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24-06920

H. F. No. 5011

## State of Minnesota HOUSE OF REPRESENTATIVES

### NINETY-THIRD SESSION

03/18/2024

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

1.1	A bill for an act
1.2	relating to environment; improving efficiency of Wetland Conservation Act
1.3	determinations; modifying permitting efficiency reporting requirements; improving
1.4	the efficiency of the environmental and resource management permit application
1.5	process; requiring the Pollution Control Agency to issue separate permits for the
1.6	construction and operation of certain facilities; modifying the expedited permitting
1.7	process of the Pollution Control Agency; requiring petitioners for environmental
1.8	assessment worksheets to reside in the affected or adjoining counties; eliminating
1.9	scoping environmental assessment worksheet requirements for projects requiring
1.10	an environmental impact statement; requiring modification of the state
1.11	implementation plan; providing for coordinated plans to complete environmental
1.12	review and other state agency actions; requiring reports; requiring rulemaking;
1.13	appropriating money; amending Minnesota Statutes 2022, sections 15.99,
1.14	subdivision 3; 116.03, subdivision 2b; 116.07, subdivision 4d; 116D.04, subdivision
1.15	2a; 116J.035, by adding a subdivision; Minnesota Statutes 2023 Supplement,
1.16	section 116.07, subdivision 4a; proposing coding for new law in Minnesota Statutes,
1.17	chapters 84; 116.
1.18	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
1.19	Section 1. Minnesota Statutes 2022, section 15.99, subdivision 3, is amended to read:

Subd. 3. Application; extensions. (a) The time limit in subdivision 2 begins upon the 1.20

agency's receipt of a written request containing all information required by law or by a 1.21

previously adopted rule, ordinance, or policy of the agency, including the applicable 1.22

- application fee. If an agency receives a written request that does not contain all required 1.23
- information, the 60-day limit starts over only if the agency sends written notice within 15 1.24
- business days of receipt of the request telling the requester what information is missing. 1.25
- (b) If a request relating to zoning, septic systems, watershed district review, soil and 1.26 water conservation district review, or expansion of the metropolitan urban service area 1.27
- requires the approval of more than one state agency in the executive branch, the 60-day 1.28

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2.1 period in subdivision 2 begins to run for all executive branch agencies on the day a request
2.2 containing all required information is received by one state agency. The agency receiving
2.3 the request must forward copies to other state agencies whose approval is required.

(c) An agency response, including an approval with conditions, meets the 60-day time
limit if the agency can document that the response was sent within 60 days of receipt of the
written request. Failure to satisfy the conditions, if any, may be a basis to revoke or rescind
the approval by the agency and will not give rise to a claim that the 60-day limit was not
met.

(d) The time limit in subdivision 2 is extended if a state statute, federal law, or court
order requires a process to occur before the agency acts on the request, and the time periods
prescribed in the state statute, federal law, or court order make it impossible to act on the
request within 60 days. In cases described in this paragraph, the deadline is extended to 60
days after completion of the last process required in the applicable statute, law, or order.
Final approval of an agency receiving a request is not considered a process for purposes of
this paragraph.

(e) The time limit in subdivision 2 is extended if: (1) a request submitted to a state agency
requires prior approval of a federal agency; or (2) an application submitted to a city, county,
town, school district, metropolitan or regional entity, or other political subdivision requires
prior approval of a state or federal agency. In cases described in this paragraph, the deadline
for agency action is extended to 60 days after the required prior approval is granted.

(f) An agency may extend the time limit in subdivision 2 before the end of the initial
60-day period by providing written notice of the extension to the applicant. The notification
must state the reasons for the extension and its anticipated length, which may not exceed
60 days unless approved by the applicant. There may be no more than one extension under
this paragraph of any determination under sections 103G.221 to 103G.2375.

2.26 (g) An applicant may by written notice to the agency request an extension of the time2.27 limit under this section.

