CHAPTER 52-H.F.No. 1113

An act relating to natural resources; appropriating money from environment and natural resources trust fund; modifying provisions for Legislative-Citizen Commission on Minnesota Resources; modifying requirements for land acquisition with trust fund money; amending Minnesota Statutes 2012, sections 116P.05, subdivisions 1, 2; 116P.09, subdivision 2; 116P.15; 116P.16; 116P.17; proposing coding for new law in Minnesota Statutes, chapter 116P.

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

Section 1. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this act. The appropriations are from the environment and natural resources trust fund and are available for the fiscal years indicated for each purpose. The figures "2014" and "2015" used in this act mean that the appropriations listed under them are available for the fiscal year ending June 30, 2014, or June 30, 2015, respectively. "The first year" is fiscal year 2014. "The second year" is fiscal year 2015. "The biennium" is fiscal years 2014 and 2015. The appropriations in this act are onetime.

APPROPRIATIONS
Available for the Year
Ending June 30
2014
2015

Sec. 2. MINNESOTA RESOURCES

Subdivision 1. **Total Appropriation** \$ 33,810,000 \$ 4,350,000

Appropriations by Fund

2014 2015

Environment and natural

resources trust fund 33,810,000 4,350,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

Appropriations are available for two years beginning July 1, 2013, unless otherwise stated in the appropriation. Any unencumbered balance remaining in the first year does not cancel and is available for the second year.

Subd. 2. **Definition**

"Trust fund" means the Minnesota environment and natural resources trust fund referred to in Minnesota Statutes, section 116P.02, subdivision 6.

Subd. 3. Natural Resource Data and Information

8,076,000

-0-

(a) Minnesota Biological Survey

\$2,650,000 the first year is from the trust fund to the commissioner of natural resources for continuation of the Minnesota biological survey to provide a foundation for conserving biological diversity by systematically collecting, interpreting, monitoring, and delivering data on plant and animal distribution and ecology, native plant communities, and functional landscapes.

(b) County Geologic Atlases - Part A

\$1,200,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to continue the acceleration of the production of county geologic atlases that define aquifer boundaries and the connection of aquifers to the land surface and surface water resources for the purpose of sustainable management of surface water and groundwater resources. This appropriation is available until June 30, 2016, by which time the project must be completed and final products delivered.

(c) County Geologic Atlases - Part B

\$1,200,000 the first year is from the trust fund to the commissioner of natural resources to continue the analysis and compilation of groundwater data for the production of county geologic atlases, publication of geospatial groundwater data, and continued mapping of springsheds and karst features for Winona and Houston Counties. This appropriation is available until June 30, 2016, by which time the project must be completed and final products delivered.

(d) Updating National Wetland Inventory for Minnesota - Phase IV

\$1,000,000 the first year is from the trust fund to the commissioner of natural resources to continue the update and enhancement of wetland inventory maps

for Minnesota. This appropriation is available until June 30, 2016, by which time the project must be completed and final products delivered.

(e) Conservation Easement Stewardship Program - Phase III

\$200,000 the first year is from the trust fund to the commissioner of natural resources for the final phase to bring conservation easements held by the Department of Natural Resources up to minimum conservation standards, through monitoring, baseline data collection, and baseline report preparation.

(f) Harnessing Soudan Mine Microbes: Bioremediation, Bioenergy, and Biocontrol

\$838,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to continue the characterization of unique microbes discovered in the Soudan Underground Mine State Park that have potential applications for metal remediation in water resources, microbial electrofuels, and biocontrol of white-nose bat syndrome. This appropriation is available until June 30, 2016, by which time the project must be completed and final products delivered.

(g) Improved Rapid Forest Ecosystem and Habitat Inventory

\$262,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to evaluate a new approach to forest inventory, based on statewide forest inventory and analysis (FIA) data.

(h) Finding Disease Resistant Elm Trees in Minnesota

\$200,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to evaluate and identify native Minnesota elms resistant to Dutch elm disease to assist with limiting the susceptibility of the state's elms to Dutch elm disease. This appropriation is available until June 30, 2016, by which time the project must be completed and final products delivered.

(i) Enhancing Timber Sale Program Environmental and Economic Sustainability

\$336,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to evaluate the impacts of timber payment methods on postharvest forest ecological conditions and net revenue generated from public timber sale programs. This appropriation is available until June 30, 2016, by which time the project must be completed and final products delivered.

(j) Enhancing Environmental and Economic Benefits of Woodland Grazing

\$190,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to evaluate management options for woodlands used for grazing to improve ecological and economic benefits. This appropriation is available until June 30, 2016, by which time the project must be completed and final products delivered.

Subd. 4. Land, Habitat, Restoration, and Recreation

13,522,000

-0-

(a) State Parks and Trails Land Acquisition

\$1,000,000 the first year is from the trust fund to the commissioner of natural resources to acquire authorized state trails and critical parcels within the statutory boundaries of state parks. State park land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards, as determined by the commissioner of natural resources. A list of proposed acquisitions must be provided as part of the required work plan. This appropriation is available until June 30, 2016, by which time the project must be completed and final products delivered.

