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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 1071

03/04/2013 Authored by Poppe

The bill was read for the first time and referred to the Committee on Agriculture Policy

03/13/2013 Adoption of Report: Pass as Amended and re-referred to the Committee on Government Operations

03/18/2013 Adoption of Report: Pass and re-referred to the Committee on Environment, Natural Resources and Agriculture Finance

1.1 A bill for an act
1.2 relating to agriculture; making policy, technical, conforming, and clarifying
1.3 changes to provisions related to agricultural law; modifying provisions related
1.4 to pesticide control, agricultural resource loan and ethanol development, the
1.5 Rural Finance Authority, grain buyers, and other agriculture-related provisions;
1.6 modifying provisions related to biofuel; directing the NextGen Energy Board to
1.7 examine biobased chemical production from agricultural and forestry feedstocks;
1.8 modifying noxious weed law; modifying definition of E85; amending Minnesota
1.9 Statutes 2012, sections 17.118, subdivision 2; 18.77, subdivisions 3, 4, 10, 12;
1.10 18.78, subdivision 3; 18.79, subdivisions 6, 13; 18.82, subdivision 1; 18.91,
1.11 subdivisions 1, 2; 18B.01, by adding a subdivision; 18B.065, subdivision 2a;
1.12 18B.07, subdivisions 4, 5, 7; 18B.26, subdivision 3; 18B.316, subdivisions 1,
1.13 3, 4, 8, 9; 18B.37, subdivision 4; 31.94; 41A.10, subdivision 2, by adding a
1.14 subdivision; 41A.105, subdivisions 1a, 3, 5; 41A.12, by adding a subdivision;
1.15 41B.04, subdivision 9; 116J.437, subdivision 1; 223.17, by adding a subdivision;
1.16 232.22, by adding a subdivision; 239.051, by adding subdivisions; 239.791,
1.17 subdivisions 1, 2a, 2b; 239.7911; 296A.01, subdivision 19, by adding a
1.18 subdivision; proposing coding for new law in Minnesota Statutes, chapter 18;
1.19 repealing Minnesota Statutes 2012, sections 18.91, subdivisions 3, 5; 18B.07,
1.20 subdivision 6; 239.791, subdivision 1a.

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

1.22 **ARTICLE 1**

1.23 **POLICY AND TECHNICAL CHANGES**

1.24 Section 1. Minnesota Statutes 2012, section 17.118, subdivision 2, is amended to read:

1.25 Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this
1.26 subdivision have the meanings given them.

1.27 (b) "Livestock" means beef cattle, dairy cattle, swine, poultry, goats, mules, farmed
1.28 cervidae, ratitae, bison, sheep, horses, and llamas.

1.29 (c) "Qualifying expenditures" means the amount spent for:

- 2.1 (1) the acquisition, construction, or improvement of buildings or facilities for the
2.2 production of livestock or livestock products;
- 2.3 (2) the development of pasture for use by livestock including, but not limited to, the
2.4 acquisition, development, or improvement of:
- 2.5 (i) lanes used by livestock that connect pastures to a central location;
- 2.6 (ii) watering systems for livestock on pasture including water lines, booster pumps,
2.7 and well installations;
- 2.8 (iii) livestock stream crossing stabilization; and
- 2.9 (iv) fences; or
- 2.10 (3) the acquisition of equipment for livestock housing, confinement, feeding, and
2.11 waste management including, but not limited to, the following:
- 2.12 (i) freestall barns;
- 2.13 (ii) watering facilities;
- 2.14 (iii) feed storage and handling equipment;
- 2.15 (iv) milking parlors;
- 2.16 (v) robotic equipment;
- 2.17 (vi) scales;
- 2.18 (vii) milk storage and cooling facilities;
- 2.19 (viii) bulk tanks;
- 2.20 (ix) computer hardware and software and associated equipment used to monitor
2.21 the productivity and feeding of livestock;
- 2.22 (x) manure pumping and storage facilities;
- 2.23 (xi) swine farrowing facilities;
- 2.24 (xii) swine and cattle finishing barns;
- 2.25 (xiii) calving facilities;
- 2.26 (xiv) digesters;
- 2.27 (xv) equipment used to produce energy;
- 2.28 (xvi) on-farm processing facilities equipment;
- 2.29 (xvii) fences; and
- 2.30 (xviii) livestock pens and corrals and sorting, restraining, and loading chutes.

2.31 Except for qualifying pasture development expenditures under clause (2), qualifying
2.32 expenditures only include amounts that are allowed to be capitalized and deducted under
2.33 either section 167 or 179 of the Internal Revenue Code in computing federal taxable
2.34 income. Qualifying expenditures do not include an amount paid to refinance existing debt.

2.35 ~~(d) "Qualifying period" means, for a grant awarded during a fiscal year, that full~~
2.36 ~~calendar year of which the first six months precede the first day of the current fiscal year. For~~

3.1 ~~example, an eligible person who makes qualifying expenditures during calendar year 2008~~
3.2 ~~is eligible to receive a livestock investment grant between July 1, 2008, and June 30, 2009.~~

3.3 Sec. 2. Minnesota Statutes 2012, section 18B.01, is amended by adding a subdivision
3.4 to read:

3.5 Subd. 4a. **Bulk pesticide storage facility.** "Bulk pesticide storage facility" means a
3.6 facility that is required to have a permit under section 18B.14.

3.7 Sec. 3. Minnesota Statutes 2012, section 18B.065, subdivision 2a, is amended to read:

3.8 Subd. 2a. **Disposal site requirement.** (a) For agricultural waste pesticides, the
3.9 commissioner must designate a place in each county of the state that is available at least
3.10 every other year for persons to dispose of unused portions of agricultural pesticides. The
3.11 commissioner shall consult with the person responsible for solid waste management
3.12 and disposal in each county to determine an appropriate location and to advertise each
3.13 collection event. The commissioner may provide a collection opportunity in a county
3.14 more frequently if the commissioner determines that a collection is warranted.

3.15 (b) For nonagricultural waste pesticides, the commissioner must provide a disposal
3.16 opportunity each year in each county or enter into a contract with a group of counties
3.17 under a joint powers agreement or contract for household hazardous waste disposal.

3.18 (c) As provided under subdivision 7, the commissioner may enter into cooperative
3.19 agreements with local units of government to provide the collections required under
3.20 paragraph (a) or (b) and shall provide a local unit of government, as part of the cooperative
3.21 agreement, with funding for reasonable costs incurred including, but not limited to, related
3.22 supplies, transportation, advertising, and disposal costs as well as reasonable overhead
3.23 costs.

3.24 (d) A person who collects waste pesticide under this section shall, on a form
3.25 provided or in a method approved by the commissioner, record information on each
3.26 waste pesticide product collected including, but not limited to, the quantity collected
3.27 and either the product name and its active ingredient or ingredients or the United States
3.28 Environmental Protection Agency registration number. The person must submit this
3.29 information to the commissioner at least annually by January 30.

