programs, the ethanol development fund, and small business disaster loan programs; expanding research on grain diseases and soybeans; increasing funding for the farm advocates program, agricultural resource centers, legal assistance to farmers, legal challenges to the federal milk market order system, farm and small business management programs at technical colleges and Minnesota extension; funding a beaver control program, the dairy leaders roundtable, the state park road account, an advisory committee, and a task force; providing funding to the Agricultural Utilization Research Institute; requiring a report; appropriating money; amending Minnesota Statutes 1992, sections 17.03, by adding a subdivision; 180.03, by adding a subdivision; and 297A.25, by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 41B.044, subdivision 2; and 80A.15, subdivision 2; Laws 1993, chapter 172, section 7, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 17; 41B; and 346.

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

Section 1. Minnesota Statutes 1992, section 17.03, is amended by adding a subdivision to read:

Subd. 7a. NONTRADITIONAL AGRICULTURE; PROMOTION. (a) The commissioner shall devise means of advancing the production and marketing of nontraditional agricultural products of the state. The commissioner shall also seek the cooperation and involvement of every department or agency of the state, and such public and nonpublic organizations as the commissioner deems appropriate, for the promotion of nontraditional agricultural products.

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(b) The production and marketing of nontraditional agricultural products are considered agricultural pursuits.

(c) Except as otherwise provided in law, the commissioner may adopt appropriate rules concerning health standards for nontraditional agriculture.

(d) Except as otherwise provided in law, the slaughter of all meat producing animals, fowl, or fish that are nontraditional agriculture intended for sale in commercial outlets must occur at an inspected slaughterhouse.

(e) Except as otherwise provided in law, it is the responsibility of an owner to take all reasonable actions to maintain the nontraditional agriculture on property owned or leased by the owner, including the construction of fences, enclosures, or other barriers, and housing of a suitable design.

(f) For purposes of this subdivision "nontraditional agriculture" and "non-traditional agricultural products" includes but is not limited to aquaculture as defined in section 17.47, subdivision 2, and the production of animals domesticated from wild stock, either native or nonnative, that are kept in confinement by the owner.

Sec. 2. [17.139] MEMORANDUM OF AGREEMENT AMONG STATE AGENCIES ON INSPECTIONS OF AGRICULTURAL OPERATIONS.

The commissioner shall develop memoranda of agreement among all state and federal agencies that have authority to inspect property in agricultural use, as defined in section 17.81, subdivision 4, to ensure that reasonable and effective protocols are followed when inspecting sites in agricultural use. The memorandum shall specify procedures that address, but are not limited to, the following:

(1) when appropriate, advance notice to the agricultural use landowner or operator;

(2) procedures for notification of the inspection results or conclusions to the owner or operator; and

(3) special procedures as might be necessary, such as to prevent the introduction of diseases.

Sec. 3. Minnesota Statutes 1993 Supplement, section 41B.044, subdivision 2, is amended to read:

Subd. 2. **ETHANOL DEVELOPMENT FUND.** There is established in the state treasury an ethanol development fund. All repayments of financial assistance granted under subdivision 1, including principal and interest, must be deposited into this fund. Interest earned on money in the fund accrues to the fund, and money in the fund is appropriated to the commissioner of agriculture for purposes of the ethanol production facility loan program, including costs incurred by the authority to establish and administer the program.

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Sec. 4. **[41B.046] VALUE-ADDED AGRICULTURAL PRODUCT LOAN PROGRAM.**

Subdivision 1. DEFINITIONS. For purposes of this section:

(1) "Agricultural product processing facility" means land, buildings, structures, fixtures, and improvements located or to be located in Minnesota and used or operated primarily for the processing or production of marketable products from agriculture crops, including waste and residues from agriculture crops, but not including livestock or livestock products, poultry or poultry products, or wood or wood products.

(2) "Value-added agricultural product" means a product derived from agricultural crops, including waste and residues from agricultural crops, but not including livestock or livestock products, poultry or poultry products, or wood or wood products, which are processed by an agricultural product processing facility.

Subd. 2. ESTABLISHMENT. The authority shall establish and implement a value-added agricultural product loan program to help farmers finance the purchase of stock in a cooperative proposing to build or purchase and operate an agricultural product processing facility.

Subd. 3. REVOLVING FUND. There is established in the state treasury a value-added agricultural product revolving fund which is eligible to receive appropriations. All repayments of financial assistance granted under subdivision 2, including principal and interest, must be deposited into this fund. Interest earned on money in the fund accrues to the fund, and money in the fund is appropriated to the commissioner of agriculture for purposes of the value-added agricultural loan program, including costs incurred by the authority to establish and administer the program.

