Getting to the root of the matter.

Legislative Session 2013: In Review

By Cory Bennett, Agri-Growth Lobbyist

Minnesotans laid the foundation for this year’s lawmaking when they flipped control of the Legislature last fall, sending DFL majorities to both the House and Senate for the first time in 20 years.

The 2013 Legislative Session went to the very last minute on May 20th, as DFLers in the House and Senate finished up work on a $38.3 billion two-year state budget just before midnight, the constitutional deadline. In the waning hours of session, after last minute negotiations, lawmakers were able to pass a $156 million bonding package that included the continuation of the Capitol restoration project, a proposal to fund state government services and a tax bill that generates more than $2 billion in new revenues. After the final votes were taken and the budget put into place, legislators adjourned the 2013 Legislative Session.

This year’s session proved eventful for Agri-Growth as several issues arose that had a direct impact on the food and agriculture industry. These issues took form in bills, amendments, or provisions contained in larger omnibus bills. Bills that weren’t acted upon this year will be held over until next year and can be brought up for consideration during the 2014 Legislative Session.

OMNIBUS AGRICULTURE, ENVIRONMENT, AND NATURAL RESOURCES FINANCE AND POLICY BILL

What the bill does not include are several controversial fee increases that were removed during the conference committee process, including a House proposal to increase water-usage fees on farm irrigators, agriculture processing facilities and livestock producers. The additional revenue from those fee increases was to have been used for additional monitoring and analysis of ground and surface water. Instead, $7.6 million is now appropriated from the general fund for that purpose.

Items of agriculture interest that are contained in the bill include:

- $63.1 million for the Minnesota Department of Agriculture (MDA).
- $9.6 million for the Board of Animal Health.
- $5.2 million for Agriculture Utilization Research Institute (AURI).
- $20.4 million for Agriculture Growth, Research, and Innovation Program (AGRI), including county fairs, livestock investment grants, crop research, bio-fuels and NextGen energy grants, and food to school programs.
- $6.6 million to monitor groundwater and surface water levels.
- $450,000 increase for the food retail handler program at the MDA.
- $200,000 to MDA for pesticide applicator education and training materials.
- $1.0 million to Second Harvest Heartland for milk procurement to state food shelves.
- $1.6 million to the Minnesota Agriculture Fertilizer Council for research.

Agriculture policy related items:

- Establishes the Agriculture Water Certification Program: exempts farmers who were certified from any new water-quality rules issued by state agencies for a period of up to 10 years.
- Makes changes to pesticide storage and handling requirements.
- Makes changes to requirements for ethanol use, and biofuel goals for the future.
- Revises the noxious weed law.
- Extends the NextGen Energy Board until 2015.
- Extends Minnesota Agriculture Education and Leadership Council (MAELC) until 2018.
- Extends the Farmer Lender Mediation Program until 2015.

OMNIBUS TAX BILL

One of the last bills to pass, and one of the most controversial of the session, was the large revenue generating Tax Bill. This DFL-backed tax bill raises more than $2 billion in new revenue. The dollars are generated through an income tax increase on the wealthiest 2 percent of Minnesotans, a cigarette tax increase of $1.60 per pack, the expansion of the sales tax on some business-to-business services, and...
CenturyLink is the third largest telecommunications company in the United States and is recognized as a leader in the network services market by technology industry analyst firms. The company is a global leader in cloud infrastructure and hosted IT solutions for enterprise customers. CenturyLink provides data, voice and managed services in local, national, and select international markets through its high-quality advanced fiber optic network and multiple data centers for businesses and consumers. The company also offers advanced entertainment services under the CenturyLink® Prism™ TV and DIRECTV brands. Headquartered in Monroe, Louisiana., CenturyLink is an S&P 500 company and is included among the Fortune 500 list of America’s largest corporations.

