

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

Our File No. 942 TEMPORARY

RULE REVIEW CHECKLIST

DATE RULE RECEIVED 12-22
DATE FOR REVIEW
DATE DUE 12-30

Adopted w/a hearing
Adopted w/o hearing
Temporary rule ✓

Approved 12.30.83 mjc Disapproved Returned to Agency

Resubmitted Due
Approved Disapproved Returned to Agency

Date filed w/Secretary of State Revisor approved / disapproved

---

✓ Rule as Adopted

✓ Rule as Proposed See SR

? Order Adopting 12.21.83 Date signed by Deputy Commissioner

N/A Notice of Intent to Solicit Outside Opinion

✓ Order for rulemaking
N/A date of Hearing

N/A Certificate of Board's Authorizing Resolution

✓ Notice of rulemaking
✓ Sufficiency

✓ Affidavit of Mailing Notice or rulemaking
11.22.83 At least ~~30~~ 20 days prior to ~~hearing~~/adoption

✓ Mailing list Certificate

✓ Publication in State Register
11.28.83 At least ~~30~~/20 days prior to ~~hearing~~/adoption

N/A Hearing Examiner's Report

Chief Hearing Examiner's Report(s)
Approving H.E.'s Report
Approving agency action

Agency's Findings of Fact no changes

LCRAR Report or agency Affidavit

Certificate of Board's Resolution Adopting Rules

Order Approving Incorporation by Reference

Statement of Need and Reasonableness

Petition for Adoption of a Rule

✓ Record (includes transcript or tape, exhibits, comments received by agency, requests for a hearing, and other relevant materials)

✓ Certificate of Compliance w/Rulemaking Procedures

N/A Affidavit of Mailing Notice of Submission to Attorney General

✓ Notice of Submission to the Attorney General

N.B. from chairman of House Agriculture Cttee!

SF-00006-02

STATE OF MINNESOTA

DEPARTMENT OF AGRICULTURE

Office Memorandum

TO : Judith Wehrwein
Administration - Finance Division
Office of the Attorney General

DATE: 12/21/83

FROM : Gerald Heil, Director GJH
Planning Division

PHONE: 296-1486

SUBJECT: Review of Adopted Temporary Rules Governing Administration of the Manufacturing Grade Milk Investment Reimbursement Program (3 MCAR SS 1.1340-1.1348)

The Department has adopted the above-mentioned temporary rules pursuant to Minnesota Statutes sections 14.29-14.36. The rules are being sent to your office for review and approval as required by Minnesota Statutes section 14.32.

Accompanying this memorandum you will find the documents which are required to be submitted for review. A list of the documents is attached.

Written comments were received by the Department during the public comment period; they are attached. The Temporary Rules as Adopted have not been modified from the proposed temporary rules published in the State Register on November 28, 1983.

In accordance with Laws of Minnesota 1983, section 1, subdivision 7, the Department did not consider formally the impacts of the rules upon small business. However, extensive consultations were held with groups of potential applicants.

It is our understanding that your office will submit one copy of these proposed temporary rules to the Revisor's Office for approval as to form, in accordance with Laws of Minnesota 1983, chapter 210, section 2.

If you have any questions, please call me.

GH:dw

Attachments

cc: Craig Lindeke, Office of Revisor of Statutes
Jim Nichols, Commissioner
Rollin Dennistoun, Ph.D., Deputy Commissioner
Anne Kanten, Assistant Commissioner
Darryl Anderson, Assistant Commissioner
Jon Murphy, Special Assistant Attorney General
William Coleman, Director, Dairy Industries Division
Darryl Piltz, Program Administrator, Dairy Industries Division
Wayne Marzolf, Director, Family Farm Program

PLANNING DIVISION
DEPARTMENT OF AGRICULTURE
TEMPORARY INVESTMENT REIMBURSEMENT RULES

ATTACHMENT A

LIST OF ENCLOSED DOCUMENTS

A. Temporary Rules as Adopted (original and three copies). No amendments were made in the rules since original publication.

B. Order Adopting the Temporary Rule (two copies).

C. Order for Publication of Temporary Rule (one copy).

D. Affidavit of Mailing Notice of Intent to Adopt Temporary Rules (one copy).

E. Mailing List Certificate (one copy).

F. Temporary Rules as Proposed (one photocopy).

G. Written Comments on the Temporary Rule (one copy each).

H. Certificate of Compliance with Rulemaking Procedures (one copy).

SF-00006-02

STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL

Office Memorandum

TO : Jim Nichols, Commissioner of Agriculture DATE: 12/30/83

Attn: JON K. MURPHY, Special Assistant
Attorney General

FROM : MARTHA J. CASSERLY MJC PHONE: 296-4692
Special Assistant
Attorney General

SUBJECT: In the Matter of the Proposed Adoption of Temporary Rules of the Department of Agriculture Governing the Administration of the Manufacturing Grade Milk Investment Reimbursement Program (3 MCAR § 1.1340 - 1.1348)

Enclosed herewith are the rules you have submitted for approval. These rules have been approved by this office and filed with the Secretary of State. Please note that they have not been filed with the State Register. This must be done promptly by your agency.

Upon receipt and before transmittal to your agency, however, it is important that you recheck these rules as to:

1. Affixation of stamps of the Attorney General and Secretary of State;

2. Coverage by these stamps of all rules submitted; and

3. Inclusion of all pages to the rules in the approved set.

If you have any questions in this regard, please contact me.

Encs.
MJC/ls
cc: Ms. Kathy Burek
Mr. Duane Harves

AG copy

Department of Agriculture
Dairy Industries Division

Adopted Temporary Rules Governing Administration of the Manufacturing Grade Milk Investment Reimbursement Program

Temporary Rules as Adopted

3 MCAR S 1.1340 [Temporary] Purpose; authority.

Rules 3 MCAR SS 1.1340-1.1348 [Temporary] are prescribed by the commissioner pursuant to Laws of Minnesota 1983, chapter 232, section 2, in order to establish an application process and payment procedures for investment reimbursements to aid limited resource producers in meeting certification requirements so that they may continue as producers of manufacturing grade milk.