Subd. 4. ELIGIBILITY. To be eligible for this program a borrower must:

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

(2) be a grower of the agricultural product which is to be processed by an agricultural product processing facility;

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

(4) meet any other requirements which the authority may impose by rule.

Subd. 5. LOANS. (a) The authority may participate in a stock loan with an eligible lender to a farmer who is eligible under subdivision 4. Participation is limited to 45 percent of the principal amount of the loan or \$24,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may differ from the interest rates and repayment terms of the lender's retained portion of the loan, but the authority's interest rate must not exceed 50 percent of the lender's interest rate.

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(b) No more than 95 percent of the purchase price of the stock may be financed under this program.

(c) Loans under this program must not be included in the lifetime limitation calculated under section 41B.03, subdivision 1.

(d) Security for stock loans must be the stock purchased, a personal note executed by the borrower, and whatever other security is required by the eligible lender or the authority.

(e) The authority may impose a reasonable nonrefundable application fee for each application for a stock loan. The authority may review the fee annually and make adjustments as necessary. The application fee is initially \$50. Application fees received by the authority must be deposited in the value-added agricultural product revolving fund.

(f) Stock loans under this program will be made using money in the value-added agricultural product revolving fund established under subdivision 3.

(g) The authority may not grant stock loans in a cumulative amount exceeding \$2,000,000 for the financing of stock purchases in any one cooperative.

Subd. 6. RULES. The authority may adopt rules necessary for the administration of the program including rules which establish a minimum cost of any agricultural product processing facility for which financial assistance may be given to any farmer to help finance the purchase of stock in a cooperative.

Sec. 5. Minnesota Statutes 1993 Supplement, section 80A.15, subdivision 2, is amended to read:

Subd. 2. The following transactions are exempted from sections 80A.08 and 80A.16:

(a) Any sales, whether or not effected through a broker-dealer, provided that no person shall make more than ten sales of securities of the same issuer pursuant to this exemption during any period of 12 consecutive months; provided further, that in the case of sales by an issuer, except sales of securities registered under the Securities Act of 1933 or exempted by section 3(b) of that act, (1) the seller reasonably believes that all buyers are purchasing for investment, and (2) the securities are not advertised for sale to the general public in newspapers or other publications of general circulation or otherwise, or by radio, television, electronic means or similar communications media, or through a program of general solicitation by means of mail or telephone.

(b) Any nonissuer distribution of an outstanding security if (1) either Moody's, Fitch's, or Standard & Poor's Securities Manuals, or other recognized manuals approved by the commissioner contains the names of the issuer's officers and directors, a balance sheet of the issuer as of a date not more than 18 months prior to the date of the sale, and a profit and loss statement for the fiscal year preceding the date of the balance sheet, and (2) the issuer or its predecessor

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has been in active, continuous business operation for the five-year period next preceding the date of sale, and (3) if the security has a fixed maturity or fixed interest or dividend provision, the issuer has not, within the three preceding fiscal years, defaulted in payment of principal, interest, or dividends on the securities.

(c) The execution of any orders by a licensed broker-dealer for the purchase or sale of any security, pursuant to an unsolicited offer to purchase or sell; provided that the broker-dealer acts as agent for the purchaser or seller, and has no direct material interest in the sale or distribution of the security, receives no commission, profit, or other compensation from any source other than the purchaser and seller and delivers to the purchaser and seller written confirmation of the transaction which clearly itemizes the commission, or other compensation.

(d) Any nonissuer sale of notes or bonds secured by a mortgage lien if the entire mortgage, together with all notes or bonds secured thereby, is sold to a single purchaser at a single sale.

(e) Any judicial sale, exchange, or issuance of securities made pursuant to an order of a court of competent jurisdiction.

(f) The sale, by a pledge holder, of a security pledged in good faith as collateral for a bona fide debt.

(g) Any offer or sale to a bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit sharing trust, or other financial institution or institutional buyer, or to a broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity.

(h) Any sales by an issuer to the number of persons that shall not exceed 25 persons in this state, or 35 persons if the sales are made in compliance with Regulation D promulgated by the Securities and Exchange Commission, Code of Federal Regulations, title 17, sections 230.501 to 230.506, (other than those designated in paragraph (a) or (g)), whether or not any of the purchasers is then present in this state, if (1) the issuer reasonably believes that all of the buyers in this state (other than those designated in clause (g)) are purchasing for investment, and (2) no commission or other remuneration is paid or given directly or indirectly for soliciting any prospective buyer in this state (other than those designated in clause (g)), except reasonable and customary commissions paid by the issuer to a broker-dealer licensed under this chapter, and (3) the issuer has, ten days prior to any sale pursuant to this paragraph, supplied the commissioner with a statement of issuer on forms prescribed by the commissioner, containing the following information: (i) the name and address of the issuer, and the date and state of its organization; (ii) the number of units, price per unit, and a description of the securities to be sold; (iii) the amount of commissions to be paid and the persons to whom they will be paid; (iv) the names of all officers, directors and persons owning five percent or more of the equity of the issuer; (v) a brief description of the intended use of proceeds; (vi) a description of all sales