(b) Scientific and Natural Area Restoration, Enhancement, and Citizen Engagement

\$1,500,000 the first year is from the trust fund to the commissioner of natural resources to conserve sites of biodiversity significance by restoring and enhancing lands established as scientific and natural areas as provided in Minnesota Statutes, section 86A.05, subdivision 5, and providing volunteer engagement and outreach. This appropriation is available until June 30, 2016, by which time the project must be completed and final products delivered.

(c) Native Prairie Stewardship and Native Prairie Bank Easement Acquisition

\$750,000 the first year is from the trust fund to the commissioner of natural resources to acquire native prairie bank easements, prepare baseline property assessments, restore and enhance native prairie sites, and provide technical assistance to landowners. This appropriation is available until June 30, 2016, by which time the project must be completed and final products delivered.

(d) Metropolitan Conservation Corridors (MeCC) - Phase VII

\$2,000,000 the first year is from the trust fund for the acceleration of agency programs and cooperative agreements. Of this appropriation, \$10,000 is to the commissioner of natural resources for agency programs and \$1,990,000 is to the commissioner of natural resources for agreements as follows: \$304,000 with Friends of the Mississippi River; \$368,000 with Dakota County; \$208,000 with Great River Greening; \$310,000 with Minnesota Land Trust; \$400,000 with Minnesota Valley National Wildlife Refuge Trust, Inc.; and \$400,000 with the Trust for Public Land for planning, restoring, and protecting priority natural areas in the metropolitan area, as defined under Minnesota Statutes, section 473.121, subdivision 2, and portions of the surrounding counties, through contracted services, technical assistance, conservation easements, and fee title acquisition. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards, as determined by the commissioner of natural resources. Expenditures are limited to the identified project corridor areas as defined in the work plan. This appropriation may not be used for the purchase of habitable residential structures, unless expressly approved in the work plan. All conservation easements must be perpetual and have a natural resource management plan. Any land acquired in fee title by the commissioner of natural resources with money from this appropriation must be designated as an outdoor recreation unit under Minnesota Statutes, section 86A.07. The commissioner may similarly designate any lands acquired in less than fee title. A list of proposed restorations and fee title and easement acquisitions must be provided as part of the required work plan. Lands that would require payments in lieu

of taxes under Minnesota Statutes, section 97A.061 or 477A.12, shall not be acquired with money from this appropriation. Up to \$54,000 is for use by Minnesota Land Trust in a monitoring and enforcement fund as approved in the work plan and subject to subdivision 16. An entity that acquires a conservation easement with appropriations from the trust fund must have a long-term stewardship plan for the easement and a fund established for monitoring and enforcing the agreement. Money appropriated from the trust fund for easement acquisition may be used to establish a monitoring, management, and enforcement fund as approved in the work plan. An annual financial report is required for any monitoring, management, and enforcement fund established, including expenditures from the fund. This appropriation is available until June 30, 2016, by which time the project must be completed and final products delivered.

(e) Landscape Arboretum Acquisition - Lake Tamarack

\$2,000,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to acquire land surrounding Lake Tamarack in Carver County as part of the acquisition of approximately 80 acres. This appropriation is available until June 30, 2016, by which time the project must be completed and final products delivered.

(f) Conservation Program Technical Assistance Grants

\$3,000,000 the first year is from the trust fund to the Board of Water and Soil Resources to continue providing grants to soil and water conservation districts and other units of local and state government for the employment of staff to reenroll expiring lands into programs for conservation purposes. This appropriation is available until June 30, 2016, by which time the project must be completed and final products delivered.

(g) Moose Habitat Restoration in Northeastern Minnesota

\$200,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Natural Resources Research Institute to develop best practices guidelines for creating moose foraging habitat efficiently and cost-effectively. This appropriation is available until June 30, 2016, by

which time the project must be completed and final products delivered.

(h) Bee Pollinator Habitat Enhancement

\$200,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to assess the potential to supplement traditional turf grass by providing critical floral plant resources to enhance bee pollinator habitat. This appropriation is available until June 30, 2016, by which time the project must be completed and final products delivered.

(i) Conservation Grazing to Improve Wildlife Habitat on Wildlife Management Areas

\$600,000 the first year is from the trust fund to the commissioner of natural resources to develop grazing plans and provide infrastructure to support conservation grazing on approximately 10,000 acres of targeted wildlife management areas in partnership with local livestock producers. Any revenue generated as a result of this appropriation must be reinvested in producing plans, conducting maintenance, or building infrastructure for new or existing conservation grazing efforts. This appropriation is available until June 30, 2016, by which time the project must be completed and final products delivered.