3.30 (e) Notwithstanding the recording and reporting requirements of paragraph (d),
3.31 persons are not required to record or report agricultural or nonagricultural waste pesticide
3.32 collected in the remainder of 2013, 2014, and 2015. The commissioner shall analyze
3.33 existing collection data to identify trends that will inform future collection strategies to
3.34 better meet the needs and nature of current waste pesticide streams. By January 15, 2015,

4.1 the commissioner shall report analysis, recommendations, and proposed policy changes to
4.2 this program to legislative committees with jurisdiction over agriculture finance and policy.

4.3 **EFFECTIVE DATE.** This section is effective the day following final enactment
4.4 and applies to waste pesticide collected on or after that date through the end of 2015.

4.5 Sec. 4. Minnesota Statutes 2012, section 18B.07, subdivision 4, is amended to read:

4.6 Subd. 4. **Pesticide storage safeguards at application sites.** A person may not
4.7 allow a pesticide, rinsate, or unrinsed pesticide container to be stored, kept, or to remain in
4.8 or on any site without safeguards adequate to prevent an incident. Pesticides may not be
4.9 stored in any location with an open drain.

4.10 Sec. 5. Minnesota Statutes 2012, section 18B.07, subdivision 5, is amended to read:

4.11 Subd. 5. **Use of public water supplies for filling application equipment.** (a) A
4.12 person may not fill pesticide application equipment directly from a public water supply,
4.13 as defined in section 144.382, or from public waters, as defined in section 103G.005,
4.14 subdivision 15, unless the outlet from the public water supply is equipped with a backflow
4.15 prevention device that complies with and is installed in accordance with the Minnesota
4.16 Plumbing Code under Minnesota Rules, parts 4715.2000 to 4715.2280. A nurse tank not
4.17 connected to the water supply, an atmospheric vacuum breaker (AVB), and air gap that is
4.18 2.0 times the effective diameter of the outlet, a pressurized vacuum breaker (PVB), or
4.19 a reduced pressure principle backflow prevention device (RPZ) must also comply with
4.20 the requirements under the Minnesota Plumbing Code under Minnesota Rules, parts
4.21 4715.2000 to 4715.2280.

4.22 (b) Cross connections between a water supply use for filling pesticide application
4.23 equipment are prohibited.

4.24 (c) This subdivision does not apply to permitted applications of aquatic pesticides to
4.25 public waters.

4.26 Sec. 6. Minnesota Statutes 2012, section 18B.07, subdivision 7, is amended to read:

4.27 Subd. 7. ~~Cleaning equipment in or near surface water~~ **Pesticide handling**
4.28 **restrictions.** (a) A person may not: fill or clean pesticide application equipment where
4.29 pesticides or materials contaminated with pesticides could enter ditches, surface water,
4.30 groundwater, wells, drains, or sewers. For wells, the setbacks established in Minnesota
4.31 Rules, part 4725.4450, apply.

4.32 (1) ~~clean pesticide application equipment in surface waters of the state; or~~

5.1 ~~(2) fill or clean pesticide application equipment adjacent to surface waters;~~
5.2 ~~ditches, or wells where, because of the slope or other conditions, pesticides or materials~~
5.3 ~~contaminated with pesticides could enter or contaminate the surface waters, groundwater,~~
5.4 ~~or wells, as a result of overflow, leakage, or other causes.~~

5.5 (b) This subdivision does not apply to permitted application of aquatic pesticides to
5.6 public waters.

5.7 Sec. 7. Minnesota Statutes 2012, section 18B.26, subdivision 3, is amended to read:

5.8 Subd. 3. **Registration application and gross sales fee.** (a) For an agricultural
5.9 pesticide, a registrant shall pay an annual registration application fee for each agricultural
5.10 pesticide of \$350. The fee is due by December 31 preceding the year for which the
5.11 application for registration is made. The fee is nonrefundable.

5.12 (b) For a nonagricultural pesticide, a registrant shall pay a minimum annual
5.13 registration application fee for each nonagricultural pesticide of \$350. The fee is due by
5.14 December 31 preceding the year for which the application for registration is made. The
5.15 fee is nonrefundable. The registrant of a nonagricultural pesticide shall pay, in addition to
5.16 the \$350 minimum fee, a fee of 0.5 percent of annual gross sales of the nonagricultural
5.17 pesticide in the state and the annual gross sales of the nonagricultural pesticide sold into
5.18 the state for use in this state. ~~The commissioner may not assess a fee under this paragraph~~
5.19 ~~if the amount due based on percent of annual gross sales is less than \$10~~ No fee is required
5.20 if the fee due amount based on percent of annual gross sales of a nonagricultural pesticide
5.21 is less than \$10. The registrant shall secure sufficient sales information of nonagricultural
5.22 pesticides distributed into this state from distributors and dealers, regardless of distributor
5.23 location, to make a determination. Sales of nonagricultural pesticides in this state and
5.24 sales of nonagricultural pesticides for use in this state by out-of-state distributors are not
5.25 exempt and must be included in the registrant's annual report, as required under paragraph
5.26 (g), and fees shall be paid by the registrant based upon those reported sales. Sales of
5.27 nonagricultural pesticides in the state for use outside of the state are exempt from the
5.28 gross sales fee in this paragraph if the registrant properly documents the sale location and
5.29 distributors. A registrant paying more than the minimum fee shall pay the balance due by
5.30 March 1 based on the gross sales of the nonagricultural pesticide by the registrant for the
5.31 preceding calendar year. A pesticide determined by the commissioner to be a sanitizer or
5.32 disinfectant is exempt from the gross sales fee.

5.33 (c) For agricultural pesticides, a licensed agricultural pesticide dealer or licensed
5.34 pesticide dealer shall pay a gross sales fee of 0.55 percent of annual gross sales of the

6.1 agricultural pesticide in the state and the annual gross sales of the agricultural pesticide
6.2 sold into the state for use in this state.

6.3 (d) In those cases where a registrant first sells an agricultural pesticide in or into the
6.4 state to a pesticide end user, the registrant must first obtain an agricultural pesticide dealer
6.5 license and is responsible for payment of the annual gross sales fee under paragraph (c),
6.6 record keeping under paragraph (i), and all other requirements of section 18B.316.

6.7 (e) If the total annual revenue from fees collected in fiscal year 2011, 2012, or 2013,
6.8 by the commissioner on the registration and sale of pesticides is less than \$6,600,000, the
6.9 commissioner, after a public hearing, may increase proportionally the pesticide sales and
6.10 product registration fees under this chapter by the amount necessary to ensure this level
6.11 of revenue is achieved. The authority under this section expires on June 30, 2014. The
6.12 commissioner shall report any fee increases under this paragraph 60 days before the fee
6.13 change is effective to the senate and house of representatives agriculture budget divisions.

6.14 (f) An additional fee of 50 percent of the registration application fee must be paid by
6.15 the applicant for each pesticide to be registered if the application is a renewal application
6.16 that is submitted after December 31.

6.17 (g) A registrant must annually report to the commissioner the amount, type and
6.18 annual gross sales of each registered nonagricultural pesticide sold, offered for sale, or
6.19 otherwise distributed in the state. The report shall be filed by March 1 for the previous
6.20 year's registration. The commissioner shall specify the form of the report or approve
6.21 the method for submittal of the report and may require additional information deemed
6.22 necessary to determine the amount and type of nonagricultural pesticide annually
6.23 distributed in the state. The information required shall include the brand name, United
6.24 States Environmental Protection Agency registration number, and amount of each
6.25 nonagricultural pesticide sold, offered for sale, or otherwise distributed in the state, but
6.26 the information collected, if made public, shall be reported in a manner which does not
6.27 identify a specific brand name in the report.