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of securities made by the issuer within the six-month period next preceding the date of filing; and (vii) a copy of the investment letter, if any, intended to be used in connection with any sale. Sales that are made more than six months before the start of an offering made pursuant to this exemption or are made more than six months after completion of an offering made pursuant to this exemption will not be considered part of the offering, so long as during those six-month periods there are no sales of unregistered securities (other than those made pursuant to paragraph (a) or (g)) by or for the issuer that are of the same or similar class as those sold under this exemption. The commissioner may by rule or order as to any security or transaction or any type of security or transaction, withdraw or further condition this exemption, or increase the number of offers and sales permitted, or waive the conditions in clause (1), (2), or (3) with or without the substitution of a limitation or remuneration.

(i) Any offer (but not a sale) of a security for which a registration statement has been filed under sections 80A.01 to 80A.31, if no stop order or refusal order is in effect and no public proceeding or examination looking toward an order is pending; and any offer of a security if the sale of the security is or would be exempt under this section. The commissioner may by rule exempt offers (but not sales) of securities for which a registration statement has been filed as the commissioner deems appropriate, consistent with the purposes of sections 80A.01 to 80A.31.

(j) The offer and sale by a cooperative ~~association~~ organized under chapter 308A or under the laws of another state, of its securities when the securities are offered and sold only to its members, or when the purchase of the securities is necessary or incidental to establishing membership in ~~such association~~ the cooperative, or when such securities are issued as patronage dividends. This paragraph applies to a cooperative organized under the laws of another state only if the cooperative has filed with the commissioner a consent to service of process under section 80A.27, subdivision 7, and has, not less than ten days prior to the issuance or delivery, furnished the commissioner with a written general description of the transaction and any other information that the commissioner requires by rule or otherwise.

(l) The issuance and delivery of any securities of one corporation to another corporation or its security holders in connection with a merger, exchange of shares, or transfer of assets whereby the approval of stockholders of the other corporation is required to be obtained, provided, that the commissioner has been furnished with a general description of the transaction and with other information as the commissioner by rule prescribes not less than ten days prior to the issuance and delivery.

(m) Any transaction between the issuer or other person on whose behalf the offering is made and an underwriter or among underwriters.

(n) The distribution by a corporation of its or other securities to its own security holders as a stock dividend or as a dividend from earnings or surplus or

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as a liquidating distribution; or upon conversion of an outstanding convertible security; or pursuant to a stock split or reverse stock split.

(o) Any offer or sale of securities by an affiliate of the issuer thereof if: (1) a registration statement is in effect with respect to securities of the same class of the issuer and (2) the offer or sale has been exempted from registration by rule or order of the commissioner.

(p) Any transaction pursuant to an offer to existing security holders of the issuer, including persons who at the time of the transaction are holders of convertible securities, nontransferable warrants, or transferable warrants exercisable within not more than 90 days of their issuance, if: (1) no commission or other remuneration (other than a standby commission) is paid or given directly or indirectly for soliciting any security holder in this state; and (2) the commissioner has been furnished with a general description of the transaction and with other information as the commissioner may by rule prescribe no less than ten days prior to the transaction.

(q) Any nonissuer sales of any security, including a revenue obligation, issued by the state of Minnesota or any of its political or governmental subdivisions, municipalities, governmental agencies, or instrumentalities.

Sec. 6. Minnesota Statutes 1992, section 180.03, is amended by adding a subdivision to read:

Subd. 5. Upon written notice to the county mine inspector, a person, firm, or corporation that is actively and exclusively engaged in the business of cold water aquaculture shall be exempt from the requirements of subdivision 3. The exemption shall only apply to those portions of idle or abandoned open pit mines that are actively being used for aquaculture operations and that are owned by the person, firm, or corporation. A landowner exempted assumes all responsibility for inspection and safety measures pertaining to the affected parcels of land and the county mine inspector is relieved of inspection requirements. The notice provided to the county mine inspector pursuant to this subdivision shall be annual and shall be filed with the county mine inspector's office by January 15 of each year. The notice shall describe the affected parcels of land and shall provide a sworn affidavit by the landowner that the subject property will be actively and exclusively used for aquaculture purposes during the calendar year. Failure to comply with the notice requirement of this subdivision makes the idle or abandoned open pit mines subject to the provisions of subdivision 3.