(j) Preserving the Avon Hills Landscape - Phase II

\$772,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Saint John's University in cooperation with the Minnesota Land Trust to secure permanent conservation easements on high quality habitat in Stearns County, prepare conservation management plans, and provide public outreach. A list of proposed easement acquisitions must be provided as part of the required work plan. Up to \$80,000 is for use by Minnesota Land Trust in a monitoring and enforcement fund as approved in the work plan and subject to subdivision 16. An entity that acquires a conservation easement with appropriations from the trust fund must have a long-term stewardship plan for the easement and a fund established for monitoring and enforcing the agreement. Money appropriated from the trust fund for easement acquisition may be used to establish a monitoring, management,

and enforcement fund as approved in the work plan. An annual financial report is required for any monitoring, management, and enforcement fund established, including expenditures from the fund. This appropriation is available until June 30, 2016, by which time the project must be completed and final products delivered.

(k) Frogtown Farm and Park Acquisition

\$1,500,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Trust for Public Land to acquire a portion of 12 acres for Frogtown Farm and Park to be established as a St. Paul city park.

(1) Restoration Evaluations

\$200,000 from Laws 2009, chapter 143, section 2, subdivision 8, paragraph (b), Legislative-Citizen Commission on Minnesota Resources, as amended by Laws 2011, First Special Session, chapter 2, article 3, section 2, subdivision 18, paragraph (a), clause (8), is transferred to the Board of Regents of the University of Minnesota for evaluation of lands restored using money from the trust fund. The lands to be evaluated shall be identified and prioritized in consultation with the Legislative-Citizen Commission on Minnesota Resources.

Subd. 5. Water Resources

3,819,000

-0-

$\underline{\text{(a) Sustaining Lakes in Changing Environment - Phase}} \\ \mathbf{II}$

\$1,200,000 the first year is from the trust fund to the commissioner of natural resources in cooperation with the United States Geological Survey, the University of Minnesota, and the University of St. Thomas to continue development and implementation of monitoring, modeling, and reporting protocols for Minnesota lakes to be used in water and fisheries management. This appropriation is available until June 30, 2016, by which time the project must be completed and final products delivered.

(b) Assessment of Natural Copper-Nickel Bedrocks on Water Quality

\$585,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota in cooperation with the United States Geological Survey to assess impacts of existing mineralization and potential mining on northeastern Minnesota regional water quality, including impacts from copper, nickel, and other metal concentrations in rocks, streambed sediments, and soils in areas of potential base-metal mining. This appropriation is available until June 30, 2016, by which time the project must be completed and final products delivered.

(c) Heron Lake Sediment and Phosphorus Reduction Implementation Projects

\$122,000 the first year is from the trust fund to the Board of Water and Soil Resources for an agreement with the Heron Lake Watershed District for public outreach and installation and monitoring of water quality improvement projects. This appropriation is available until June 30, 2016, by which time the project must be completed and final products delivered.

(d) Southern Minnesota Lakes Restoration

\$463,000 the first year is from the trust fund to the Board of Water and Soil Resources for an agreement with Le Sueur County to install shoreland and agricultural best management practices to improve water quality for up to 14 lakes in a tri-county area in southern Minnesota. This appropriation is available until June 30, 2016, by which time the project must be completed and final products delivered.

(e) Measuring Hydrologic Benefits from Glacial Ridge Habitat Restoration

\$400,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Red Lake Watershed District in cooperation with the United States Geological Survey to compare the hydrology of habitats before and after restorations to evaluate and quantify the impacts on flood reduction and water quality in order to inform improvements to restoration techniques. The United States Geologic Survey is not subject to the requirements in Minnesota Statutes, section 116P.10. This appropriation is available until June 30,

2016, by which time the project must be completed and final products delivered.

(f) Evaluation of Lake Superior Water Quality Health

\$600,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to evaluate impacts to Lake Superior from a changing thermal structure and invasive species in order to implement lake water quality management strategies. This appropriation is available until June 30, 2016, by which time the project must be completed and final products delivered.

(g) Membranes for Wastewater-Generated Hydrogen and Clean Water

\$246,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to develop, optimize, and test membranes made of thin film polymers embedded with selected bacteria to generate clean water and energy in the form of hydrogen from wastewater. This appropriation is available until June 30, 2016, by which time the project must be completed and final products delivered.

(h) Antibiotics in Minnesota Waters - Phase II Mississippi River

\$203,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the University of St. Thomas to measure antibiotic concentrations and antibiotic resistance levels and assess the contributions of farm runoff and wastewater treatment in a portion of the Mississippi River. This appropriation is available until June 30, 2016, by which time the project must be completed and final products delivered.

Subd. 6. Aquatic and Terrestrial Invasive Species

(a) Aquatic Invasive Species Research Center

\$4,350,000 the first year and \$4,350,000 the second year are from the trust fund to the Board of Regents of the University of Minnesota to develop and support an aquatic invasive species (AIS) research center at the University of Minnesota that will develop new techniques to control aquatic invasive species

6,632,000 4,350,000

including Asian carp, zebra mussels, and plant species. This appropriation is available until June 30, 2019, by which time the project must be completed and final products delivered.