6.28 (h) A licensed agricultural pesticide dealer or licensed pesticide dealer must annually
6.29 report to the commissioner the amount, type, and annual gross sales of each registered
6.30 agricultural pesticide sold, offered for sale, or otherwise distributed in the state or into the
6.31 state for use in the state. The report must be filed by January 31 for the previous year's
6.32 sales. The commissioner shall specify the form, contents, and approved electronic method
6.33 for submittal of the report and may require additional information deemed necessary to
6.34 determine the amount and type of agricultural pesticide annually distributed within the
6.35 state or into the state. The information required must include the brand name, United States

7.1 Environmental Protection Agency registration number, and amount of each agricultural
7.2 pesticide sold, offered for sale, or otherwise distributed in the state or into the state.

7.3 (i) A person who registers a pesticide with the commissioner under paragraph (b),
7.4 or a registrant under paragraph (d), shall keep accurate records for five years detailing
7.5 all distribution or sales transactions into the state or in the state and subject to a fee and
7.6 surcharge under this section.

7.7 (j) The records are subject to inspection, copying, and audit by the commissioner
7.8 and must clearly demonstrate proof of payment of all applicable fees and surcharges
7.9 for each registered pesticide product sold for use in this state. A person who is located
7.10 outside of this state must maintain and make available records required by this subdivision
7.11 in this state or pay all costs incurred by the commissioner in the inspecting, copying, or
7.12 auditing of the records.

7.13 (k) The commissioner may adopt by rule regulations that require persons subject
7.14 to audit under this section to provide information determined by the commissioner to be
7.15 necessary to enable the commissioner to perform the audit.

7.16 (l) A registrant who is required to pay more than the minimum fee for any pesticide
7.17 under paragraph (b) must pay a late fee penalty of \$100 for each pesticide application fee
7.18 paid after March 1 in the year for which the license is to be issued.

7.19 Sec. 8. Minnesota Statutes 2012, section 18B.316, subdivision 1, is amended to read:

7.20 Subdivision 1. **Requirement.** (a) A person must not ~~distribute~~ offer for sale or sell
7.21 an agricultural pesticide in the state or into the state without first obtaining an agricultural
7.22 pesticide dealer license.

7.23 (b) Each location or place of business from which an agricultural pesticide is
7.24 ~~distributed~~ offered for sale or sold in the state or into the state is required to have a
7.25 separate agricultural pesticide dealer license.

7.26 (c) A person who is a licensed pesticide dealer under section 18B.31 is not required
7.27 to also be licensed under this subdivision.

7.28 Sec. 9. Minnesota Statutes 2012, section 18B.316, subdivision 3, is amended to read:

7.29 Subd. 3. **Resident agent.** A person required to be licensed under subdivisions 1
7.30 and 2, or a person licensed as a pesticide dealer pursuant to section 18B.31 and who
7.31 operates from a location or place of business outside the state and who ~~distributes~~ offers
7.32 for sale or sells an agricultural pesticide into the state, must continuously maintain in
7.33 this state the following:

7.34 (1) a registered office; and

8.1 (2) a registered agent, who may be either a resident of this state whose business
8.2 office or residence is identical with the registered office under clause (1), a domestic
8.3 corporation or limited liability company, or a foreign corporation of limited liability
8.4 company authorized to transact business in this state and having a business office identical
8.5 with the registered office.

8.6 A person licensed under this section or section 18B.31 shall annually file with the
8.7 commissioner, either at the time of initial licensing or as part of license renewal, the name,
8.8 address, telephone number, and e-mail address of the licensee's registered agent.

8.9 For licensees under section 18B.31 who are located in the state, the licensee is
8.10 the registered agent.

8.11 Sec. 10. Minnesota Statutes 2012, section 18B.316, subdivision 4, is amended to read:

8.12 Subd. 4. **Responsibility.** The resident agent is responsible for the acts of a licensed
8.13 agricultural pesticide dealer, or of a licensed pesticide dealer under section 18B.31 who
8.14 operates from a location or place of business outside the state and who ~~distributes~~ offers
8.15 for sale or sells an agricultural pesticide into the state, as well as the acts of the employees
8.16 of those licensees.

8.17 Sec. 11. Minnesota Statutes 2012, section 18B.316, subdivision 8, is amended to read:

8.18 Subd. 8. **Report of sales and payment to commissioner.** A person who is an
8.19 agricultural pesticide dealer, or is a licensed pesticide dealer under section 18B.31, who
8.20 ~~distributes~~ offers for sale or sells an agricultural pesticide in or into the state, and a
8.21 pesticide registrant pursuant to section 18B.26, subdivision 3, paragraph (d), shall no
8.22 later than January 31 of each year report and pay applicable fees on annual gross sales
8.23 of agricultural pesticides to the commissioner pursuant to requirements under section
8.24 18B.26, subdivision 3, paragraphs (c) and (h).

8.25 Sec. 12. Minnesota Statutes 2012, section 18B.316, subdivision 9, is amended to read:

8.26 Subd. 9. **Application.** (a) A person must apply to the commissioner for an
8.27 agricultural pesticide dealer license on forms and in a manner approved by the
8.28 commissioner.

8.29 (b) The applicant must be the person in charge of each location or place of business
8.30 from which agricultural pesticides are ~~distributed~~ offered for sale or sold in or into the state.

8.31 (c) The commissioner may require that the applicant provide information regarding
8.32 the applicant's proposed operations and other information considered pertinent by the
8.33 commissioner.

9.1 (d) The commissioner may require additional demonstration of licensee qualification
 9.2 if the licensee has had a license suspended or revoked, or has otherwise had a history of
 9.3 violations in another state or violations of this chapter.

9.4 (e) A licensed agricultural pesticide dealer who changes the dealer's address or place
 9.5 of business must immediately notify the commissioner of the change.

9.6 (f) Beginning January 1, 2011, an application for renewal of an agricultural pesticide
 9.7 dealer license is complete only when a report and any applicable payment of fees under
 9.8 subdivision 8 are received by the commissioner.