3 MCAR S 1.1341 [Temporary] Definitions.

A. Scope. As used in 3 MCAR SS 1.1340-1.1348 [Temporary], the terms in this rule have the meanings given them.

B. Applicant. "Applicant" means a can producer who is a resident.

C. Application. "Application" means an information survey, financial information, an inspection report, a reimbursement request, and investment expenditure receipts submitted by a person to the commissioner for the purpose of obtaining an investment reimbursement.

D. Can producer. "Can producer" means a person who produces manufacturing grade milk for sale in cans.

E. Certification. "Certification" means the determination by the commissioner that a can producer's facility complies with standards.

F. Commissioner. "Commissioner" means the commissioner of agriculture or commissioner's designee.

G. Dairy sanitarian. "Dairy sanitarian" means an employee of the department responsible for departmental dairy inspection activities in an area of Minnesota.

H. Department. "Department" means the Department of

Agriculture.

I. Eligible applicant. "Eligible applicant" means a can producer who meets the criteria in 3 MCAR S 1.1342 [Temporary] A. and B.

J. Facility. "Facility" means equipment, building, or a portion of a building which is necessary in the production of manufacturing grade milk and is owned or operated by the can producer.

K. Hardship. "Hardship" means unforeseen circumstances which preclude the applicant from meeting a deadline stated in 3 MCAR S 1.1344-1.1348 [Temporary].

L. Investment expenditure. "Investment expenditure" means the cost of capital improvements or equipment installed for the purpose of conforming to standards.

M. Investment reimbursement. "Investment reimbursement" means a partial refund of investment expenditures.

N. Labor. "Labor" means a person hired for the modification of a facility and for which a receipt or other evidence of an investment expenditure is available.

O. Limited resource producer. "Limited resource producer" means a can producer whose yearly net income is less than $6,000 and whose net worth is not in excess of $75,000. See letter of comment

P. Manufacturing grade milk. "Manufacturing grade milk" means milk produced for processing and manufacturing into products for human consumption but not subject to the grade A requirements of Minnesota Statutes, chapter 32 and 3 MCAR SS 1.1149-1.1154.

Q. Modification. "Modification" means a change in the production facility required for certification of the facility.

R. Net income. "Net income" means federally adjusted gross income minus taxes.

S. Net worth. "Net worth" means the sum of all assets minus all liabilities of the applicant and the applicant's spouse, if applicable, determined using generally accepted accounting principles.

T. Noncertifiable. "Noncertifiable" means unable to meet

standards for the production of manufacturing grade milk.

U. Person. "Person" means an individual, partnership, family farm, family farm corporation, or authorized farm corporation engaged in manufacturing grade milk production.

V. Plant representative. "Plant representative" means a field service employee or other employee of a receiving dairy plant who is responsible for quality control.

W. Qualified applicant. "Qualified applicant" means an eligible applicant who is determined a limited resource producer in accordance with 3 MCAR S 1.1344 [Temporary] F.

X. Resident. "Resident" means a person who was producing manufacturing grade milk in Minnesota in cans, for sale, on or before June 2, 1983.

Y. Standards. "Standards" means the recommended federal standards for manufacturing grade milk as adopted by Minnesota.

3 MCAR S 1.1342 [Temporary] Eligibility.

A. Residency. An applicant must be a resident currently engaged in the production of manufacturing grade milk for sale in cans.

B. Noncertifiable. An applicant's facilities must be noncertifiable.

C. Financial need. An applicant must be a limited resource producer.

3 MCAR S 1.1343 [Temporary] Notice of available funds.

The commissioner shall publish notice of the availability of investment reimbursement funds in the State Register and mail the notice to can producers of record on or before February 1, 1984. The notice must contain at least the following: the purpose of the investment reimbursement program; the method of applying for the investment reimbursement; the criteria for eligibility; a statement of expenditures not eligible for reimbursement as stated in 3 MCAR S 1.1346 [Temporary] C.; a statement of when investment reimbursements will be made and the deadlines for filing application documents; and a statement that the maximum allowable investment reimbursement is $100 for the

first $500 or fraction thereof, and ten percent of the next $2,000 of net investment expenditures.

3 MCAR S 1.1344 [Temporary] Application procedure.

A. Information survey. An information survey must be completed and submitted prior to the filing of the financial data form. The applicant must request that a plant representative conduct the information survey and submit results to the department on or before May 1, 1984. The information survey must be completed on forms provided by the department and must contain at least the following:

1. the producer's name and address, including county, township, and section;

2. the date and time of survey;

3. the size of the dairy herd and amount of daily production;

4. the frequency of milk pickups and the name and address of the receiving dairy plant;

5. production and marketing intentions after July 1, 1985;

6. the producer's intent to apply for an investment reimbursement;

7. the availability of a milkhouse or milkroom;

8. the size and location of a milkhouse or milkroom, if any;

9. the type of construction of the milkhouse or milkroom including lighting, walls, and ceiling construction, floor construction, doors, windows, and screen construction, and the adequacy of sewage disposal;

10. construction plans, if any, for a milkhouse or milkroom including location, size, construction materials, and potential builder;

11. the condition of milking utensils and equipment;

12. the type and size of a milk cooler and its operating condition;

13. the number and condition of cans;

14. the total number of cans needed for proper storage of milk;

15. the type of barn including size and arrangement;

16. the adequacy of lighting, ventilation, floor, gutters, walls, ceilings, pens and alleyways, yard, and loafing area;

17. the water supply type, location, and quality; and

18. any other information determined by the commissioner to be reasonably related to the certification process for manufacturing grade milk.