(b) Detecting and Monitoring Asian Carp Populations

\$540,000 the first year is from the trust fund to the commissioner of natural resources to accelerate a search and monitoring program directly targeting Asian carp to be used in the development of potential control strategies.

(c) Improving Emerald Ash Borer Detection Efficacy for Control

\$600,000 the first year is from the trust fund to evaluate and implement options for effective detection of the presence of emerald ash borer. Of this appropriation, \$240,000 is to the commissioner of agriculture and \$360,000 is to the Board of Regents of the University of Minnesota. This appropriation is available until June 30, 2016, by which time the project must be completed and final products delivered.

(d) Elimination of Target Invasive Plant Species

\$350,000 the first year is from the trust fund to the commissioner of agriculture to train volunteers and professionals to find, control, and monitor targeted newly emergent invasive species. This appropriation is available until June 30, 2016, by which time the project must be completed and final products delivered.

(e) Biological Control of Garlic Mustard

\$140,000 the first year is from the trust fund to the commissioner of natural resources in cooperation with the University of Minnesota to continue the implementation of biological control for invasive garlic mustard plants. This appropriation is available until June 30, 2016, by which time the project must be completed and final products delivered.

(f) Zebra Mussel Control Research and Evaluation in Minnesota Waters

\$600,000 the first year is from the trust fund to the commissioner of natural resources for an agreement

with the United States Geological Survey, Upper Midwest Environmental Sciences Center, to assess the ecological impacts of a commercially available molluscicide formulation on the reproduction and development of native fish, as well as impacts on larval aquatic insect survival, and to evaluate the effectiveness of these treatment options for detection and control of zebra mussels. The United States Geologic Survey is not subject to the requirements in Minnesota Statutes, section 116P.10. This appropriation is available until June 30, 2016, by which time the project must be completed and final products delivered.

(g) Controlling Terrestrial Invasive Plants with Grazing Animals

\$52,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Hiawatha Valley Resource Conservation and Development, Inc. to develop cost effective best management practices to control invasive terrestrial species through planned grazing. This appropriation is available until June 30, 2016, by which time the project must be completed and final products delivered.

Subd. 7. Environmental Education

636,000

<u>-0-</u>

(a) Minnesota Conservation Apprentice Academy

\$186,000 the first year is from the trust fund to the Board of Water and Soil Resources in cooperation with the Conservation Corps Minnesota to continue a program to train and mentor future conservation professionals by providing apprenticeship service opportunities with soil and water conservation districts.

(b) Youth Outdoors: Mississippi River Education and Employment Opportunities

\$450,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Wilderness Inquiry to provide outdoor education, recreation, and youth employment on the Mississippi River from Grand Rapids to St. Cloud, the Twin Cities, Hastings, and Red Wing. This appropriation is available until June 30, 2016, by which time

the project must be completed and final products delivered.

Subd. 8. Administration and Contract Agreement Reimbursement

1,125,000

-0-

(a) Legislative-Citizen Commission on Minnesota Resources (LCCMR)

\$990,000 the first year is from the trust fund to the LCCMR for administration in fiscal years 2014 and 2015 as provided in Minnesota Statutes, section 116P.09, subdivision 5.

(b) Contract Agreement Reimbursement

\$135,000 the first year is from the trust fund to the commissioner of natural resources at the direction of the Legislative-Citizen Commission on Minnesota Resources for expenses incurred for contract agreement reimbursement for the agreements specified in this section. The commissioner shall provide documentation to the Legislative-Citizen Commission on Minnesota Resources on the expenditure of these funds.

Subd. 9. Availability of Appropriations

Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific appropriation and are specified in the work plan approved by the Legislative-Citizen Commission on Minnesota Resources. appropriated in this section must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Costs that are directly related to and necessary for an appropriation, including financial services, human resources, information services, rent, and utilities, are eligible only if the costs can be clearly justified and individually documented specific to the appropriation's purpose and would not be generated by the recipient but for the receipt of the appropriation. No broad allocations for costs in either dollars or percentages are allowed. Unless otherwise provided, the amounts in this section are available until June 30, 2015, when projects must be completed and final products delivered. For acquisition of real property, the appropriations in this section are available for an additional fiscal year if a binding contract for acquisition of the real property is entered into before the original expiration date of the appropriation. If a project receives a federal grant, the time period of the appropriation is extended to equal the federal grant period.

Subd. 10. Data Availability Requirements

Data collected by the projects funded under this section must conform to guidelines and standards adopted by MN.IT Services. Spatial data also must conform to additional guidelines and standards designed to support data coordination and distribution that have been published by the Minnesota Geospatial Information Office. Descriptions of spatial data must be prepared as specified in the state's geographic metadata guideline and must be submitted to the Minnesota Geospatial Information Office. All data must be accessible and free to the public unless made private under the Data Practices Act, Minnesota Statutes, chapter 13.