Sec. 7. Minnesota Statutes 1992, section 297A.25, is amended by adding a subdivision to read:

Subd. 59. FARM MACHINERY. From July 1, 1994, until June 30, 1995, the gross receipts from the sale of used farm machinery are exempt.

Sec. 8. [346.58] DOGS AND CATS; BEST MANAGEMENT STAN-

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DARDS FOR CARE BY DEALERS, COMMERCIAL BREEDERS, AND BROKERS.

The commissioner of agriculture shall consult with interested persons, including but not limited to persons representing dog and cat dealers, breeders, and brokers, the Minnesota federated humane society, the Minnesota council for dog clubs, the American dog owners association, the board of animal health, the Minnesota purebred dog breeders association, the Minnesota citizens for animal care, the United States Department of Agriculture, and the Minnesota veterinary medical association. The commissioner shall issue an order containing best management standards of care for dogs and cats by dealers, commercial breeders, and brokers. These standards are not subject to chapter 14. The commissioner shall urge dealers, commercial breeders, and brokers to follow the standards issued in the order.

Sec. 9. DOGS AND CATS; CARE RECOMMENDATIONS.

The commissioner of agriculture shall make recommendations to the 1995 legislature on changes to statutory dog and cat care standards in relation to the commercial breeding and sale of dogs and cats. The commissioner shall recommend enacting into law standards that, if violated, are serious enough to warrant a civil or criminal penalty and shall also recommend changes in law to improve the ease of enforcement in Minnesota Statutes, sections 325F.79 to 325F.792, and other laws related to animal cruelty.

Sec. 10. Laws 1993, chapter 172, section 7, subdivision 3, is amended to read:

Subd. 3. Promotion and Marketing

2,142,000	1,142,000	
	Summary by Fund	
General	1,959,000	959,000
Special Revenue	183,000	183,000

Notwithstanding Minnesota Statutes, section 41A.09, subdivision 3, the total payments from the ethanol development account to all producers may not exceed \$15,800,000 for the biennium ending June 30, 1995. In fiscal year 1994, the commissioner shall first reimburse producers up to \$981,024 for eligible, unpaid claims accumulated through June 30, 1993.

\$1,000,000 is appropriated to the ethanol development fund established in Minnesota Statutes, section 41B.044, subdivision 2, in 1994 for use by the

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rural finance authority for purposes of assisting in the finance of ethanol production facilities in Minnesota. Any amount of this appropriation that remains unencumbered at the end of any biennium does not revert to the general fund but remains available as a revolving account.

\$100,000 the first year and \$100,000 the second year are for ethanol promotion and public education.

\$100,000 the first year and \$100,000 the second year must be spent for the WIC coupon program.

\$45,000 is appropriated in each year for a project to expand agriculture opportunities for the Hmong and other Southeast Asian farmers by expansion of the existing market base and to target new wholesale and retail markets. The money may also be used to expand the wholesale and retail market for other groups involved in direct marketing efforts such as alternative meat and food products. The department must report on the project to the finance committees by January 15, 1995.

\$71,000 the first year and \$71,000 the second year are for transfer to the Minnesota grown matching account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.109.

\$183,000 the first year and \$183,000 the second year are from the commodities research and promotion account in the special revenue fund.

Sec. 11. FARM AND SMALL BUSINESS INTEREST BUY-DOWN PROGRAMS; DEFINITIONS.

Subdivision 1. APPLICABILITY. The definitions in this section apply to sections 11 to 18.

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Subd. 2. COMMISSIONER. “Commissioner” means the commissioner of agriculture.

Subd. 3. ELIGIBLE BORROWER. “Eligible borrower” means a farmer or small business operator who applies to a participating lender for a loan and meets all qualifications established in section 12 and any further qualifications that may be announced by the commissioner.

Subd. 4. FARMER. “Farmer” means a state resident, a domestic family farm corporation, or a family farm partnership as defined in Minnesota Statutes, section 500.24, subdivision 2, operating a farm within the state.

Subd. 5. FARM LOAN. “Farm loan” means an original, extended, or renegotiated loan or line of credit obtained by a farmer from a lender for the purpose of financing the operations of a farm. A farm loan includes an open line of credit even though the maximum principal amount of the line of credit may not be drawn at any one time. A farm loan eligible for interest buy-down must have a maturity date of November 30, 1995, or earlier.

Subd. 6. INTEREST BUY-DOWN. “Interest buy-down” means a reduction in the effective interest rate on a farm loan or a small business loan to an eligible borrower due to partial payment of interest costs by the commissioner and partial reduction of interest costs by the participating lender.