B. Preliminary review. Based on the information survey, the commissioner shall determine eligible applicants using the criteria in 3 MCAR S 1.1342 [Temporary] A. and B.

C. Notification of eligible applicants. The commissioner shall notify all eligible applicants on or before June 1, 1984.

D. Financial information. On or before July 1, 1984, an eligible applicant must submit to the department the following financial information:

1. a copy of the eligible applicant's federal income tax return for 1983 or a written, signed, and notarized statement declaring that the eligible applicant did not file a return for 1983; and

2. a completed net worth statement, in the form set forth in Exhibit 3 MCAR S 1.1344 [Temporary] D.2.-1.

1 Exhibit 3 MCAR S 1.1344 [Temporary] D.2.-1 (side 1)

Minnesota Department of Agriculture
Dairy Industries Division - 90 W. Plato Blvd.
St. Paul, MN 55107 (612) 297-2131

CURRENT NET WORTH STATEMENT

NAME: DATE:

ADDRESS: PHONE: ( )

ASSETS	omit cents
CURRENT ASSETS	
Cash	
Stocks, Bonds & Investments	
Collectable Notes	
Cash Value of Life Ins. (Face Value $)	
Harvested Crops held for sale (see schedule 4)	
Harvested Crops for farm use (see schedule 3)	
Seed, Fertilizer and Chemicals Inventory	
Investment in Growing Crops	
Livestock held for sale (see schedule 2)	
Other Assets	
SUB-TOTAL: Current Assets	
INTERMEDIATE AND FIXED ASSETS	
REAL ESTATE	
Farm of Acres, @ per Acre	
Farm of Acres, @ per Acre	
Major Improvements to farms purchased	
Item Year	
Item Year	
Item Year	
Item Year	
Item Year	
Item Year	
Other	
PERSONAL PROPERTY Needed to Operate Farm	
Dairy & Breeding Livestock (see schedule 1)	
Vehicles, Machinery (see schedule 6)	
SUB-TOTAL: Intermediate and Fixed Assets	
TOTAL ASSETS	

LIABILITIES	omit cents
CURRENT LIABILITIES	
Secured Notes To:	
Unsecured Notes To:	
Notes to Others	
Conditional Sales Contracts – Installments overdue	
Accrued Real Estate Interest	
Real Estate Mortgage Payments – (see schedule 5) (Interest and Principal, if overdue)	
Commodity Credit Corporation Loans	
Real Estate Taxes (Past due)	
Personal Property Taxes (Past due)	
Income Taxes (Past due)	
Cash Rent (Past due)	
Accounts Due (repairs, feed, gasoline, vet., etc.)	
Other Liens and Judgments	
SUB-TOTAL: Current Liabilities	
INTERMEDIATE AND LONG-TERM LIABILITIES	
Real Estate Mortgages (see schedule 5)	
Conditional Sales Contracts (see schedule 5)	
Secured Installment Notes (see schedule 5)	
Loans Secured by Life Insurance	
SUB-TOTAL: Int. and Long-Term Liabilities	
TOTAL LIABILITIES	

TOTAL ASSETS	
TOTAL LIABILITIES	
NET WORTH	

I hereby submit the above as being a true, complete and accurate statement of my financial condition and the financial condition of my spouse (if applicable) on the above date.

Signed (Applicant) _____

Signed (Spouse) _____

The only intended use of information you provide on this form is to determine your eligibility for the Manufacturing Grade Milk Investment Reimbursement Program.

SCHEDULE 1 – Breeding Livestock

Breed	No.	Kind	Age	Wt.	Description	Unit Value	VALUE
TOTAL Breeding Livestock							

SCHEDULE 2 – Livestock Held for Sale

Breed	No.	Kind	Age	Wt.	Grade	Unit Value	TOTAL VALUE
TOTAL Livestock Held for Sale							

SCHEDULE 3 – Crops Held for Farm Use

Quantity	Kind of Crop	Unit Value	Other Description	VALUE
	Corn			
	Hay			
	Silage			
			TOTAL	

SCHEDULE 4 – Harvested Crops Held for Sale

Quantity	Kind of Crop	Unit Value	Approx. Date To be Sold	TOTAL VALUE
	Corn			
			TOTAL	

SCHEDULE 5 – Security Agreements, Conditional Sales Cont, etc.

Held by	Security	Inst. Amt. and Date	TOTAL AMOUNT
TOTAL Security Agreements, Conditional Sales Cont.			

No.	Item Model-Make Year	Value
	Baler	
	Blower (Silo)	
	Car	
	Combine	
	Corn Picker	
	Corn Planter	
	Cultivator	
	Digger	
	Disc	
	Drag	
	Elevator	
	Feed Mill	
	Forage Harvester	
	Grain Auger	
	Grain Drill	
	Grain Dryer	
	Livestock Equipment	
	Manure Loader	
	Manure Spreader	
	Milking Machine, Pipeline	
	Milk Cooler, Bulk Tank	
	Mower	
	Plow	
	Rotary Hoe	
	Side Delivery Rake	
	Silo Unloader	
	Snow Blower	
	Sprayer	
	Stalk Chopper	
	Swather	
	Tractor	
	Tractor	
	Truck	
	Truck	
	Wagon	
	Wagon Box	
	TOTAL	

E. Incomplete financial information. In the event that incomplete financial information is received, the department shall notify the eligible applicant, specifying the deficiencies. The eligible applicant shall have until July 1, 1984, or 15 days from the postmarked date of the notice, whichever is later, to complete the financial information. If the financial information is not completed in the prescribed time, the eligible applicant will not be considered for an investment reimbursement unless the eligible applicant shows hardship in accordance with 3 MCAR S 1.1347 [Temporary].

F. Determination and notification of qualified applicants. The commissioner shall review the financial information submitted by the eligible applicant and determine whether the eligible applicant is a limited resource producer. If the eligible applicant is a limited resource producer, the eligible applicant is qualified and the commissioner shall notify the qualified applicant by mail on or before August 1, 1984.