To the extent practicable, summary data and results of projects funded under this section should be readily accessible on the Internet and identified as having received funding from the environment and natural resources trust fund.

Subd. 11. Project Requirements

- (a) As a condition of accepting an appropriation under this section, any agency or entity receiving an appropriation or a party to an agreement from an appropriation must comply with paragraphs (b) to (k) and Minnesota Statutes, chapter 116P, and must submit a work plan and semiannual progress reports in the form determined by the Legislative-Citizen Commission on Minnesota Resources for any project funded in whole or in part with funds from the appropriation. Modifications to the approved work plan and budget expenditures shall be made through the amendment process established by the Legislative-Citizen Commission on Minnesota Resources.
- (b) For all restorations conducted with money appropriated under this section, a recipient must prepare an ecological restoration and management plan that, to the degree practicable, is consistent with the highest quality conservation and ecological goals for the restoration site. Consideration should be given

to soil, geology, topography, and other relevant factors that would provide the best chance for long-term success of the restoration projects. The plan must include the proposed timetable for implementing the restoration, including site preparation, establishment of diverse plant species, maintenance, and additional enhancement to establish the restoration; identify long-term maintenance and management needs of the restoration and how the maintenance, management, and enhancement will be financed; and take advantage of the best available science and include innovative techniques to achieve the best restoration.

- (c) Any entity receiving an appropriation in this section for restoration activities must provide an initial restoration evaluation at the completion of the appropriation and an evaluation three years beyond the completion of the expenditure. Restorations must be evaluated relative to the stated goals and standards in the restoration plan, current science, and, when applicable, the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines. The evaluation shall determine whether the restorations are meeting planned goals, identify any problems with the implementation of the restorations, and, if necessary, give recommendations on improving restorations. The evaluation shall be focused on improving future restorations.
- (d) Except as otherwise provided in this section, all restoration and enhancement projects funded with money appropriated in this section must be on land permanently protected by a conservation easement or public ownership or in public waters as defined in Minnesota Statutes, section 103G.005, subdivision 15.
- (e) A recipient of money from an appropriation under this section must give consideration to contracting with Conservation Corps Minnesota for contract restoration and enhancement services.
- (f) All conservation easements acquired with money appropriated under this section must:
- (1) be perpetual;
- (2) specify the parties to an easement in the easement;
- (3) specify all of the provisions of an agreement that are perpetual;

- (4) be sent to the Legislative-Citizen Commission on Minnesota Resources in an electronic format prior to closing;
- (5) include a long-term monitoring and enforcement plan and funding for monitoring and enforcing the easement agreement; and
- (6) include requirements in the easement document to address specific water quality protection activities such as keeping water on the landscape, reducing nutrient and contaminant loading, protecting groundwater, and not permitting artificial hydrological modifications.
- (g) For any acquisition of land or interest in land, a recipient of money appropriated under this section must give priority to high quality natural resources or conservation lands that provide natural buffers to water resources.
- (h) For new lands acquired with money appropriated under this section, a recipient must prepare a restoration and management plan in compliance with paragraph (b), including sufficient funding for implementation unless the work plan addresses why a portion of the money is not necessary to achieve a high quality restoration.
- (i) To the extent an appropriation is used to acquire an interest in real property, a recipient of an appropriation under this section must provide to the Legislative-Citizen Commission on Minnesota Resources and the commissioner of management and budget an analysis of increased operation and maintenance costs likely to be incurred by public entities as a result of the acquisition and how these costs are to be paid.
- (j) To ensure public accountability for the use of public funds, a recipient of money appropriated under this section must provide to the Legislative-Citizen Commission on Minnesota Resources documentation of the selection process used to identify parcels acquired and provide documentation of all related transaction costs, including but not limited to appraisals, legal fees, recording fees, commissions, other similar costs, and donations. This information must be provided for all parties involved in the transaction. The recipient must also report to the Legislative-Citizen Commission on Minnesota Resources any difference between the acquisition amount paid to the seller and the state-certified

or state-reviewed appraisal, if a state-certified or state-reviewed appraisal was conducted. Acquisition data such as appraisals may remain private during negotiations but must ultimately be made public according to Minnesota Statutes, chapter 13. The commission may waive the application of this paragraph for specific projects.

(k) A recipient of an appropriation from the trust fund under this section must acknowledge financial support from the Minnesota environment and natural resources trust fund in project publications, signage, and other public communications and outreach related to work completed using the appropriation. Acknowledgement may occur, as appropriate, through use of the trust fund logo or inclusion of language attributing support from the trust fund. Each direct recipient of money appropriated in this section, as well as each recipient of a grant awarded pursuant to this section, must satisfy all reporting and other requirements incumbent upon constitutionally dedicated funding recipients as provided in Minnesota Statutes, section 3.303, subdivision 10, and chapter 116P.