Subd. 7. LENDER. “Lender” means a bank, credit union, or savings and loan association chartered by the state or federal government, a unit of the farm credit system, the Federal Deposit Insurance Corporation, or another financial institution approved by the commissioner.

Subd. 8. PARTICIPATING LENDER. “Participating lender” means a lender who has been granted participating lender status by the commissioner.

Subd. 9. SMALL BUSINESS. “Small business” means a business entity as defined in Minnesota Statutes, section 645.445, with its principal place of business in Minnesota.

Subd. 10. SMALL BUSINESS LOAN. “Small business loan” means an original, extended, or renegotiated loan or line of credit obtained by a small business for purposes of financing the operations of a small business. A small business loan eligible for interest buy-down must have a maturity date of November 30, 1995, or earlier.

Sec. 12. ELIGIBILITY; FARM LOAN.

A farmer is eligible for the farm loan interest buy-down program under this article if a participating lender determines that the farmer meets the criteria in this section.

(a) The farmer suffered significant losses during 1993 from a natural disaster and the farm operation faces economic stress without the assistance of the farm

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loan interest buy-down program. A determination of significant loss and economic stress by a lender is deemed reasonable and accurate without further audit or substantiation.

(b) The farmer has a reasonable opportunity for long-term financial viability in the farmer's current farm operation. A determination of financial viability by a lender is deemed to be reasonable and accurate without further audit or substantiation.

Sec. 13. ELIGIBILITY; SMALL BUSINESS LOAN.

A small business is eligible for the small business loan interest buy-down program if a participating lender determines that the small business meets the criteria in this section.

(a) The small business suffered significant losses during 1993 from a natural disaster and the small business faces economic stress without the assistance of the small business loan interest buy-down program. A determination of significant loss and economic stress by a lender is deemed reasonable and accurate without further audit or substantiation.

(b) The small business has a reasonable opportunity for long-term financial viability in the small business's current operation. A determination of financial viability by a lender is deemed to be reasonable and accurate without further audit or substantiation.

Sec. 14. LENDER ELIGIBILITY; OBLIGATIONS; TIMELY APPLICATION.

Subdivision 1. ELIGIBLE PARTICIPATING LENDER STATUS. A lender who meets the requirements established by the commissioner must be approved as a participating lender.

Subd. 2. RECEIPT OF APPLICATIONS FOR INTEREST BUY-DOWN. A participating lender shall receive and evaluate loan applications from a farmer or small business. An eligible borrower must complete a loan application with a participating lender before December 31, 1994. In determining whether to make a farm or small business loan, the participating lender may use criteria in addition to those in sections 12 and 13.

Subd. 3. MAXIMUM INTEREST RATE. To qualify for interest buy-down payments, a participating lender shall offer to make a farm or small business loan to an eligible borrower at a rate of interest equivalent to that offered to other borrowers having similar security and financial status, less the lender's contribution under the program. The commissioner, in cooperation with the commissioner of commerce, may use appropriate means to verify that the interest rate available to an eligible borrower is substantially the same as that available to other borrowers.

Subd. 4. PRIORITY. Properly completed applications for the interest buy-down program take priority in the order they are received by the commissioner.

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Sec. 15. RESPONSIBILITIES OF COMMISSIONER.

Subdivision 1. ANNOUNCEMENT OF PROGRAM PROCEDURES. Within 30 days after the effective date of sections 11 to 18, the commissioner shall announce procedures for the interest buy-down program.

Subd. 2. PREPARATION AND DISTRIBUTION OF LENDER PARTICIPATION FORMS. The commissioner, in cooperation with the commissioner of commerce, shall prepare and distribute forms and instructions, including forms for the statement required under section 18, to all lenders in the state.

Subd. 3. APPROVAL OF APPLICATIONS FOR INTEREST BUY-DOWN PAYMENT. (a) The commissioner shall review, within five working days of submission by a participating lender, a properly completed application for interest buy-down payments on a farm or small business loan. If a participating lender does not receive written notice that the commissioner has denied interest buy-down payments within seven working days, the borrower is an eligible borrower and interest buy-down payments on the farm or small business loan are approved by the commissioner.

(b) All applications received by the commissioner after appropriated interest buy-down program funds have been encumbered, plus an amount anticipated to become available because of loans that may be retired early, must be returned immediately to the lender with an explanation that participation in the interest buy-down program is denied due to prior commitment of available program funds.

Subd. 4. BUY-DOWN PAYMENTS TO PARTICIPATING LENDERS. Within 60 days after a request by a participating lender, the commissioner shall pay to the participating lender one-half of the expected interest buy-down amount. The balance of the state contribution must be paid by the commissioner to the participating lender within 30 days after the loan matures or is repaid in full and the request is submitted by the participating lender. All interest buy-down payments under this article must be made by joint-payee checks in the name of the participating lender and the eligible borrower.