3 MCAR S 1.1345 [Temporary] Certification.

A. Certification inspection. On completion of all facility modifications, the qualified applicant shall notify the plant representative. The plant representative shall review the modifications and determine if the modified facility is ready for a certification inspection. If it is ready, the plant representative shall notify the dairy sanitarian to arrange for a certification inspection of the facility.

B. Inspection report. An inspection report must evidence all modifications and is the basis for determining the can producer's compliance with standards. The dairy sanitarian shall give the original of the inspection report to the qualified applicant, retain one copy, and send one copy each to the plant representative and the commissioner.

3 MCAR S 1.1346 [Temporary] Request for payment.

A. Submission of request for payment. After the completion of a successful certification inspection, the qualified applicant must file with the department a request for payment

accompanied by all receipts for investment expenditures, dated and signed, if applicable. These materials must be received by the commissioner on or before April 1, 1985.

B. Request for payment. The request for payment must be a typed or legibly printed letter containing the following:

1. the qualified applicant's name and address;

2. the date of the request;

3. the date of the certification inspection; and

4. a brief statement requesting payment for investment expenditures under the manufacturing grade milk investment reimbursement program.

C. Receipts for investment expenditures. The qualified applicant may submit receipts for all investment expenditures made for the facility modification with the exception of the following items:

1. bulk tank unit;

2. hose port and concrete pad;

3. milk lines;

4. milk pumps;

5. pressurized hot water systems;

6. a waste disposal system more elaborate than one necessary to handle waste associated with the cleaning of milk handling equipment; and

7. labor costs in excess of ten percent of the total investment reimbursement approved by the commissioner.

D. Incomplete requests or receipts. In the event that a request or a receipt is incomplete, the department shall return the request or receipt to the qualified applicant specifying the deficiencies. The applicant shall have until April 1, 1985, or 15 days from the postmarked date of the notice, whichever is later, to complete the request or receipt, unless the qualified applicant shows hardship in accordance with 3 MCAR S 1.1347 [Temporary].

3 MCAR S 1.1347 [Temporary] Hardship.

Late financial information, request for payment, or receipt for investment expenditures may not be considered by the

commissioner unless the eligible or qualified applicant shows hardship causing the delay. Any claim of hardship must be submitted in writing to the department. The commissioner shall evaluate and determine the reasonableness of any claim of hardship.

3 MCAR S 1.1348 [Temporary] Approval; payment.

A. Verification; approval. All requests and receipts for investment reimbursements submitted in support of an application are subject to verification and approval by the commissioner.

B. Schedule for payments. After the commissioner's approval, investment reimbursements must be made for investment expenditures in accordance with Laws of Minnesota 1983, chapter 232, section 2. All investment reimbursements must be made by June 30, 1985.

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
DEC 30 1983 1:19 P.M.
Joan Anderson Growe
Secretary of State

APPROVED AS TO FORM AND LEGALITY
December 30 1983
HUBERT H. HUMPHREY, III
ATTORNEY GENERAL
BY Martha J Cassedy
SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA

DEPARTMENT OF AGRICULTURE

In the Matter of the Proposed
Adoption of Temporary Rules of
the Department of Agriculture
Governing the Administration of the
Manufacturing Grade Milk
Investment Reimbursement Program
(3 MCAR SS 1.1340 - 1.1348)

ORDER ADOPTING
TEMPORARY RULES

The above-entitled matter was published in the State Register on November 28, 1983, as proposed temporary rules pursuant to Minnesota Statutes section 14.30. After affording interested and affected persons an opportunity to submit written data and views for at least 20 days after the publication date, reviewing and considering the data and views, and determining that the above-captioned rules are needed and reasonable.

NOW THEREFORE, IT IS ORDERED that these rules identified as the temporary Rules Governing the Administration of the Manufacturing Grade Milk Investment Reimbursement Program are adopted this 21st day of December, 1983, pursuant to authority vested in me by Laws of Minnesota 1983, chapter 232, section 2.

State of Minnesota

Rolla M Dennistoun

Jim Nichols
Commissioner of Agriculture

STATE OF MINNESOTA

DEPARTMENT OF AGRICULTURE

In the Matter of the Proposed
Adoption of Temporary Rules
Governing the Administration of
the Manufacturing Grade Milk
Investment Reimbursement Program
(3 MCAR SS 1.1340-1.1347)

ORDER FOR PUBLICATION
OF TEMPORARY RULES

IT IS ORDERED this 14th day of November, 1983, that the proposed temporary rules in the above-entitled matter be published in the State Register.

STATE OF MINNESOTA

Jim Nichols

Jim Nichols
Commissioner of Agriculture

In the Matter of Proposed Temporary Rules of the Department of Agriculture Governing the Administration of the Manufacturing Grade Milk Investment Reimbursement Program

AFFIDAVIT OF MAILING

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

Diane M. Windham, being first duly sworn, deposes and says:

That on the 22nd day of November, 1983, at the City of St. Paul, County of Ramsey, State of Minnesota, he/she served the attached Notice of Intent to Adopt Temporary Rules by depositing in the State of Minnesota Central Mail System for United States Mailing at said City of St. Paul, a copy thereof, properly enveloped, with postage prepaid, on all persons and associations who have requested that their names be placed on file with the Minnesota Department of Agriculture for the purpose of receiving notice of the proposed adoption of rules by this Department.

Diane M. Windham

Subscribed and sworn to before me this 22nd day of November, 1983.