Subd. 12. Payment Conditions and Capital Equipment Expenditures

All agreements, grants, or contracts referred to in this section must be administered on a reimbursement basis unless otherwise provided in this section. Notwithstanding Minnesota Statutes, section 16A.41, expenditures made on or after July 1, 2013, or the date the work plan is approved, whichever is later, are eligible for reimbursement unless otherwise provided in this section. Periodic payment must be made upon receiving documentation that the deliverable items articulated in the approved work plan have been achieved, including partial achievements as evidenced by approved progress reports. Reasonable amounts may be advanced to projects to accommodate cash flow needs or match federal money. The advances must be approved as part of the work plan. No expenditures for capital equipment are allowed unless expressly authorized in the project work plan.

Subd. 13. Purchase of Recycled and Recyclable Materials

A political subdivision, public or private corporation, or other entity that receives an appropriation under

this section must use the appropriation in compliance with Minnesota Statutes, section 16B.121, regarding purchase of recycled, repairable, and durable materials; and Minnesota Statutes, section 16B.122, regarding purchase and use of paper stock and printing.

Subd. 14. Energy Conservation and Sustainable Building Guidelines

A recipient to whom an appropriation is made under this section for a capital improvement project must ensure that the project complies with the applicable energy conservation and sustainable building guidelines and standards contained in law, including Minnesota Statutes, sections 16B.325, 216C.19, and 216C.20, and rules adopted under those sections. The recipient may use the energy planning, advocacy, and State Energy Office units of the Department of Commerce to obtain information and technical assistance on energy conservation and alternative energy development relating to the planning and construction of the capital improvement project.

Subd. 15. Accessibility

Structural and nonstructural facilities must meet the design standards in the Americans with Disabilities Act (ADA) accessibility guidelines.

Subd. 16. **Easement Monitoring and Enforcement Requirements**

Money appropriated under this section for easement monitoring and enforcement may be spent only on activities included in an easement monitoring and enforcement plan contained within the work plan. Money received for monitoring and enforcement, including earnings on the money received, shall be kept in a monitoring and enforcement fund held by the organization and dedicated to monitoring and enforcing conservation easements within Minnesota. Within 120 days after the close of the entity's fiscal year, an entity receiving appropriations for easement monitoring and enforcement must provide an annual financial report to the Legislative-Citizen Commission on Minnesota Resources or its successor on the easement monitoring and enforcement fund as specified in the work plan. Money appropriated

under this section for monitoring and enforcement of easements and earnings on the money appropriated shall revert to the state if: (1) the easement transfers to the state; (2) the holder of the easement fails to file an annual report and then fails to cure that default within 30 days of notification of the default by the state; or (3) the holder of the easement fails to comply with the terms of the monitoring and enforcement plan contained within the work plan and fails to cure that default within 90 days of notification of the default by the state.

Subd. 17. Carryforward

The availability of the appropriations for the following projects are extended to June 30, 2014:

- (1) Laws 2010, chapter 362, section 2, subdivision 4, paragraph (h), Conserving Sensitive and Priority Shorelands in Cass County;
- (2) Laws 2010, chapter 362, section 2, subdivision 5, paragraph (a), Understanding Sources of Aquatic Contaminants of Emerging Concern;
- (3) Laws 2010, chapter 362, section 2, subdivision 3, paragraph (b), Updating Minnesota Wetlands Inventory: Phase 2;
- (4) Laws 2010, chapter 362, section 2, subdivision 4, paragraph (b), Scientific and Natural Areas and Native Prairie Restoration, Enhancement, and Acquisition;
- (5) Laws 2010, chapter 362, section 2, subdivision 4, paragraph (i), Reconnecting Fragmented Prairie Landscapes;
- (6) Laws 2010, chapter 362, section 2, subdivision 6, paragraph (a), Biological Control of European Buckthorn and Garlic Mustard;
- (7) Laws 2010, chapter 362, section 2, subdivision 8, paragraph (e), Get Outside Urban Woodland for Kids;
- (8) Laws 2010, chapter 362, section 2, subdivision 5, paragraph (e), Assessing Septic System Discharge to Lakes;
- (9) Laws 2010, chapter 362, section 2, subdivision 3, paragraph (i), Ecosystem Services in Agricultural Watersheds;

- (10) Laws 2010, chapter 362, section 2, subdivision 3, paragraph (a), County Geologic Atlases and Related Hydrogeologic Research; and
- (11) Laws 2010, chapter 362, section 2, subdivision 7, paragraph (a), Algae for Fuels Pilot Project.
 - Sec. 3. Minnesota Statutes 2012, section 116P.05, subdivision 1, is amended to read:

Subdivision 1. **Membership.** (a) A Legislative-Citizen Commission on Minnesota Resources of 17 members is created in the legislative branch, consisting of the chairs of the house of representatives and senate committees on environment and natural resources finance or designees appointed for the terms of the chairs, four members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration, and four members of the house of representatives appointed by the speaker.

At least two members from the senate and two members from the house of representatives must be from the minority caucus. Members are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the commission.