9.9 Sec. 13. Minnesota Statutes 2012, section 18B.37, subdivision 4, is amended to read:

9.10 Subd. 4. ~~Storage, handling, Incident response, and disposal plan.~~ A pesticide
 9.11 dealer, agricultural pesticide dealer, or a commercial, noncommercial, or structural pest
 9.12 control applicator ~~or the business that the applicator is employed by~~ business must develop
 9.13 and maintain a an incident response plan that describes its pesticide storage, handling,
 9.14 ~~incident response, and disposal practices~~ the actions that will be taken to prevent and
 9.15 respond to pesticide incidents. The plan must contain the same information as forms
 9.16 provided by the commissioner. The plan must be kept at a principal business site or location
 9.17 within this state and must be submitted to the commissioner upon request ~~on forms provided~~
 9.18 ~~by the commissioner. The plan must be available for inspection by the commissioner.~~

9.19 Sec. 14. Minnesota Statutes 2012, section 31.94, is amended to read:

9.20 **31.94 COMMISSIONER DUTIES.**

9.21 (a) In order to promote opportunities for organic agriculture in Minnesota, the
 9.22 commissioner shall:

9.23 (1) survey producers and support services and organizations to determine
 9.24 information and research needs in the area of organic agriculture practices;

9.25 (2) work with the University of Minnesota to demonstrate the on-farm applicability
 9.26 of organic agriculture practices to conditions in this state;

9.27 (3) direct the programs of the department so as to work toward the promotion of
 9.28 organic agriculture in this state;

9.29 (4) inform agencies of how state or federal programs could utilize and support
 9.30 organic agriculture practices; and

9.31 (5) work closely with producers, the University of Minnesota, the Minnesota Trade
 9.32 Office, and other appropriate organizations to identify opportunities and needs as well
 9.33 as ensure coordination and avoid duplication of state agency efforts regarding research,
 9.34 teaching, marketing, and extension work relating to organic agriculture.

10.1 (b) By November 15 of each year that ends in a zero or a five, the commissioner,
10.2 in conjunction with the task force created in paragraph (c), shall report on the status of
10.3 organic agriculture in Minnesota to the legislative policy and finance committees and
10.4 divisions with jurisdiction over agriculture. The report must include available data on
10.5 organic acreage and production, available data on the sales or market performance of
10.6 organic products, and recommendations regarding programs, policies, and research efforts
10.7 that will benefit Minnesota's organic agriculture sector.

10.8 (c) A Minnesota Organic Advisory Task Force shall advise the commissioner and the
10.9 University of Minnesota on policies and programs that will improve organic agriculture in
10.10 Minnesota, including how available resources can most effectively be used for outreach,
10.11 education, research, and technical assistance that meet the needs of the organic agriculture
10.12 community. The task force must consist of the following residents of the state:

- 10.13 (1) three organic farmers ~~using organic agriculture methods~~;
- 10.14 (2) one wholesaler or distributor of organic products;
- 10.15 (3) one representative of organic certification agencies;
- 10.16 (4) two organic processors;
- 10.17 (5) one representative from University of Minnesota Extension;
- 10.18 (6) one University of Minnesota faculty member;
- 10.19 (7) one representative from a nonprofit organization representing producers;
- 10.20 (8) two public members;
- 10.21 (9) one representative from the United States Department of Agriculture;
- 10.22 (10) one retailer of organic products; and
- 10.23 (11) one organic consumer representative.

10.24 The commissioner, in consultation with the director of the Minnesota Agricultural
10.25 Experiment Station; the dean and director of University of Minnesota Extension; and the
10.26 dean of the College of Food, Agricultural and Natural Resource Sciences, shall appoint
10.27 members to serve ~~staggered two~~ three-year terms.

10.28 Compensation and removal of members are governed by section 15.059, subdivision
10.29 6. The task force must meet at least twice each year and expires on June 30, ~~2013~~ 2016.

10.30 (d) For the purposes of expanding, improving, and developing production and
10.31 marketing of the organic products of Minnesota agriculture, the commissioner may
10.32 receive funds from state and federal sources and spend them, including through grants or
10.33 contracts, to assist producers and processors to achieve certification, to conduct education
10.34 or marketing activities, to enter into research and development partnerships, or to address
10.35 production or marketing obstacles to the growth and well-being of the industry.

11.1 (e) The commissioner may facilitate the registration of state organic production
11.2 and handling operations including those exempt from organic certification according to
11.3 Code of Federal Regulations, title 7, section 205.101, and certification agents operating
11.4 within the state.

11.5 Sec. 15. Minnesota Statutes 2012, section 41A.105, subdivision 1a, is amended to read:

11.6 Subd. 1a. **Definitions.** For the purpose of this section:

11.7 (1) "biobased content" means a chemical, polymer, monomer, or plastic that is not
11.8 sold primarily for use as food, feed, or fuel and that has a biobased percentage of at least
11.9 51 percent as determined by testing representative samples using American Society for
11.10 Testing and Materials specification D6866;

11.11 (2) "biobased formulated product" means a product that is not sold primarily for use
11.12 as food, feed, or fuel and that has a biobased content percentage of at least ten percent
11.13 as determined by testing representative samples using American Society for Testing
11.14 and Materials specification D6866, or that contains a biobased chemical constituent
11.15 that displaces a known hazardous or toxic constituent previously used in the product
11.16 formulation;

11.17 ~~(1)~~ (3) "biobutanol facility" means a facility at which biobutanol is produced; and

11.18 ~~(2)~~ (4) "biobutanol" means fermentation isobutyl alcohol that is derived from
11.19 agricultural products, including potatoes, cereal grains, cheese whey, and sugar beets;
11.20 forest products; or other renewable resources, including residue and waste generated
11.21 from the production, processing, and marketing of agricultural products, forest products,
11.22 and other renewable resources.

11.23 Sec. 16. Minnesota Statutes 2012, section 41A.105, subdivision 3, is amended to read:

11.24 Subd. 3. **Duties.** The board shall research and report to the commissioner of
11.25 agriculture and to the legislature recommendations as to how the state can invest its
11.26 resources to most efficiently achieve energy independence, agricultural and natural
11.27 resources sustainability, and rural economic vitality. The board shall:

11.28 (1) examine the future of fuels, such as synthetic gases, biobutanol, hydrogen,
11.29 methanol, biodiesel, and ethanol within Minnesota;

11.30 (2) examine the opportunity for biobased content and biobased formulated product
11.31 production at integrated biorefineries or stand alone facilities using agricultural and
11.32 forestry feedstocks;

11.33 ~~(2)~~ (3) develop equity grant programs to assist locally owned facilities;

12.1 ~~(3)~~ (4) study the proper role of the state in creating financing and investing and
12.2 providing incentives;

12.3 ~~(4)~~ (5) evaluate how state and federal programs, including the Farm Bill, can best
12.4 work together and leverage resources;

12.5 ~~(5)~~ (6) work with other entities and committees to develop a clean energy program;
12.6 and

12.7 ~~(6)~~ (7) report to the legislature before February 1 each year with recommendations
12.8 as to appropriations and results of past actions and projects.

12.9 Sec. 17. Minnesota Statutes 2012, section 41A.105, subdivision 5, is amended to read:

12.10 Subd. 5. **Expiration.** This section expires June 30, ~~2014~~ 2015.

12.11 Sec. 18. Minnesota Statutes 2012, section 41A.12, is amended by adding a subdivision
12.12 to read:

12.13 Subd. 3a. **Grant awards.** Grant projects may continue for up to three years.

12.14 Multiyear projects must be reevaluated by the commissioner before second- and third-year
12.15 funding is approved. A project is limited to one grant for its funding.

12.16 Sec. 19. Minnesota Statutes 2012, section 41B.04, subdivision 9, is amended to read:

12.17 Subd. 9. **Restructured loan agreement.** (a) For a deferred restructured loan, all
12.18 payments on the primary and secondary principal, all payments of interest on the secondary
12.19 principal, and an agreed portion of the interest payable to the eligible agricultural lender
12.20 on the primary principal must be deferred to the end of the term of the loan.