Christine Canaday

Christine Canaday
NOTARY PUBLIC — MINNESOTA
RAMSEY COUNTY
My commission expires June 25, 1986

STATE OF MINNESOTA

COUNTY OF RAMSEY

CERTIFICATE

In the Matter of Proposed Temporary
Rules of the Department of Agriculture
Governing the Administration of the
Manufacturing Grade Milk Investment
Reimbursement Program

I hereby certify that the list of persons, associations, and other interested groups who have requested, pursuant to Minn. Stat. Section 14.14, subd. 1, that their names be placed on file with and maintained by the Minnesota Department of Agriculture for the purpose of receiving notice of the proposed adoption of rules by this Department is accurate and complete as of 4:00 p.m., this 22nd day of November, 1983.

Gerald J. Heil

PROPOSED RULES

Pursuant to Minn. Stat. of 1980, §§ 14.21, an agency may propose to adopt, amend, suspend or repeal rules without first holding a public hearing, as long as the agency determines that the rules will be noncontroversial in nature. The agency must first publish a notice of intent to adopt rules without a public hearing, together with the proposed rules, in the *State Register*. The notice must advise the public:

1. that they have 30 days in which to submit comment on the proposed rules;
2. that no public hearing will be held unless seven or more persons make a written request for a hearing within the 30-day comment period;
3. of the manner in which persons shall request a hearing on the proposed rules;

and

4. that the rule may be modified if modifications are supported by the data and views submitted.

If, during the 30-day comment period, seven or more persons submit to the agency a written request for a hearing of the proposed rules, the agency must proceed under the provisions of §§ 14.13-14.20 which state that if an agency decides to hold a public hearing, it must publish in the *State Register* a notice of its intent to do so. This notice must appear at least 30 days prior to the date set for the hearing, along with the full text of the proposed rules. (If the agency has followed the provisions of subd. 4h and has already published the proposed rules, a citation to the prior publication may be substituted for republication.)

Pursuant to Minn. Stat. § 14.29, when a statute, federal law or court order to adopt, suspend or repeal a rule does not allow time for the usual rulemaking process, temporary rules may be proposed. Proposed temporary rules are published in the *State Register*, and for at least 20 days thereafter, interested persons may submit data and views in writing to the proposing agency.

Department of Agriculture
Dairy Industries Division

Proposed Temporary Rules Governing Administration of the Manufacturing Grade Milk Investment Reimbursement Program

Notice of Intent to Adopt Temporary Rules

Notice is hereby given that the Minnesota Department of Agriculture proposes to adopt the above entitled temporary rules. The Commissioner of Agriculture will follow the procedures set forth in Minnesota Statutes, sections 14.29-14.36 in adopting these rules.

Persons interested in these temporary rules shall have 20 days from the date the rules are published in the *State Register* to submit comments on the proposed rules. The proposed rules may be modified if the modifications are supported by the data and views submitted to the department.

Persons who wish to submit oral or written comments should submit the comments to: Gerald Heil, Minnesota Department of Agriculture, 90 West Plato Boulevard, St. Paul, Minnesota 55107, (612) 296-1486.

Authority to adopt these rules is contained in Laws of Minnesota 1983, chapter 232, section 2. The Commissioner is authorized by this section to adopt temporary rules for the administration of the manufacturing grade milk investment reimbursement program. The investment reimbursement program is intended to help can producers meet federal and state certification requirements for manufacturing grade milk by providing financial assistance. Accordingly, the proposed temporary rules include eligibility criteria such as residency in Minnesota and financial need; and provisions for a three-stage application process which includes an information survey submitted by a plant representative and financial information submitted by the applicant, a certification inspection and report by the department, and the applicant's submission of a request for payment and investment expenditure receipts. The proposed temporary rules also provide for the Commissioner's verification and approval of the receipts submitted for reimbursement, the schedule for payment of reimbursements, and provisions for claims of hardship.

Upon adoption of the temporary rules, the proposed rules, this Notice, all written comments received, and the temporary Rules as Adopted, will be delivered to the Attorney General for review as to form and legality.

In accordance with Laws of Minnesota 1983, chapter 232, section 2, these temporary rules will be effective until July 1, 1985.

One free copy of this Notice and the proposed temporary rules may be obtained by contacting Mr. Heil. Persons who wish to receive a copy of the temporary rules as adopted should also request it from Mr. Heil.

November 14, 1983

Jim Nichols
Commissioner of Agriculture

Temporary Rules as Proposed (all new material)

3 MCAR § 1.1340 [Temporary] Purpose; authority.

Rules 3 MCAR §§ 1.1340-1.1348 [Temporary] are prescribed by the commissioner pursuant to Laws of Minnesota 1983, chapter 232, section 2, in order to establish an application process and payment procedures for investment reimbursements to aid limited resource producers in meeting certification requirements so that they may continue as producers of manufacturing grade milk.

3 MCAR § 1.1341 [Temporary] Definitions.

A. Scope. As used in 3 MCAR §§ 1.1340-1.1348 [Temporary], the terms in this rule have the meanings given them.

B. Applicant. "Applicant" means a can producer who is a resident.

C. Application. "Application" means an information survey, financial information, an inspection report, a reimbursement request, and investment expenditure receipts submitted by a person to the commissioner for the purpose of obtaining an investment reimbursement.

D. Can producer. "Can producer" means a person who produces manufacturing grade milk for sale in cans.

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I. Eligible applicant. "Eligible applicant" means a can producer who meets the criteria in 3 MCAR § 1.1342 [Temporary] A. and B.

J. Facility. "Facility" means equipment, building, or a portion of a building which is necessary in the production of manufacturing grade milk and is owned or operated by the can producer.

K. Hardship. "Hardship" means unforeseen circumstances which preclude the applicant from meeting a deadline stated in 3 MCAR § 1.1344-1.1348 [Temporary].

L. Investment expenditure. "Investment expenditure" means the cost of capital improvements or equipment installed for the purpose of conforming to standards.

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Q. Modification. "Modification" means a change in the production facility required for certification of the facility.