Sec. 16. STATE CONTRIBUTION; MAXIMUM LOAN.

The commissioner shall pay to a participating lender for the first \$50,000 of an approved farm or small business loan made to an eligible borrower an amount equal to an annual rate of three percent interest on the loan, but the payment may not exceed \$2,250 per farm or small business loan.

Sec. 17. LENDER CONTRIBUTION.

A participating lender shall provide a reduction in interest rate for the first \$50,000 of an approved farm or small business loan made to an eligible borrower in an amount equal to an annual rate of at least one-half of one percent interest on the loan.

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Sec. 18. BORROWER STATEMENT.

No person may receive a farm or small business loan under sections 11 to 18 until the person has signed a statement acknowledging that the relief provided in the interest buy-down program is a form of government spending that has been made available to the person through the collection of taxes. The commissioner must retain a copy of the statement from each recipient.

Sec. 19. APPROPRIATION; INTEREST BUY-DOWN.

(a) 5,000,000 is appropriated from the general fund to the commissioner of agriculture for the interest buy-down program in sections 11 to 18. Any unencumbered balance remaining on July 1, 1995, does not cancel but is transferred to and becomes additional funding for the emergency job creation program in section 22. Not more than \$200,000 of this appropriation may be used by the commissioner for program administrative costs.

(b) The commissioner shall not approve an application for a loan under the interest buy-down program after the appropriation for the program, plus an amount anticipated to become available because of loans that may be retired early, has been fully committed.* (Section 19 was vetoed by the governor.)

Sec. 20. APPROPRIATION; GRAIN GRADING AND TESTING EQUIPMENT; PILOT CHECK-TEST PROGRAM.

(a) \$250,000 is appropriated from the general fund to the commissioner of agriculture as supplemental funding for activities of the grain inspection and weighing programs of the department. The additional funding is for a thorough, properly documented, review of the accuracy of equipment used by country elevators to test grain for determination of price. The sample selection, equipment testing, and analytical procedures must be performed using commonly accepted protocols. Tolerances to be used for determination of a re-test are those adopted in rule pursuant to Minnesota Statutes, section 17B.041.

(b) The pilot check-testing program must be conducted throughout the agricultural areas of the state at country elevators selected by the commissioner. Country elevators in the selected counties must undergo check-testing an average of four times per year, including both peak harvest periods and nonharvest periods. Check-testing must include all grains the elevator handles in significant quantity.

(c) Not later than February 15, 1996, the commissioner shall report to the committees of the Minnesota senate and house of representatives on the activities and findings of the pilot check-test program, along with recommendations for ways to assure increased accuracy in grain testing.

(d) This appropriation is available until December 31, 1995.* (Section 20 was vetoed by the governor.)

Sec. 21. APPROPRIATION; FEDERAL EMERGENCY MANAGEMENT ASSISTANCE MATCH.

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\$2,908,000 is appropriated from the general fund to the commissioner of public safety to provide matching funds for federal emergency management assistance funds received in flood damaged counties in 1993.

Sec. 22. APPROPRIATION; EMERGENCY JOB CREATION; DEPARTMENT OF JOBS AND TRAINING.

\$2,000,000 is appropriated from the general fund to the commissioner of jobs and training to supplement the federal emergency job creation program. This appropriation is available when federal funding for the emergency job creation program in Minnesota is exhausted. The commissioner may allow projects that would not have been funded by the federal government in order to fund public projects, employing flood victims, that are not necessarily related to flood damage, but which local governments are unable to undertake because of flood expenses. The commissioner may also fund the leasing or other use of specialized equipment and services for projects undertaken with this appropriation. This appropriation is available until August 31, 1995.* (Section 22 was vetoed by the governor.)

Sec. 23. APPROPRIATION; WHEAT SCAB RESEARCH.

\$477,000 is appropriated from the general fund to the University of Minnesota for the fiscal biennium ending June 30, 1995, for research into the problem of wheat scab (vomitoxin) in Minnesota. The research should be designed to minimize the adverse effects of future wheat scab infestations in the short term while seeking to fully eliminate the problem in the long term.

Sec. 24. APPROPRIATION; FARM ADVOCATES.

\$100,000 is appropriated from the general fund to the commissioner of agriculture to supplement other sources of funding for the farm advocates program. This appropriation is available until June 30, 1995.

Sec. 25. APPROPRIATION; AGRICULTURAL RESOURCE CENTERS.

(a) \$100,000 is appropriated from the general fund to the commissioner of agriculture for supplemental funding for grants to agricultural information centers. No match is needed for the release of these supplemental state dollars. This appropriation is available until June 30, 1995.* (The preceding material beginning "Sec. 25." and ending "1995" was vetoed by the governor.)