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

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

12.30 (1) deferred interest on secondary principal;

12.31 (2) secondary principal;

12.32 (3) deferred interest on primary principal;

13.1 (4) primary principal as provided in an agreement between the authority and the
13.2 lender; and

13.3 (5) accrued but not deferred interest on primary principal.

13.4 (d) For an amortized restructured loan, payments must include installments on
13.5 primary principal and interest on the primary principal. An amortized restructured loan
13.6 must be amortized over a time period and upon terms to be established by the authority by
13.7 rule.

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

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

13.12 Sec. 20. Minnesota Statutes 2012, section 223.17, is amended by adding a subdivision
13.13 to read:

13.14 Subd. 7a. **Bond requirements; claims.** For entities licensed under this chapter
13.15 and chapter 232, the bond requirements and claims against the bond are governed under
13.16 section 232.22, subdivision 6a.

13.17 Sec. 21. Minnesota Statutes 2012, section 232.22, is amended by adding a subdivision
13.18 to read:

13.19 Subd. 6a. **Bond determinations.** If a public grain warehouse operator is licensed
13.20 under both this chapter and chapter 223, the warehouse shall have its bond determined
13.21 by its gross annual grain purchase amount or its annual average grain storage value,
13.22 whichever is greater. For those entities licensed under this chapter and chapter 223, the
13.23 entire bond shall be available to any claims against the bond for claims filed under this
13.24 chapter and chapter 223.

13.25 Sec. 22. Minnesota Statutes 2012, section 296A.01, subdivision 19, is amended to read:

13.26 Subd. 19. **E85.** "E85" means a petroleum product that is a blend of agriculturally
13.27 derived denatured ethanol and gasoline or natural gasoline that ~~typically~~ contains not more
13.28 than 85 percent ethanol by volume, but at a minimum must contain 60 greater than 50
13.29 percent ethanol by volume. For the purposes of this chapter, the energy content of E85
13.30 will be considered to be 82,000 BTUs per gallon. E85 produced for use as a motor fuel in
13.31 alternative fuel vehicles as defined in subdivision 5 must comply with ASTM specification
13.32 ~~D5798-07~~ D5798-11.

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

14.1 Sec. 23. **REVISOR'S INSTRUCTION.**

14.2 The revisor of statutes shall renumber Minnesota Statutes, section 18B.01,
14.3 subdivision 4a, as subdivision 4b and correct any cross-references.

14.4 Sec. 24. **REPEALER.**

14.5 Minnesota Statutes 2012, section 18B.07, subdivision 6, is repealed.

14.6 **ARTICLE 2**

14.7 **MINNESOTA NOXIOUS WEED LAW**

14.8 Section 1. Minnesota Statutes 2012, section 18.77, subdivision 3, is amended to read:

14.9 Subd. 3. **Control.** "Control" means to ~~destroy all or part of the aboveground~~
14.10 ~~growth of noxious weeds~~ manage or prevent the maturation and spread of propagating
14.11 parts of noxious weeds from one area to another by a lawful method that does not cause
14.12 unreasonable adverse effects on the environment as defined in section 18B.01, subdivision
14.13 31, ~~and prevents the maturation and spread of noxious weed propagating parts from one~~
14.14 ~~area to another.~~

14.15 Sec. 2. Minnesota Statutes 2012, section 18.77, subdivision 4, is amended to read:

14.16 Subd. 4. **Eradicate.** "Eradicate" means to destroy the aboveground ~~growth and the~~
14.17 ~~roots~~ and belowground plant parts of noxious weeds by a lawful method ~~that~~ which prevents
14.18 the maturation and spread of noxious weed propagating parts from one area to another.

14.19 Sec. 3. Minnesota Statutes 2012, section 18.77, subdivision 10, is amended to read:

14.20 Subd. 10. **Permanent pasture, hay meadow, woodlot, and or other noncrop**
14.21 **area.** "Permanent pasture, hay meadow, woodlot, ~~and~~ or other noncrop area" means an
14.22 area of predominantly native or seeded perennial plants that can be used for grazing or hay
14.23 purposes but is not harvested on a regular basis and is not considered to be a growing crop.

14.24 Sec. 4. Minnesota Statutes 2012, section 18.77, subdivision 12, is amended to read:

14.25 Subd. 12. **Propagating parts.** "Propagating parts" means all plant parts, including
14.26 seeds, that are capable of producing new plants.

14.27 Sec. 5. **[18.771] NOXIOUS WEED CATEGORIES.**

14.28 (a) For purposes of this section, noxious weed category includes each of the
14.29 following categories.

15.1 (b) "Prohibited noxious weed" includes noxious weeds that must be controlled or
15.2 eradicated on all lands within the state. Transportation of a prohibited noxious weed's
15.3 propagating parts shall be restricted by permit except as allowed by section 18.82.
15.4 Prohibited noxious weeds cannot be sold or propagated in Minnesota. There are two
15.5 regulatory listings for prohibited noxious weeds in Minnesota:

15.6 (1) The "Noxious Weed Eradicate List" is established. Prohibited noxious weeds
15.7 placed on the Noxious Weed Eradicate List are plants that are not currently known to be
15.8 present in Minnesota or are not widely established. These species must be eradicated.

15.9 (2) The "Noxious Weed Control List" is established. Prohibited noxious weeds
15.10 placed on the Noxious Weed Control List are plants that are already established throughout
15.11 Minnesota or regions of the state. Species on this list must at least be controlled.

15.12 (c) "Restricted noxious weeds" includes noxious weeds that are widely distributed
15.13 in Minnesota, but whose only feasible means of control is to prevent their spread by
15.14 prohibiting the importation, sale, and transportation of their propagating parts in the state
15.15 except as allowed by section 18.82.

15.16 (d) "Specially regulated plants" includes noxious weeds that may be native
15.17 species or have demonstrated economic value, but also have the potential to cause harm
15.18 in noncontrolled environments. Plants designated as specially regulated have been
15.19 determined to pose ecological, economical, or human or animal health concerns. Species
15.20 specific management plans or rules that define the use and management requirements
15.21 for these plants must be developed by the commissioner of agriculture for each plant
15.22 designated as specially regulated. The commissioner must also take measures to minimize
15.23 the potential for harm caused by these plants.

15.24 (e) "County noxious weeds" includes noxious weeds that are designated by
15.25 individual county boards to be enforced as prohibited noxious weeds within the county's
15.26 jurisdiction and must be approved by the commissioner of agriculture, in consultation with
15.27 the Noxious Weed Advisory Committee. Each county board must submit newly proposed
15.28 county noxious weeds to the commissioner of agriculture for review. Approved county
15.29 noxious weeds shall also be posted with the county's general weed notice prior to May 15
15.30 each year. Counties are solely responsible for developing county noxious weed lists and
15.31 their enforcement.