R. Net income. "Net income" means federally adjusted gross income minus taxes.

S. Net worth. "Net worth" means the sum of all assets minus all liabilities of the applicant and the applicant's spouse, if applicable, determined using generally accepted accounting principles.

T. Noncertifiable. "Noncertifiable" means unable to meet standards for the production of manufacturing grade milk.

U. Person. "Person" means an individual, partnership, family farm, family farm corporation, or authorized farm corporation engaged in manufacturing grade milk production.

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V. Plant representative. "Plant representative" means a field service employee or other employee of a receiving dairy plant who is responsible for quality control.

W. Qualified applicant. "Qualified applicant" means an eligible applicant who is determined a limited resource producer in accordance with 3 MCAR § 1.1344 [Temporary] F.

X. Resident. "Resident" means a person who was producing manufacturing grade milk in Minnesota in cans, for sale, on or before June 2, 1983.

Y. Standards. "Standards" means the recommended federal standards for manufacturing grade milk as adopted by Minnesota.

3 MCAR § 1.1342 [Temporary] Eligibility.

A. Residency. An applicant must be a resident currently engaged in the production of manufacturing grade milk for sale in cans.

B. Noncertifiable. An applicant's facilities must be noncertifiable.

C. Financial need. An applicant must be a limited resource producer.

3 MCAR § 1.1343 [Temporary] Notice of available funds.

The commissioner shall publish notice of the availability of investment reimbursement funds in the *State Register* and mail the notice to can producers of record on or before February 1, 1984. The notice must contain at least the following: the purpose of the investment reimbursement program; the method of applying for the investment reimbursement; the criteria for eligibility; a statement of expenditures not eligible for reimbursement as stated in 3 MCAR § 1.1346 [Temporary] C.; a statement of when investment reimbursements will be made and the deadlines for filing application documents; and a statement that the maximum allowable investment reimbursement is $100 for the first $500 or fraction thereof, and ten percent of the next $2,000 of net investment expenditures.

3 MCAR § 1.1344 [Temporary] Application procedure.

A. Information survey. An information survey must be completed and submitted prior to the filing of the financial data form. The applicant must request that a plant representative conduct the information survey and submit results to the department on or before May 1, 1984. The information survey must be completed on forms provided by the department and must contain at least the following:

1. the producer's name and address, including county, township, and section;
2. the date and time of survey;
3. the size of the dairy herd and amount of daily production;
4. the frequency of milk pickups and the name and address of the receiving dairy plant;
5. production and marketing intentions after July 1, 1985;
6. the producer's intent to apply for an investment reimbursement;
7. the availability of a milkhouse or milkroom;
8. the size and location of a milkhouse or milkroom, if any;
9. the type of construction of the milkhouse or milkroom including lighting, walls, and ceiling construction, floor construction, doors, windows, and screen construction, and the adequacy of sewage disposal;
10. construction plans, if any, for a milkhouse or milkroom including location, size, construction materials, and potential builder;
11. the condition of milking utensils and equipment;
12. the type and size of a milk cooler and its operating conditions;
13. the number and condition of cans;
14. the total number of cans needed for proper storage of milk;
15. the type of barn including size and arrangement;
16. the adequacy of lighting, ventilation, floor, gutters, walls, ceilings, pens and alleyways, yard, and loafing area;
17. the water supply type, location, and quality; and
18. any other information determined by the commissioner to be reasonably related to the certification process for manufacturing grade milk.

B. Preliminary review. Based on the information survey, the commissioner shall determine eligible applicants using the criteria in 3 MCAR § 1.1342 [Temporary] A. and B.

C. Notification of eligible applicants. The commissioner shall notify all eligible applicants on or before June 1, 1984.

D. Financial information. On or before July 1, 1984, an eligible applicant must submit to the department the following financial information:

1. a copy of the eligible applicant's federal income tax return for 1983 or a written, signed, and notarized statement declaring that the eligible applicant did not file a return for 1983; and

2. a completed net worth statement, in the form set forth in Exhibit 3 MCAR § 1.1344 [Temporary] D.2.-1.

Exhibit 3 MCAR § 1.1344 [Temporary] D.2.-1 (side 1)

Minnesota Department of Agriculture
Dairy Industries Division - 90 W. Plato Blvd.
St. Paul, MN 55107 (612) 297-2131

CURRENT NET WORTH STATEMENT

NAME: DATE:

ADDRESS: PHONE: ( )

ASSETS	omit cents	LIABILITIES	omit cents
CURRENT ASSETS		CURRENT LIABILITIES	
Cash		Secured Notes To:	
Stocks, Bonds & Investments		Unsecured Notes To:	
Collectable Notes			
Cash Value of Life Ins. (Face Value $)		Notes to Others	
Harvested Crops held for sale (see schedule 4)		Conditional Sales Contracts – Installments overdue	
Harvested Crops for farm use (see schedule 3)		Accrued Real Estate Interest	
Seed, Fertilizer and Chemicals Inventory		Real Estate Mortgage Payments – (see schedule 5) (Interest and Principal, if overdue)	
Investment in Growing Crops			
Livestock held for sale (see schedule 2)		Commodity Credit Corporation Loans	
Other Assets			
		Real Estate Taxes (Past due)	
		Personal Property Taxes (Past due)	
SUB-TOTAL: Current Assets		Income Taxes (Past due)	
INTERMEDIATE AND FIXED ASSETS		Cash Rent (Past due)	
REAL ESTATE		Accounts Due (repairs, feed, gasoline, vet., etc.)	
Farm of Acres, @ per Acre			
Farm of Acres, @ per Acre			
Major Improvements to farms purchased			
Item Year			
Item Year			
Item Year			
Item Year			
Item Year			
Item Year			
		Other Liens and Judgments	
Other			
PERSONAL PROPERTY Needed to Operate Farm		SUB-TOTAL: Current Liabilities	
Dairy & Breeding Livestock (see schedule 1)		INTERMEDIATE AND LONG-TERM LIABILITIES	
Vehicles, Machinery (see schedule 6)		Real Estate Mortgages (see schedule 5)	
		Conditional Sales Contracts (see schedule 5)	
SUB-TOTAL: Intermediate and Fixed Assets		Secured Installment Notes (see schedule 5)	
TOTAL ASSETS		Loans Secured by Life Insurance	
TOTAL ASSETS			
TOTAL LIABILITIES		SUB-TOTAL: Int. and Long-Term Liabilities	
NET WORTH		TOTAL LIABILITIES	

I hereby submit the above as being a true, complete and accurate statement of my financial condition and the financial condition of my spouse (if applicable) on the above date.

