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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. **1504**

03/05/2015 Authored by Simonson

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy and Finance

1.1 A bill for an act  
1.2 relating to natural resources; providing for publicly created wetland banking  
1.3 credits; appropriating money; proposing coding for new law in Minnesota  
1.4 Statutes, chapter 103G.

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

1.6 Section 1. **[103G.2252] PUBLICLY CREATED WETLAND BANK CREDITS.**

1.7 Subdivision 1. **Grant program.** The board may award grants under this section  
1.8 using money in the account under subdivision 5 and any money appropriated by law  
1.9 for purposes of this section. The board may retain three percent of available money for  
1.10 administration of the grant program under this section.

1.11 Subd. 2. **Grant eligibility.** A soil and water conservation district may apply  
1.12 for grants under this section. Actions eligible for wetland replacement credit under  
1.13 section 103G.2242, subdivision 12, and rules adopted thereunder in the following major  
1.14 watersheds of the state are eligible for funding under this section:

- 1.15 (1) Saint Louis River;
- 1.16 (2) Cloquet River;
- 1.17 (3) Mississippi River (Grand Rapids);
- 1.18 (4) Rainy River (Headwaters);
- 1.19 (5) Vermilion River; and
- 1.20 (6) Little Fork River.

1.21 Subd. 3. **Project requirements.** (a) Any project funded with a grant under this  
1.22 section must be designated for wetland banking purposes. The project may be undertaken  
1.23 on public, private, or tribal lands.

2.1 (b) A soil and water conservation district may use a portion of any grant to assess  
2.2 ecological suitability and sustainability of proposed actions in order to maximize public  
2.3 value, achieve watershed goals, and improve the ecological condition of the watershed.

2.4 (c) Unless the soil and water conservation district and the board approve an alternate  
2.5 boundary, the entire replacement area of the project must be protected by:

2.6 (1) a perpetual conservation easement, in a form prescribed by the board, granted  
2.7 to and accepted by the state; or

2.8 (2) in the case of federal or tribal lands, another form of permanent protection  
2.9 approved by the board.

2.10 (d) Monitoring of replacement projects is the responsibility of the soil and water  
2.11 conservation district undertaking the project. Monitoring commences upon completion of  
2.12 construction. Monitoring must continue for ten full growing seasons, or until the soil and  
2.13 water conservation district determines, with the concurrence of the Technical Evaluation  
2.14 Panel, that the replacement is successful, but in no case may the determination be made  
2.15 before five full growing seasons.

2.16 (e) Upon a determination under paragraph (d) that the project is successful, the  
2.17 board must determine the public value of the replacement project and assign replacement  
2.18 credits to be deposited in the state wetland bank, to be made available for purchase  
2.19 according to subdivision 4.

2.20 (f) A soil and water conservation district may use up to three percent of the grant  
2.21 amount to administer the project.

2.22 Subd. 4. **Purchase of credits.** (a) A person required to replace wetlands under  
2.23 a replacement plan or mining reclamation plan may purchase banking credits created  
2.24 under this section in lieu of restoring or creating wetland areas as required under section  
2.25 103G.222. The purchaser must pay:

2.26 (1) the full costs incurred by the soil and water conservation district in establishing  
2.27 the credit, including but not limited to construction, monitoring, maintenance, and legal  
2.28 costs; and

2.29 (2) the withdrawal fee established under section 103G.2242, subdivision 14.

2.30 (b) Money paid under paragraph (a), clause (1), must be deposited in the account  
2.31 established under subdivision 5. Withdrawal fees paid under paragraph (a), clause (2),  
2.32 must be deposited according to section 103G.2242, subdivision 15.

2.33 Subd. 5. **Funding.** Money paid under subdivision 4, paragraph (a), clause (1), must  
2.34 be deposited in an account in the special revenue fund and is appropriated to the board to  
2.35 make grants under this section.

3.1       Sec. 2. **APPROPRIATION; PUBLICLY CREATED WETLAND BANKING**  
3.2 **CREDITS.**

3.3       \$30,000,000 is appropriated in fiscal year 2016 from the general fund to the Board  
3.4 of Water and Soil Resources for grants to publicly create wetland banking credits under  
3.5 Minnesota Statutes, section 103G.2252.