15.32 Sec. 6. Minnesota Statutes 2012, section 18.78, subdivision 3, is amended to read:

15.33 Subd. 3. **Cooperative Weed control agreement.** The commissioner, municipality,
15.34 or county agricultural inspector or county-designated employee may enter into a
15.35 cooperative weed control agreement with a landowner or weed management area

16.1 group to establish a mutually agreed-upon noxious weed management plan for up to
16.2 three years duration, whereby a noxious weed problem will be controlled without
16.3 additional enforcement action. If a property owner fails to comply with the noxious weed
16.4 management plan, an individual notice may be served.

16.5 Sec. 7. Minnesota Statutes 2012, section 18.79, subdivision 6, is amended to read:

16.6 Subd. 6. **Training for control or eradication of noxious weeds.** The commissioner
16.7 shall conduct initial training considered necessary for inspectors and county-designated
16.8 employees in the enforcement of the Minnesota Noxious Weed Law. The director of
16.9 the Minnesota Extension Service may conduct educational programs for the general
16.10 public that will aid compliance with the Minnesota Noxious Weed Law. Upon request,
16.11 the commissioner may provide information and other technical assistance to the county
16.12 agricultural inspector or county-designated employee to aid in the performance of
16.13 responsibilities specified by the county board under section 18.81, subdivisions 1a and 1b.

16.14 Sec. 8. Minnesota Statutes 2012, section 18.79, subdivision 13, is amended to read:

16.15 Subd. 13. **Noxious weed designation.** The commissioner, in consultation with the
16.16 Noxious Weed Advisory Committee, shall determine which plants are noxious weeds
16.17 subject to ~~control~~ regulation under sections 18.76 to 18.91. The commissioner shall
16.18 prepare, publish, and revise as necessary, but at least once every three years, a list of
16.19 noxious weeds and their designated classification. The list must be distributed to the public
16.20 by the commissioner who may request the help of the University of Minnesota Extension,
16.21 the county agricultural inspectors, and any other organization the commissioner considers
16.22 appropriate to assist in the distribution. The commissioner may, in consultation with
16.23 the Noxious Weed Advisory Committee, accept and consider noxious weed designation
16.24 petitions from Minnesota citizens or Minnesota organizations or associations.

16.25 Sec. 9. Minnesota Statutes 2012, section 18.82, subdivision 1, is amended to read:

16.26 Subdivision 1. **Permits.** Except as provided in section 21.74, if a person wants to
16.27 transport along a public highway materials or equipment containing the propagating parts of
16.28 weeds designated as noxious by the commissioner, the person must secure a written permit
16.29 for transportation of the material or equipment from an inspector or county-designated
16.30 employee. Inspectors or county-designated employees may issue permits to persons
16.31 residing or operating within their jurisdiction. ~~If the noxious weed propagating parts are
16.32 removed from materials and equipment or devitalized before being transported, a permit is
16.33 not needed~~ A permit is not required for the transport of noxious weeds for the purpose

17.1 of destroying propagating parts at a Department of Agriculture-approved disposal site.
17.2 Anyone transporting noxious weed propagating parts for this purpose shall ensure that all
17.3 materials are contained in a manner that prevents escape during transport.

17.4 Sec. 10. Minnesota Statutes 2012, section 18.91, subdivision 1, is amended to read:

17.5 Subdivision 1. **Duties.** The commissioner shall consult with the Noxious Weed
17.6 Advisory Committee to advise the commissioner concerning responsibilities under
17.7 the noxious weed control program. The committee shall also evaluate species for
17.8 invasiveness, difficulty of control, cost of control, benefits, and amount of injury caused
17.9 by them. For each species evaluated, the committee shall recommend to the commissioner
17.10 on which noxious weed list or lists, if any, the species should be placed. Species ~~currently~~
17.11 designated as prohibited or restricted noxious weeds or specially regulated plants must
17.12 be reevaluated every three years for a recommendation on whether or not they need to
17.13 remain on the noxious weed lists. The committee shall also advise the commissioner on
17.14 the implementation of the Minnesota Noxious Weed Law and assist the commissioner in
17.15 the development of management criteria for each noxious weed category. Members of
17.16 the committee are not entitled to reimbursement of expenses nor payment of per diem.
17.17 Members shall serve two-year terms with subsequent reappointment by the commissioner.

17.18 Sec. 11. Minnesota Statutes 2012, section 18.91, subdivision 2, is amended to read:

17.19 Subd. 2. **Membership.** The commissioner shall appoint members, which shall
17.20 include representatives from the following:

- 17.21 (1) horticultural science, agronomy, and forestry at the University of Minnesota;
- 17.22 (2) the nursery and landscape industry in Minnesota;
- 17.23 (3) the seed industry in Minnesota;
- 17.24 (4) the Department of Agriculture;
- 17.25 (5) the Department of Natural Resources;
- 17.26 (6) a conservation organization;
- 17.27 (7) an environmental organization;
- 17.28 (8) at least two farm organizations;
- 17.29 (9) the county agricultural inspectors;
- 17.30 (10) city, township, and county governments;
- 17.31 (11) the Department of Transportation;
- 17.32 (12) the University of Minnesota Extension;
- 17.33 (13) the timber and forestry industry in Minnesota;
- 17.34 (14) the Board of Water and Soil Resources; ~~and~~

- 18.1 (15) soil and water conservation districts;
- 18.2 (16) Minnesota Association of County Land Commissioners; and
- 18.3 (17) members as needed.

18.4 Sec. 12. **REPEALER**.

18.5 Minnesota Statutes 2012, section 18.91, subdivisions 3 and 5, are repealed.

18.6 **ARTICLE 3**

18.7 **BIOFUEL MINIMUM CONTENT REQUIREMENT**

18.8 Section 1. Minnesota Statutes 2012, section 41A.10, subdivision 2, is amended to read:

18.9 Subd. 2. **Cellulosic biofuel production goal.** The state cellulosic biofuel production
18.10 goal is one-quarter of the total amount necessary for ~~ethanol~~ biofuel use required under
18.11 section 239.791, subdivision ~~1a~~ 1, by 2015 or when cellulosic biofuel facilities in the state
18.12 attain a total annual production level of 60,000,000 gallons, whichever is first.

18.13 Sec. 2. Minnesota Statutes 2012, section 41A.10, is amended by adding a subdivision
18.14 to read:

18.15 Subd. 3. **Expiration.** This section expires January 1, 2015.

18.16 Sec. 3. Minnesota Statutes 2012, section 116J.437, subdivision 1, is amended to read:

18.17 Subdivision 1. **Definitions.** (a) For the purpose of this section, the following terms
18.18 have the meanings given.

18.19 (b) "Green economy" means products, processes, methods, technologies, or services
18.20 intended to do one or more of the following:

18.21 (1) increase the use of energy from renewable sources, including through achieving
18.22 the renewable energy standard established in section 216B.1691;

18.23 (2) achieve the statewide energy-savings goal established in section 216B.2401,
18.24 including energy savings achieved by the conservation investment program under section
18.25 216B.241;

18.26 (3) achieve the greenhouse gas emission reduction goals of section 216H.02,
18.27 subdivision 1, including through reduction of greenhouse gas emissions, as defined in
18.28 section 216H.01, subdivision 2, or mitigation of the greenhouse gas emissions through,
18.29 but not limited to, carbon capture, storage, or sequestration;

18.30 (4) monitor, protect, restore, and preserve the quality of surface waters, including
18.31 actions to further the purposes of the Clean Water Legacy Act as provided in section
18.32 114D.10, subdivision 1;

19.1 (5) expand the use of biofuels, including by expanding the feasibility or reducing the
19.2 cost of producing biofuels or the types of equipment, machinery, and vehicles that can
19.3 use biofuels, including activities to achieve the ~~biofuels 25 by 2025 initiative in sections~~
19.4 ~~41A.10, subdivision 2, and 41A.11~~ petroleum replacement goal in section 239.7911; or

19.5 (6) increase the use of green chemistry, as defined in section 116.9401.