On July 15 CenturyLink acquired Savvis, Inc., a global leader in cloud infrastructure and hosted IT solutions. This acquisition allows CenturyLink to achieve global scale as a managed hosting and cloud services provider and accelerates its ability to deliver those capabilities to its business customers.

Q & A with Duane Ring, CenturyLink Midwest Region President:
How is CenturyLink funded?
We’re a publicly traded company that enables consumers, businesses and communities to better connect, live, and work through advanced technologies and solutions delivered with honest and personal service.

What is new at CenturyLink?
On May 22, CenturyLink announced that it is eligible to receive at least $90 million this year from the Federal Communications Commission’s Connect America Fund (CAF) to bring broadband to thousands of rural homes and businesses in high-cost areas. The company may also be eligible for additional CAF phase I money that was not accepted last year – in addition to spending a significant amount of its own capital over the next three years to deploy broadband service in rural America.

Another key area is “cloud computing.” The term “cloud” means different things to different people, but for CenturyLink we are defining cloud as performing IT functions (storage, server space, computing, etc.) in offsite data centers vs. having it on a customer’s physical premise. These solutions go beyond IT hosting. They provide customers with redundancy, business continuity and network assurance from an industry leader. They are solutions that ensure our customers are able to maintain service, consistency and recoverability.

What are the key trends affecting your industry?
Broadband expansion into rural markets via the Connect America Fund (CAF) is probably the most significant initiative affecting us right now.

As the Federal Communications Commission (FCC) and rural providers have worked together, several guiding principles have emerged over time:

- Targeting support on a granular basis to places where market forces would not otherwise make it available.
- Ensuring that support goes only to those unserved places where there is not already a broadband provider.
- Ensuring that supported services are reasonably equivalent to those available in urban markets, in features, quality and price.

CAF is a critical feature of the FCC’s broadband deployment plan. This program is intended to jumpstart the unserved deployment process by allocating money annually to the deployment of broadband services in high-cost, unserved areas.

What are your legislative priorities?
CenturyLink strives to work closely with local, state, and federal policy makers to take a collaborative approach to improving the lives of our customers through better communication services. We seek thoughtful reforms that will bring much-needed stability to our industry and ultimately serve the best interests of consumers and the markets we serve.

CenturyLink actively pursues consumer-focused policy initiatives in the following key areas:

- Broadband enablement and adoption,
- Regulatory parity among providers,
- Network management and cyber security, and
- Public safety and 911.
the elimination of some corporate loopholes. This new revenue erased the state’s $627 million projected budget deficit and increased spending to public schools, froze tuition at state colleges and universities and moved more money to job-creation programs. The Tax Bill did create significant debate over two particular agriculture related provisions that would apply the business-to-business services tax on warehouse storage and farm machinery repairs. The language is very broad and can be interpreted many different ways. The Department of Revenue will be issuing a revenue notice with more guidance in the coming months. Agriculture groups, including Agri-Growth, will be closely monitoring this issue through the interim to determine its effect on the food and agriculture industry. These tax issues will almost certainly be revisited in the next legislative session.

**HIGHER EDUCATION FINANCE BILL**

The Legislature made higher education a priority this session by passing a budget bill that would freeze tuition at Minnesota’s public colleges and universities and boost spending on higher education by $250 million. The backbone of the plan is a $120 million two-year tuition freeze for in-state undergraduates at both the University of Minnesota and the Minnesota State Colleges and Universities system. Also included in the higher education package, is $86 million in the agriculture special appropriation and $9.6 million in the health sciences special appropriation which funds the Veterinary Diagnostic Laboratory at the University of Minnesota.

**MINIMUM WAGE**

DFL leaders did fail to come to an agreement on a proposal to raise the minimum wage. An increase in the state’s $6.15 per hour minimum wage was a priority of many Democrats at the start of session, but House and Senate Democrats failed to come up with a compromise. While the House wanted to boost the wage to $9.50 an hour by 2015, the Senate settled on a more modest increase to $7.50. Also at issue, is an attempt by some lawmakers to lower the agriculture worker overtime from 48 to 40 hours. Although this issue did not pass this session, expect it to resurface next year as DFL leaders have stated that it would be a top priority next session.