Seven citizens are members of the commission, five appointed by the governor, one appointed by the Senate Subcommittee on Committees of the Committee on Rules and Administration, and one appointed by the speaker of the house. The citizen members are selected and recommended to the appointing authorities according to subdivision 1a and must:

- (1) have experience or expertise in the science, policy, or practice of the protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources;
 - (2) have strong knowledge in the state's environment and natural resource issues around the state; and
 - (3) have demonstrated ability to work in a collaborative environment.
- (b) Members shall develop procedures to elect a chair that rotates between legislative and citizen members. The chair shall preside and convene meetings as often as necessary to conduct duties prescribed by this chapter.
- (c) Appointed legislative members shall serve on the commission for two-year terms, beginning in January of each odd-numbered year and continuing through the end of December of the next even-numbered year. Appointed citizen members shall serve four-year terms, beginning in January of the first year and continuing through the end of December of the final year. Citizen and legislative members continue to serve until their successors are appointed.
- (d) A citizen member may be removed by an appointing authority for cause. Vacancies occurring on the commission shall not affect the authority of the remaining members of the commission to carry out their duties, and vacancies shall be filled for the remainder of the term in the same manner under paragraph (a).
 - (e) Citizen members shall be initially appointed according to the following schedule of terms:
 - (1) two members appointed by the governor for a term ending the first Monday in January 2010;
- (2) one member appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration for a term ending the first Monday in January 2010 and one member appointed by the speaker of the house for a term ending the first Monday in January 2010;
 - (3) two members appointed by the governor for a term ending the first Monday in January 2009; and
 - (4) one member appointed by the governor for a term ending the first Monday in January 2008.

- (f) Citizen members are entitled to per diem and reimbursement for expenses incurred in the services of the commission, as provided in section 15.059, subdivision 3.
 - (g) The governor's appointments are subject to the advice and consent of the senate.
 - Sec. 4. Minnesota Statutes 2012, section 116P.05, subdivision 2, is amended to read:
- Subd. 2. **Duties.** (a) The commission shall recommend an annual or biennial legislative bill for appropriations from the environment and natural resources trust fund and shall adopt a strategic plan as provided in section 116P.08. Approval of the recommended legislative bill requires an affirmative vote of at least 12 members of the commission.
- (b) It is a condition of acceptance of the appropriations made from the Minnesota environment and natural resources trust fund, and oil overcharge money under section 4.071, subdivision 2, that the agency or entity receiving the appropriation must submit a work <u>program plan</u> and semiannual progress reports in the form determined by the Legislative-Citizen Commission on Minnesota Resources, and comply with applicable reporting requirements under section 116P.16. None of the money provided may be spent unless the commission has approved the pertinent work <u>program plan</u>. Modifications to the approved work plan and budget expenditures shall be made through the amendment process established by the commission. The commission shall ensure that the expenditures and outcomes described in the work plan for appropriations funded by the environment and natural resources trust fund are met.
- (c) The peer review panel created under section 116P.08 must also review, comment, and report to the commission on research proposals applying for an appropriation from the oil overcharge money under section 4.071, subdivision 2.
 - (d) The commission may adopt operating procedures to fulfill its duties under this chapter.
 - (e) As part of the operating procedures, the commission shall:
- (1) ensure that members' expectations are to participate in all meetings related to funding decision recommendations;
- (2) recommend adequate funding for increased citizen outreach and communications for trust fund expenditure planning;
 - (3) allow administrative expenses as part of individual project expenditures based on need;
 - (4) provide for project outcome evaluation;
 - (5) keep the grant application, administration, and review process as simple as possible; and
- (6) define and emphasize the leveraging of additional sources of money that project proposers should consider when making trust fund proposals.
 - Sec. 5. Minnesota Statutes 2012, section 116P.09, subdivision 2, is amended to read:
- Subd. 2. **Liaison officers.** The commission shall may request each department or agency head of all state agencies with a direct interest and responsibility in any phase of environment and natural resources to appoint, and the latter shall appoint for the agency, a liaison officer who shall work closely with the commission and its staff.
 - Sec. 6. Minnesota Statutes 2012, section 116P.15, is amended to read:

116P.15 LAND ACQUISITION RESTRICTIONS.

Subdivision 1. **Scope.** A recipient of an appropriation from the trust fund or the Minnesota future resources fund who acquires an interest in real property with the appropriation must comply with this section.

If the recipient fails to comply with the terms of this section, ownership of the interest in real property transfers to the state. For the purposes of this section, "interest in real property" includes, but is not limited to, an easement or fee title to property.