19.6 For the purpose of clause (3), "green economy" includes strategies that reduce carbon
19.7 emissions, such as utilizing existing buildings and other infrastructure, and utilizing mass
19.8 transit or otherwise reducing commuting for employees.

19.9 Sec. 4. Minnesota Statutes 2012, section 239.051, is amended by adding a subdivision
19.10 to read:

19.11 Subd. 1a. **Advanced biofuel.** "Advanced biofuel" has the meaning given in Public
19.12 Law 110-140, title 2, subtitle A, section 201.

19.13 Sec. 5. Minnesota Statutes 2012, section 239.051, is amended by adding a subdivision
19.14 to read:

19.15 Subd. 5a. **Biofuel.** "Biofuel" means a renewable fuel with an approved pathway
19.16 under authority of the federal Energy Policy Act of 2005, Public Law 109-58, as amended
19.17 by the federal Energy Independence and Security Act of 2007, Public Law 110-140, and
19.18 approved for sale by the United States Environmental Protection Agency. As such, biofuel
19.19 includes both advanced and conventional biofuels.

19.20 Sec. 6. Minnesota Statutes 2012, section 239.051, is amended by adding a subdivision
19.21 to read:

19.22 Subd. 7a. **Conventional biofuel.** "Conventional biofuel" means ethanol derived
19.23 from cornstarch, as defined in Public Law 110-140, title 2, subtitle A, section 201.

19.24 Sec. 7. Minnesota Statutes 2012, section 239.791, subdivision 1, is amended to read:

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

19.30 (1) the greater of:

19.31 (i) 10.0 percent ~~denatured ethanol~~ conventional biofuel by volume; or

20.1 ~~(2) (ii)~~ the maximum percent of ~~denatured ethanol~~ conventional biofuel by volume
 20.2 authorized in a waiver granted by the United States Environmental Protection Agency; or
 20.3 (2) 10.0 percent of a biofuel, other than a conventional biofuel, by volume authorized
 20.4 in a waiver granted by the United States Environmental Protection Agency or a biofuel
 20.5 formulation registered by the United States Environmental Protection Agency under
 20.6 United States Code, title 42, section 7545.

20.7 (b) For purposes of enforcing the ~~minimum ethanol~~ requirement of paragraph
 20.8 (a), clause (1), item (i), or clause (2), a gasoline/ethanol gasoline/biofuel blend will be
 20.9 construed to be in compliance if the ~~ethanol~~ biofuel content, exclusive of denaturants and
 20.10 other permitted components, comprises not less than 9.2 percent by volume and not more
 20.11 than 10.0 percent by volume of the blend as determined by an appropriate United States
 20.12 Environmental Protection Agency or American Society of Testing Materials standard
 20.13 method of analysis of ~~alcohol/ether content in engine fuels~~.

20.14 (c) ~~The provisions of this subdivision are suspended during any period of time that~~
 20.15 ~~subdivision 1a, paragraph (a), is in effect.~~ The aggregate amount of biofuel blended
 20.16 pursuant to this subdivision may be any biofuel; however, conventional biofuel must
 20.17 comprise no less than the portion specified on and after the specified dates:

20.18	<u>(1)</u>	<u>July 1, 2013</u>	<u>90 percent</u>
20.19	<u>(2)</u>	<u>January 1, 2015</u>	<u>80 percent</u>
20.20	<u>(3)</u>	<u>January 1, 2017</u>	<u>70 percent</u>
20.21	<u>(4)</u>	<u>January 1, 2020</u>	<u>60 percent</u>
20.22	<u>(5)</u>	<u>January 1, 2025</u>	<u>no minimum</u>

20.23 Sec. 8. Minnesota Statutes 2012, section 239.791, subdivision 2a, is amended to read:

20.24 Subd. 2a. **Federal Clean Air Act waivers; conditions.** (a) Before a waiver granted
 20.25 by the United States Environmental Protection Agency under ~~section 211(f)(4) of the~~
 20.26 ~~Clean Air Act, United States Code, title 42, section 7545, subsection (f), paragraph (4),~~
 20.27 may alter the minimum content level required by subdivision 1, paragraph (a), clause ~~(2);~~
 20.28 ~~or subdivision 1a, paragraph (a), clause (2)~~ (1), item (ii), the waiver must:

- 20.29 (1) apply to all gasoline-powered motor vehicles irrespective of model year; and
- 20.30 (2) allow for special regulatory treatment of Reid vapor pressure under Code of
 20.31 Federal Regulations, title 40, section 80.27, paragraph (d), for blends of gasoline and
 20.32 ethanol up to the maximum percent of denatured ethanol by volume authorized under
 20.33 the waiver.

20.34 (b) The ~~minimum ethanol~~ biofuel requirement in subdivision 1, paragraph (a), clause
 20.35 ~~(2), or subdivision 1a, paragraph (a), clause (2), shall, upon the grant of the federal waiver~~
 20.36 or authority specified in United States Code, title 42, section 7545, that allows for greater

21.1 blends of gasoline and biofuel in this state, be effective the day after the commissioner
 21.2 of commerce publishes notice in the State Register. In making this determination, the
 21.3 commissioner shall consider the amount of time required by refiners, retailers, pipeline
 21.4 and distribution terminal companies, and other fuel suppliers, acting expeditiously, to
 21.5 make the operational and logistical changes required to supply fuel in compliance with
 21.6 the minimum ~~ethanol~~ biofuel requirement.

21.7 Sec. 9. Minnesota Statutes 2012, section 239.791, subdivision 2b, is amended to read:

21.8 Subd. 2b. **Limited liability waiver.** No motor fuel shall be deemed to be a defective
 21.9 product by virtue of the fact that the motor fuel is formulated or blended pursuant to
 21.10 the requirements of subdivision 1, paragraph (a), clause (2), ~~or subdivision 1a,~~ under
 21.11 any theory of liability except for simple or willful negligence or fraud. This subdivision
 21.12 does not preclude an action for negligent, fraudulent, or willful acts. This subdivision
 21.13 does not affect a person whose liability arises under chapter 115, water pollution control;
 21.14 115A, waste management; 115B, environmental response and liability; 115C, leaking
 21.15 underground storage tanks; or 299J, pipeline safety; under public nuisance law for damage
 21.16 to the environment or the public health; under any other environmental or public health
 21.17 law; or under any environmental or public health ordinance or program of a municipality
 21.18 as defined in section 466.01.