(b) For money appropriated in Laws 1993, chapter 172, section 7, subdivision 4, for agricultural information centers, a match is not required for fiscal year 1994 appropriations and a match of four state dollars for each \$1 of matching nonstate money is required for fiscal year 1995 appropriations.

Sec. 26. APPROPRIATION; LEGAL ASSISTANCE TO FARMERS.

\$200,000 is appropriated from the general fund to the supreme court as supplemental funding for legal assistance to farmers in accordance with Minnesota Statutes, section 480.242, subdivision 5. This appropriation is available until June 30, 1995. This appropriation shall be in addition to other appropriations

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received for legal assistance. An entity receiving funding under this section may not have other sources of state funding reduced based on the funding received.* (Section 26 was vetoed by the governor.)

Sec. 27. APPROPRIATION; FARM FINANCIAL ASSISTANCE; STATE BOARD OF TECHNICAL COLLEGES.

(a) \$150,000 is appropriated from the general fund to the state board of technical colleges for farm and small business management programs using the FINPAK computer software program and other training and assistance to provide financial information to farmers affected by adverse weather conditions in 1993 to be used:

(1) for teleconferencing to provide information to farm and small business operators from federal and state agencies; and

(2) for support, assistance, and travel expenses for educators to target emergency assistance to persons in counties affected by adverse weather conditions in 1993.

(b) The board must coordinate the delivery of services with the Minnesota extension service to ensure broad coverage of the state for areas affected by adverse weather conditions in 1993. This appropriation is available until June 30, 1995.

Sec. 28. APPROPRIATION; FARM FINANCIAL ASSISTANCE; MINNESOTA EXTENSION SERVICE.

(a) \$100,000 is appropriated from the general fund to the University of Minnesota for the Minnesota extension service for farm and small business management programs using the FINPAK computer software program and other training and assistance to provide financial information to farmers affected by adverse weather conditions in 1993 to be used:

(1) by the center for farm financial management for computer software upgrades and support of educators providing financial information to farmers; and

(2) for support, assistance, and travel expenses for educators to target emergency assistance to persons in counties affected by adverse weather conditions in 1993.

(b) The Minnesota extension service must coordinate the delivery of services with the state board of technical colleges to ensure broad coverage of the state for areas affected by adverse weather conditions in 1993. This appropriation is available until June 30, 1995.* (Section 28 was vetoed by the governor.)

Sec. 29. APPROPRIATION; SMALL BUSINESS DISASTER REVOLVING LOAN FUND.

New language is indicated by underline, deletions by ~~strikeout~~.

\$900,000 is appropriated from the general fund to the commissioner of trade and economic development to supplement funding of programs through the federal Economic Development Administration. Use of these funds may include providing local matches to federal dollars through the regional development commissions or alternative groups. This appropriation is available until June 30, 1995.

Sec. 30. APPROPRIATION; ETHANOL PRODUCTION.

\$1,475,000 is appropriated from the general fund to the ethanol development fund.

Sec. 31. APPROPRIATION; AGRICULTURAL UTILIZATION RESEARCH INSTITUTE.

\$1,000,000 is appropriated from the general fund to the agricultural utilization research institute for programs targeted to crops or regions that suffered losses in 1993. This appropriation is available until June 30, 1995.* (Section 31 was vetoed by the governor.)

Sec. 32. APPROPRIATION; DAIRY LITIGATION.

(a) \$55,000 is appropriated from the general fund to the supreme court as a one-time appropriation for family farm legal assistance for financially distressed dairy farmers' difficulties with the federal milk marketing order system under Minnesota Statutes, section 480.242, subdivision 5, clause (2). This appropriation shall be in addition to other appropriations received for legal assistance. An entity receiving funding under this section may not have other sources of state funding reduced based on the funding received. This appropriation is available until June 30, 1995. The income eligibility rules described in Minnesota Statutes, section 480.242, subdivision 2, paragraph (b), are waived for purposes of this appropriation.

(b) The \$20,000 balance on May 22, 1993, of amounts authorized under Laws 1992, chapter 513, article 2, section 6, subdivision 5, is transferred to the general fund and is appropriated to the supreme court for family farm legal assistance rendered from July 1, 1993, through June 30, 1995, for financially distressed dairy farmers' difficulties with the federal milk marketing order system under Minnesota Statutes, section 480.242, subdivision 5, clause (2). The income eligibility rules described in Minnesota Statutes, section 480.242, subdivision 2, paragraph (b), are waived for purposes of this appropriation.

Sec. 33. APPROPRIATION; BEAVER CONTROL.