**BPA**

Retailers would need to remove baby food containers containing bisphenol-A from their store shelves by Aug. 1, 2015, according to a bill signed by the Governor. The bill prohibits manufacturers and wholesalers from knowingly selling infant formula, baby food, or toddler food stored in a container that contains intentionally added BPA, beginning Aug. 1, 2014. The Agri-Growth Council opposed the original bill but legislation was significantly amended to address many of the concerns of the food industry.

**CLEAN WATER**

Clean Water Council’s spending recommendations for the 2014-2015 biennium include monitoring and assessment, watershed restoration and protection strategies, drinking water protection, nonpoint and point source implementation activities, and applied research and tool development. In total, the Clean Water fund receives more than $194 million. Of that amount, the Department of Agriculture receives $14.7 million.

**GMO LABELING**

A measure to require the labeling of foods containing genetically modified organisms (GMO) sold in Minnesota was introduced in the House and Senate this year but there were no hearings. There was an amendment drafted to the House Omnibus Environment and Agriculture Finance Bill to study the health and environmental effects of GMO’s, but it ultimately was never offered. Agri-Growth is a proponent of the use of agriculture biotechnology and supports the position of the FDA that labeling would be misleading and is precluded since there is no nutritional or safety difference with non-GMO food ingredients.

**ANTIBIOTICS FOR LIVESTOCK**

Bills proposing to ban non-therapeutic use of antibiotics for use in animals and banning the sale of meat products from animals treated with certain antibiotics were introduced this year in both the House and Senate, but did not advance through the committees or receive hearings.

**ANIMAL WELFARE**

No bills, provisions, or amendments were offered that would have restricted food processing or livestock production to operate responsibly or safely.
Two Agri-Growth Board Members to Retire this Summer

Mainstays of the Minnesota Agri-Growth Council Board of Directors will be retiring this summer: **Steve Krikava** with Land O’Lakes and **Adolf Ojard** with Duluth Seaway Port Authority.

Steve is set to retire in early July, after more than 30 years in agricultural cooperatives. He currently holds the role of Director of Government Relations at Land O’Lakes. Steve spent the bulk of his career at Land O’Lakes and has worked in the areas of communications, government relations, member relations, and public affairs management. His role will be filled by past Agri-Growth President, Daryn McBeth, and a counterpart, Autumn Veazey, who is based in Washington D.C. Steve has served on the Agri-Growth Board of Directors for over seven years and is currently serving on the executive committee as Treasurer.

Another board member set to retire late this summer is Adolf Ojard with the Duluth Seaway Port Authority. A maritime transportation veteran, Ojard was named Port Authority executive director in March 2003. His retirement will end a career that spanned more than 30 years with transportation affiliates of the U.S. Steel Corporation where he held executive positions in rail, inland barge, and Great Lakes shipping. In addition to serving on the Agri-Growth Board of Directors, Ojard also chairs the Great Ships Initiative Advisory Committee and is a member of the U.S. DOT Maritime Transportation System National Advisory Committee.

We wish both Steve and Adolf the very best in their retirement! Thanks for all you both have done for the food and agriculture industry!

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**Minneapolis Agri-Growth Council Seeks Board Candidates**

Are you interested in serving on the Minnesota Agri-Growth Council Board of Directors? If so, contact Agri-Growth at 651.905.8900 or info@agrigrowth.org by July 30. Information will be passed on to the Board Nomination Committee for consideration. Qualified candidates must be members in good standing, be able to attend four board meetings, and be able to attend the Annual Meeting as well as other various activities throughout the year.

Individuals will be contacted prior to the Annual Meeting (November 5) and would serve a three-year term. Questions can be directed to info@agrigrowth.org. Thank you for your involvement and support!