21.19 Sec. 10. Minnesota Statutes 2012, section 239.7911, is amended to read:

21.20 **239.7911 PETROLEUM REPLACEMENT PROMOTION.**

21.21 Subdivision 1. **Petroleum replacement goal.** The tiered petroleum replacement
 21.22 goal of the state of Minnesota is that biofuel comprises at least the specified portion of
 21.23 total gasoline sold or offered for sale in this state by each specified year:

21.24 ~~(1) at least 20 percent of the liquid fuel sold in the state is derived from renewable~~
 21.25 ~~sources by December 31, 2015; and~~

21.26 ~~(2) at least 25 percent of the liquid fuel sold in the state is derived from renewable~~
 21.27 ~~sources by December 31, 2025.~~

21.28	<u>(1)</u>	<u>2015</u>	<u>14 percent</u>
21.29	<u>(2)</u>	<u>2017</u>	<u>18 percent</u>
21.30	<u>(3)</u>	<u>2020</u>	<u>25 percent</u>
21.31	<u>(4)</u>	<u>2025</u>	<u>30 percent</u>

21.32 Subd. 2. **Promotion of renewable liquid fuels.** (a) The commissioner of agriculture,
 21.33 in consultation with the commissioners of commerce and the Pollution Control Agency,
 21.34 shall identify and implement activities necessary ~~for the widespread use of renewable~~

22.1 ~~liquid fuels in the state~~ to achieve the goals in subdivision 1. Beginning November
 22.2 1, 2005, and continuing through 2015, the commissioners, or their designees, shall
 22.3 ~~work with~~ convene a task force pursuant to section 15.014 that includes representatives
 22.4 from the renewable fuels industry, petroleum retailers, refiners, automakers, small
 22.5 engine manufacturers, and other interested groups; ~~to~~. The task force shall assist the
 22.6 commissioners in carrying out the activities in paragraph (b) and eliminating barriers to the
 22.7 use of greater biofuel blends in this state. The task force must coordinate efforts with the
 22.8 NextGen Energy Board, the biodiesel task force, and the Renewable Energy Roundtable
 22.9 and develop annual recommendations for administrative and legislative action.

22.10 (b) The activities of the commissioners under this subdivision shall include, but not
 22.11 be limited to:

22.12 (1) developing recommendations for specific, cost-effective incentives necessary
 22.13 to expedite the use of greater biofuel blends in this state including, but not limited to,
 22.14 incentives for retailers to install equipment necessary for dispensing to dispense renewable
 22.15 liquid fuels to the public;

22.16 (2) expanding the renewable-fuel options available to Minnesota consumers by
 22.17 obtaining federal approval for the use of E20 ~~and~~ additional blends that contain a greater
 22.18 percentage of ethanol, ~~including but not limited to E30 and E50, as gasoline biofuel;~~

22.19 (3) developing recommendations ~~for ensuring~~ to ensure that motor vehicles and
 22.20 small engine equipment have access to an adequate supply of fuel;

22.21 (4) working with the owners and operators of large corporate automotive fleets in the
 22.22 state to increase their use of renewable fuels; ~~and~~

22.23 (5) working to maintain an affordable retail price for liquid fuels;

22.24 (6) facilitating the production and use of advanced biofuels in this state; and

22.25 (7) developing procedures for reporting the amount and type of biofuel under
 22.26 subdivision 1, and section 239.791, subdivision 1, paragraph (c).

22.27 (c) Notwithstanding section 15.014, the task force required under paragraph (a)
 22.28 expires on December 31, 2015.

22.29 Sec. 11. Minnesota Statutes 2012, section 296A.01, is amended by adding a
 22.30 subdivision to read:

22.31 Subd. 8b. **Biobutanol.** "Biobutanol" means isobutyl alcohol produced by
 22.32 fermenting agriculturally generated organic material that is to be blended with gasoline
 22.33 and meets either:

- 23.1 (1) the initial ASTM Standard Specification for Butanol for Blending with Gasoline
23.2 for use as an Automotive Spark-Ignition Engine Fuel once it has been released by ASTM
23.3 for general distribution; or
- 23.4 (2) in the absence of an ASTM Standard Specification, the following list of
23.5 requirements:
- 23.6 (i) visually free of sediment and suspended matter;
23.7 (ii) clear and bright at the ambient temperature of 21 degrees Celsius or the ambient
23.8 temperature whichever is higher;
- 23.9 (iii) free of any adulterant or contaminant that can render it unacceptable for its
23.10 commonly used applications;
- 23.11 (iv) contains not less than 96 volume percent isobutyl alcohol;
23.12 (v) contains not more than 0.4 volume percent methanol;
23.13 (vi) contains not more than 1.0 volume percent water as determined by ASTM
23.14 standard test method E203 or E1064;
- 23.15 (vii) acidity (as acetic acid) of not more than 0.007 mass percent as determined
23.16 by ASTM standard test method D1613;
- 23.17 (viii) solvent washed gum content of not more than 5.0 milligrams per 100 milliliters
23.18 as determined by ASTM standard test method D381;
- 23.19 (ix) sulfur content of not more than 30 parts per million as determined by ASTM
23.20 standard test method D2622 or D5453; and
- 23.21 (x) contains not more than 4 parts per million total inorganic sulfate.

23.22 **Sec. 12. REPEALER.**

23.23 Minnesota Statutes 2012, section 239.791, subdivision 1a, is repealed.

APPENDIX
Article locations in H1071-1

ARTICLE 1	POLICY AND TECHNICAL CHANGES	Page.Ln 1.22
ARTICLE 2	MINNESOTA NOXIOUS WEED LAW	Page.Ln 14.6
ARTICLE 3	BIOFUEL MINIMUM CONTENT REQUIREMENT	Page.Ln 18.6

18.91 ADVISORY COMMITTEE; MEMBERSHIP.

Subd. 3. **Additional duties.** The committee shall conduct evaluations of terrestrial plant species to recommend if they need to be designated as noxious weeds and into which noxious weed classification they should be designated, advise the commissioner on the implementation of the Minnesota Noxious Weed Law, and assist the commissioner in the development of management criteria for each noxious weed category.

Subd. 5. **Expiration.** Notwithstanding section 15.059, subdivision 5, the committee expires June 30, 2013.

18B.07 PESTICIDE USE, APPLICATION, AND EQUIPMENT CLEANING.

Subd. 6. **Use of public waters for filling equipment.** (a) A person may not fill pesticide application equipment directly from public or other waters of the state, as defined in section 103G.005, subdivision 15, unless the equipment contains proper and functioning anti-backsiphoning mechanisms. The person may not introduce pesticides into the application equipment until after filling the equipment from the public waters.

(b) This subdivision does not apply to permitted applications of aquatic pesticides to public waters.

239.791 OXYGENATED GASOLINE.

Subd. 1a. **Minimum ethanol content required.** (a) Except as provided in subdivisions 10 to 14, on August 30, 2015, and thereafter, a person responsible for the product shall ensure that all gasoline sold or offered for sale in Minnesota must contain at least the quantity of ethanol required by clause (1) or (2), whichever is greater:

(1) 20 percent denatured ethanol by volume; or

(2) the maximum percent of denatured ethanol by volume authorized in a waiver granted by the United States Environmental Protection Agency.

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

(c) This subdivision expires on December 31, 2014, if by that date:

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

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