Signed (Applicant) _____

Signed (Spouse) _____

The only intended use of information you provide on this form is to determine your eligibility for the Manufacturing Grade Milk Investment Reimbursement Program.

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Exhibit 3 MCAR § 1.1344 [Temporary] D.2.-1 (side 2)

SCHEDULE 1 – Breeding Livestock

Breed	No.	Kind	Age	Wt.	Description	Unit Value	VALUE
TOTAL Breeding Livestock							

SCHEDULE 2 – Livestock Held for Sale

Breed	No.	Kind	Age	Wt.	Grade	Unit Value	TOTAL VALUE
TOTAL Livestock Held for Sale							

SCHEDULE 3 – Crops Held for Farm Use

Quantity	Kind of Crop	Unit Value	Other Description	VALUE
	Corn			
	Hay			
	Silage			
			TOTAL	

SCHEDULE 4 – Harvested Crops Held for Sale

Quantity	Kind of Crop	Unit Value	Approx. Date To be Sold	TOTAL VALUE
	Corn			
			TOTAL	

SCHEDULE 5 – Security Agreements, Conditional Sales Cont, etc.

Held by	Security	Inst. Amt. and Date	TOTAL AMOUNT
TOTAL Security Agreements, Conditional Sales Cont.			

SCHEDULE 6 – Vehicles, Machinery, Equipment

No.	Item Model-Make Year	Value
	Baler	
	Blower (Silo)	
	Car	
	Combine	
	Corn Picker	
	Corn Planter	
	Cultivator	
	Digger	
	Disc	
	Drag	
	Elevator	
	Feed Mill	
	Forage Harvester	
	Grain Auger	
	Grain Drill	
	Grain Dryer	
	Livestock Equipment	
	Manure Loader	
	Manure Spreader	
	Milking Machine, Pipeline	
	Milk Cooler, Bulk Tank	
	Mower	
	Plow	
	Rotary Hoe	
	Side Delivery Rake	
	Silo Unloader	
	Snow Blower	
	Sprayer	
	Stalk Chopper	
	Swather	
	Tractor	
	Tractor	
	Truck	
	Truck	
	Wagon	
	Wagon Box	
	TOTAL	

E. Incomplete financial information. In the event that incomplete financial information is received, the department shall notify the eligible applicant, specifying the deficiencies. The eligible applicant shall have until July 1, 1984, or 15 days from the postmarked date of the notice, whichever is later, to complete the financial information. If the financial information is not completed in the prescribed time, the eligible applicant will not be considered for an investment reimbursement unless the eligible applicant shows hardship in accordance with 3 MCAR § 1.1347 [Temporary].

F. Determination and notification of qualified applicants. The commissioner shall review the financial information submitted by the eligible applicant and determine whether the eligible applicant is a limited resource producer. If the eligible applicant is a limited resource producer, the eligible applicant is qualified and the commissioner shall notify the qualified applicant by mail on or before August 1, 1984.

3 MCAR § 1.1345 [Temporary] Certification.

A. Certification inspection. On completion of all facility modifications, the qualified applicant shall notify the plant representative. The plant representative shall review the modifications and determine if the modified facility is ready for a certification inspection. If it is ready, the plant representative shall notify the dairy sanitarian to arrange for a certification inspection of the facility.

B. Inspection report. An inspection report must evidence all modifications and is the basis for determining the can producer's compliance with standards. The dairy sanitarian shall give the original of the inspection report to the qualified applicant, retain one copy, and send one copy each to the plant representative and the commissioner.

3 MCAR § 1.1346 [Temporary] Request for payment.

A. Submission of request for payment. After the completion of a successful certification inspection, the qualified applicant must file with the department a request for payment accompanied by all receipts for investment expenditures, dated and signed, if applicable. These materials must be received by the commissioner on or before April 1, 1985.

B. Request for payment. The request for payment must be a typed or legibly printed letter containing the following:

1. the qualified applicant's name and address;
2. the date of the request;
3. the date of the certification inspection; and
4. a brief statement requesting payment for investment expenditures under the manufacturing grade milk investment reimbursement program.

C. Receipts for investment expenditures. The qualified applicant may submit receipts for all investment expenditures made for the facility modification with the exception of the following items:

1. bulk tank unit;
2. hose port and concrete pad;
3. milk lines;
4. milk pumps;
5. pressurized hot water systems;
6. a waste disposal system more elaborate than one necessary to handle waste associated with the cleaning of milk handling equipment; and
7. labor costs in excess of ten percent of the total investment reimbursement approved by the commissioner.

D. Incomplete requests or receipts. In the event that a request or a receipt is incomplete, the department shall return the request or receipt to the qualified applicant specifying the deficiencies. The applicant shall have until April 1, 1985, or 15 days from the postmarked date of the notice, whichever is later, to complete the request or receipt, unless the qualified applicant shows hardship in accordance with 3 MCAR § 1.1347 [Temporary].

3 MCAR § 1.1347 [Temporary] Hardship.

Late financial information, request for payment, or receipt for investment expenditures may not be considered by the

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commissioner unless the eligible or qualified applicant shows hardship causing the delay. Any claim of hardship must be submitted in writing to the department. The commissioner shall evaluate and determine the reasonableness of any claim of hardship.