\$50,000 is appropriated to the commissioner of agriculture for a grant to the beaver damage control joint powers board formed by Beltrami, Clearwater, Marshall, Pennington, Polk, and Red Lake counties, for the purpose of beaver damage control. The grant must be matched by at least \$30,000 from the joint powers board. This appropriation is available until June 30, 1995.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 34. APPROPRIATION; GRAIN INSPECTION AND WEIGHING ACCOUNT DEFICIT.

\$200,000 is appropriated from the general fund to the grain inspection and weighing account established in Minnesota Statutes, chapter 17B, and from the account to the commissioner of agriculture as needed for carrying out the purposes of Minnesota Statutes, chapter 17B.

Sec. 35. APPROPRIATION; VALUE-ADDED AGRICULTURAL PRODUCT LOAN PROGRAM.

\$1,000,000 is appropriated from the general fund to the value-added agricultural product revolving fund for use by the rural finance authority as provided in section 4. The commissioner of agriculture may use any portion of the fund as a grant to a city to attract and provide an incentive to locate an agricultural product processing facility whose project cost is estimated to be at least \$100,000,000. \$750,000 of the amount appropriated to the fund shall be available to make such a grant to a city until December 31, 1994, and after that date any unused portion of this available grant money shall be transferred to the commissioner for the interest buy-down program in sections 11 to 18.

Sec. 36. APPROPRIATION; CORPORATE FARMING LAW TASK FORCE.

\$40,000 is appropriated from the general fund to the commissioner of agriculture to provide staff and research support for the corporate farming law task force.

Sec. 37. APPROPRIATION; HIGH OIL SOYBEANS RESEARCH.

\$150,000 is appropriated from the general fund to the commissioner of agriculture for the fiscal biennium ending June 30, 1995, to make research grants to the University of Minnesota or other educational institutions in Minnesota to develop higher protein, higher oil content varieties of soybeans that would grow in Minnesota.

Sec. 38. APPROPRIATION; STATE PARK ROAD ACCOUNT.

\$250,000 is appropriated from the general fund to the commissioner of transportation with instructions that it be added to the state park road account under Minnesota Statutes, section 162.06, subdivision 5.* (Section 38 was vetoed by the governor.)

Sec. 39. APPROPRIATION; DAIRY LEADERS ROUNDTABLE.

\$50,000 is appropriated from the general fund to the commissioner of agriculture for a grant to the dairy leaders round table. This appropriation must be matched with nonstate funds.

Sec. 40. APPROPRIATION; FEEDLOT MANURE MANAGEMENT ADVISORY COMMITTEE.

New language is indicated by underline, deletions by ~~strikeout~~.

\$5,000 is appropriated from the general fund to the commissioner of agriculture for payment of expenses for the feedlot and manure management advisory committee.

Sec. 41. REPORT OF AGENCIES.

Before January 1, 1996, the commissioner of public safety shall coordinate and present to the legislature a report from all departments, agencies, and organizations receiving funding under this act regarding the specific uses of such funding and the effects of assistance provided under this act to the agricultural economy and rural communities affected by natural disasters in 1993.

Sec. 42. EFFECTIVE DATE.

Sections 3 and 10 are effective retroactive to July 1, 1993. Sections 1, 2, 4 to 9, and 11 to 42 are effective the day after final enactment.

Presented to the governor May 6, 1994

Signed by the governor May 10, 1994, 5:58 p.m.

CHAPTER 643—H.F.No. 218

An act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of bonds; requiring payment for debt service; reducing certain earlier project authorizations and appropriations; establishing a library planning task force; providing for appointments; appropriating money, with certain conditions; amending Minnesota Statutes 1992, sections 16A.641, subdivision 8; 16A.85, subdivision 1; 16B.24, subdivision 1; 16B.305, subdivision 2; 85.015, subdivision 4; 103G.005, by adding a subdivision; 103G.511; 103G.521, subdivision 1; 103G.535; 116.162, subdivision 2; 124.494, subdivisions 3, 4, 5, and 6; 135A.06, subdivision 4; 136.651; 167.51, subdivision 1; and 471.191, subdivision 1; Minnesota Statutes 1993 Supplement, sections 16B.335, by adding subdivisions; 85.019, by adding a subdivision; 124.494, subdivisions 1, 2, and 4a; and 136.261, subdivisions 1 and 1; Laws 1993, chapter 373, section 18; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; 84; 116J; 124C; 134; 135A; 216C; 268; and 462.

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

Section 1. CAPITAL IMPROVEMENTS APPROPRIATIONS.

The sums in the column under "APPROPRIATIONS" are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent to acquire and to better public land and buildings and other public improvements of a capital nature, as specified in this act.

New language is indicated by underline, deletions by ~~strikeout~~.