- Subd. 2. **Restrictions; modification procedure.** (a) An interest in real property acquired with an appropriation from the trust fund or the Minnesota future resources fund must be used in perpetuity or for the specific term of an easement interest for the purpose for which the appropriation was made. The ownership of the interest in real property transfers to the state if: (1) the holder of the interest in real property fails to comply with the terms and conditions of the grant agreement or work plan; or (2) restrictions are placed on the land that preclude its use for the intended purpose as specified in the appropriation.
- (b) A recipient of funding who acquires an interest in real property subject to this section may not alter the intended use of the interest in real property or convey any interest in the real property acquired with the appropriation without the prior review and approval of the commission or its successor. The commission shall notify the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the trust fund or Minnesota future resources fund at least 15 business days before approval under this paragraph. The commission shall establish procedures to review requests from recipients to alter the use of or convey an interest in real property. These procedures shall allow for the replacement of the interest in real property with another interest in real property meeting the following criteria:
- (1) the interest is <u>must be</u> at least equal in fair market value, as certified by the commissioner of natural resources, to the interest being replaced; and
- (2) the interest is <u>must be</u> in a reasonably equivalent location, and <u>has have</u> a reasonably equivalent <u>usefulness useful conservation purpose</u> compared to the interest being replaced, <u>taking into consideration</u> all effects from fragmentation of the whole habitat.
- (c) A recipient of funding who acquires an interest in real property under paragraph (a) must separately record a notice of funding restrictions in the appropriate local government office where the conveyance of the interest in real property is filed. The notice of funding agreement must contain:
 - (1) a legal description of the interest in real property covered by the funding agreement;
 - (2) a reference to the underlying funding agreement;
 - (3) a reference to this section; and
 - (4) the following statement:

"This interest in real property shall be administered in accordance with the terms, conditions, and purposes of the grant agreement or work program controlling the acquisition of the property. The interest in real property, or any portion of the interest in real property, shall not be sold, transferred, pledged, or otherwise disposed of or further encumbered without obtaining the prior written approval of the Legislative-Citizen Commission on Minnesota Resources or its successor. The ownership of the interest in real property transfers to the state if: (1) the holder of the interest in real property fails to comply with the terms and conditions of the grant agreement or work program, ownership of the interest in real property shall transfer to this state plan; or (2) restrictions are placed on the land that preclude its use for the intended purpose as specified in the appropriation."

Sec. 7. Minnesota Statutes 2012, section 116P.16, is amended to read:

116P.16 REAL PROPERTY INTEREST REPORT.

By December 1 each year, a recipient of an appropriation from the trust fund, that is used for the acquisition of an interest in real property, including, but not limited to, an easement or fee title, must submit annual reports on the status of the real property to the Legislative-Citizen Commission on Minnesota

Resources <u>or its successor</u> in a form determined by the commission. The responsibility for reporting under this section may be transferred by the recipient of the appropriation to another person who holds the interest in the real property. To complete the transfer of reporting responsibility, the recipient of the appropriation must:

- (1) inform the person to whom the responsibility is transferred of that person's reporting responsibility;
- (2) inform the person to whom the responsibility is transferred of the property restrictions under section 116P.15; and
- (3) provide written notice to the commission of the transfer of reporting responsibility, including contact information for the person to whom the responsibility is transferred.

After the transfer, the person who holds the interest in the real property is responsible for reporting requirements under this section.

Sec. 8. Minnesota Statutes 2012, section 116P.17, is amended to read:

116P.17 ACQUISITION OF LANDS TO BE CONVEYED TO THE STATE <u>OR INTEREST</u> IN LANDS; COMMISSIONER APPROVAL.

<u>Subdivision 1.</u> <u>Commissioner approval.</u> (a) A recipient of an appropriation from the trust fund who acquires an interest in real property must receive written approval from the commissioner of natural resources prior to the acquisition, if the interest:

- (1) is acquired in whole or in part with the appropriation; and
- (2) will be conveyed to the state for management by the commissioner. Conservation easements to be held by the Board of Water and Soil Resources are not subject to commissioner approval under this section.
- (b) The commissioner shall approve acquisitions under this section only when the interest in real property:
- (1) is identified as a high priority by the commissioner and meets the objectives and criteria identified in the applicable acquisition plan for the intended management status of the property; or
- (2) meets the objectives and criteria identified in the applicable acquisition plan for the intended management status of the property is otherwise identified by the commissioner as a priority for state financing.
- Subd. 2. Value assessment. Prior to acquiring an interest in real property with an appropriation from the trust fund, a recipient of an appropriation must submit the most recent tax assessed value and most recent tax statement of the real property and the amount the recipient plans to offer for the interest in real property to the commission and the commissioner of natural resources. Conservation easements to be held by the Board of Water and Soil Resources are not subject to the requirements of this section. The board shall keep a record of the tax assessed value of the real property at the time of acquisition and the most recent tax statement.

Sec. 9. [116P.18] LANDS IN PUBLIC DOMAIN.

Money appropriated from the trust fund must not be used to purchase any land in fee title or a permanent conservation easement if the land in question is fully or partially owned by the state or a political subdivision of the state or was acquired fully or partially with state money, unless:

(1) the purchase creates additional direct benefit to the protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources; and

(2) the purchase is approved, prior to the acquisition, by an affirmative vote of at least 12 members of the commission.

Presented to the governor May 8, 2013

Signed by the governor May 9, 2013, 3:47 p.m.