3 MCAR § 1.1348 [Temporary] Approval; payment.

A. Verification; approval. All requests and receipts for investment reimbursements submitted in support of an application are subject to verification and approval by the commissioner.

B. Schedule for payments. After the commissioner's approval, investment reimbursements must be made for investment expenditures in accordance with Laws of Minnesota 1983, chapter 232, section 2. All investment reimbursements must be made by June 30, 1985.

Department of Commerce

Proposed Adoption of Rules Relating to Insurance Agent Conduct

Notice of Intent to Adopt Rules without a Public Hearing

Notice is hereby given that the Department of Commerce proposes to adopt the above-entitled rules without a public hearing. The Commissioner of Commerce has determined that the proposed adoption of these rules will be noncontroversial in nature and has elected to follow the procedures set forth in Minnesota Statutes, section 14.21 (1982).

Persons interested in these rules shall have 30 days to submit comments. The proposed rules may be modified if the modifications are supported by the data and views submitted to the agency and do not result in a substantial change.

No public hearing will be held unless seven or more persons make a written request for a hearing within the 30-day comment period. In the event a public hearing is required, the agency will proceed according to the provisions of Minnesota Statutes, section 14.14, subd. 1.

Persons who wish to submit comments or a written request for a public hearing should submit them to Thomas L. O'Malley, Department of Commerce, 500 Metro Square Building, St. Paul, MN 55101.

Authority for the adoption of these rules is contained in Minnesota Statutes, section 60A.17. Additionally, a Statement of Need and Reasonableness describing the need for and reasonableness of each provision and identifying the data and information relied upon to support the proposed rules has been prepared and is available upon request.

Upon adoption of the final rules without a public hearing, the proposed rules, this Notice, the Statement of Need and Reasonableness, all written comments received, and the final Rules as Adopted will be delivered to the Attorney General for review as to form and legality, including the issue of substantial change. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the final rules as proposed for adoption, should submit a written statement of such request to Debbi Lindlief, Department of Commerce, 500 Metro Square Building, St. Paul, Minnesota 55101.

A copy of the proposed rules is attached to this Noticce.

Copies of this Notice and the proposed rules are available and may be obtained by contacting Debbi Lindlief at the above address.

Michael A. Hatch
Commissioner of Commerce

Rules as Proposed (all new material)

4 MCAR § 1.9011 Authority and scope.

Rules 4 MCAR §§ 1.9011-1.90281 are promulgated pursuant to the authority of Minnesota Statutes, section 60A.17, as amended by Laws of Minnesota 1983, chapter 263, and are intended to govern the interest of all licensed insurance agents in this state.

4 MCAR § 1.9012 Definitions.

A. Scope. As used in 4 MCAR §§ 1.9011-1.90281, the terms defined in this rule shall have the meanings given them.

B. Agent. "Agent" means an insurance agent licensed under Minnesota Statutes, section 60A.17.

Stephen G. Wenzel
District 13B
Morrison-Crow Wing-Cass Counties
Little Falls, Minnesota
Committees:
Agriculture, Chairman
(612) 296-4247
Financial Institutions and Insurance
Governmental Operations
Pensions Subcommittee

Minnesota House of Representatives

Harry A. Sieben, Jr., Speaker

RECEIVED
DEC 09 1983
PLANNING DIVISION

December 7, 1983

Mr. Jim Nichols, Commissioner
Minnesota Department of Agriculture
90 West Plato Boulevard
St. Paul, MN 55107

Dear Commissioner Nichols:

The purpose of this letter is to comment on the Proposed Temporary Rules Governing Administration of the Manufacturing Grade Milk Investment Reimbursement Program in the Minnesota Department of Agriculture which were posted in the State Register, November 28, 1983. Persons interested shall have twenty days from the date the rules are published to submit comments on the proposed rules.

I am requesting that you remove the language listed under item "O" on page 1251 which states "and whose net worth is not in excess of $75,000." This language would, in effect, prohibit this investment to the overwhelming majority of Minnesota's Grade B dairy farmers who ship milk in cans. This language clearly contradicts the intention of the author of the bill, Rep. Paul Ogren; the legislative intent of the members of the House Dairy and Livestock Subcommittee; the Members of the House Agriculture Committee; and the almost unanimous vote of the Minnesota House of Representatives. Governor Perpich also strongly favored this program. The purpose of the $300,000 appropriation was to distribute these monies under the investment reimbursement program to the Grade B dairy faremrs of our state who ship milk in cans and who were required by legislation to build a milkhouse. Most dairy farms and dairy farmers, particularly middle-aged and older farmers, net worth is over $75,000.

I also believe that the rules listed under "A" of the application procedure, information, page 1252, to be excessive and unreasonable. A-5, A-9, A-10, A-15, and A-18 are unnecessary and unreasonable, and I request that you remove them.

Thank you for your cooperation in this matter.

Sincerely,

Steve Wenzel

Steve Wenzel, Chairman
House Agriculture Committee

cc: Gerald Heil
Dr. Rollin Dennistoun
Bill Coleman
Rep. Rick Krueger

Reply to: ☐ 333 State Office Building, St. Paul, Minnesota 55155 Office: (612) 296-4247

In the Matter of the Proposed
Adoption of Temporary Rules
Governing the Administration of the
Manufacturing Grade Milk Investment
Reimbursement Program
(3 MCAR SS 1.1340 - 1.1348)

STATEMENT OF
COMPLIANCE WITH
RULEMAKING PROCEDURES

I, (Special Assistant Attorney General) Jon K. Murphy, do hereby declare that I have examined the rules and all related documents and that, based on my examination and my personal familiarity with the applicable procedures, the Administrative Procedure Act, the rules of the Office of Administrative Hearings, and the rules of the Attorney General have been followed. Any exceptions are noted below.

Special Assistant Attorney General

Date: 12/22/83