# 2.28 Sec. 2. [84.0265] ENVIRONMENTAL REVIEW AND PERMITTING; 2.29 COORDINATED PROJECT PLANS.

#### 2.30 Subdivision 1. **Definitions.** In this section, the following terms have the meanings given:

2.31 (1) "commissioner" means the commissioner of natural resources;

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3.1	(2) "coordinated project plan" or "plan" means a plan to ensure that any required
3.2	environmental review and other required state agency actions are completed efficiently by
3.3	coordinating and establishing deadlines for all necessary state agency actions;
3.4	(3) "eligible project" means:
3.5	(i) a project that requires an environmental assessment worksheet or an environmental
3.6	impact statement under chapter 116D; or
3.7	(ii) a license, permit, certificate, certification, approval, compliance schedule, or other
3.8	authorization for which approval includes considerations to protect land, air, or water
3.9	resources and that:
3.10	(A) must be obtained from the commissioner before constructing or operating a facility
3.11	in the state; or
3.12	(B) will have a significant impact on regulatory requirements for constructing or operating
3.13	a facility; and
3.14	(4) "state agency" means an office, board, commission, authority, department, or other
3.15	agency of the executive branch of state government.
3.16	Subd. 2. State policy. It is the goal of the state to maximize the coordination,
3.17	effectiveness, transparency, and accountability of environmental review, environmental
3.18	permitting, and other critical regulatory actions for facilities in Minnesota.
3.19	Subd. 3. Early communication; identifying issues. (a) To the extent practicable, the
3.20	commissioner must establish and provide an expeditious process for a person requesting or
3.21	planning to request a coordinated project plan to confer with the commissioner, other state
3.22	agencies, and federal, Tribal, and local agencies and to obtain from those agencies
3.23	information about:
3.24	(1) the availability of any information and tools, including preapplication toolkits, to
3.25	facilitate early planning efforts;
3.26	(2) key issues of concern to each agency and to the public; and
3.27	(3) issues that must be addressed before an environmental review, permit action, or other
3.28	required action by a state agency can be completed.
3.29	(b) The commissioner and other state agencies must identify, as early as practicable,
3.30	any issues of concern regarding the potential environmental impacts related to an eligible
3.31	project, including any issues that could substantially delay or prevent a state agency from
3.32	completing agency decisions.

4.1	Subd. 4. Plan preparation; participating agencies. (a) A person who submits an
4.2	application for an eligible project to the commissioner may request that the commissioner
4.3	prepare a coordinated project plan to complete any required environmental review and other
4.4	agency actions for the eligible project. A plan may be incorporated into a memorandum of
4.5	understanding with other state and federal agencies and Tribes.
4.6	(b) Within 60 days of receiving a request under paragraph (a), the commissioner must
4.7	prepare a coordinated project plan in consultation with the requestor and other state agencies
4.8	identified under paragraph (c).
4.9	(c) Any state agency that has environmental review, permitting, or other regulatory
4.10	authority over the eligible project or that intends to comment on environmental review or
4.11	an application for the eligible project must participate in developing a coordinated project
4.12	<u>plan.</u>
4.13	Subd. 5. Plan contents; synchronization; updates. (a) A coordinated project plan must
4.14	include:
4.15	(1) a list of all state agencies with environmental review, permitting, or other regulatory
4.16	authority over the eligible project and an explanation of each agency's specific role and
4.17	responsibilities for actions under the coordinated project plan;
4.18	(2) plans and a schedule for any public and Tribal outreach and coordination; and
4.19	(3) a comprehensive schedule of deadlines by which all environmental reviews, permits,
4.20	and other state agency actions, including those at the federal level to the extent practicable,
4.21	must be completed. The deadlines established under this clause must include intermediate
4.22	and final completion deadlines for actions by each state agency and must be consistent with
4.23	subdivision 6.
4.24	(b) To the extent practicable under applicable law, the commissioner and participating
4.25	state agencies must synchronize state environmental review, permitting, and decision
4.26	processes listed in the coordinated project plan with any federal, local, or Tribal agency
4.27	responsible for conducting a review or authorization related to an eligible project to ensure
4.28	timely and efficient completion of environmental reviews and state agency decisions. To
4.29	the extent practicable, any synchronization plan must be included in a memorandum of
4.30	understanding with affected agencies.
4.31	(c) The commissioner must update a coordinated project plan quarterly.
4.32	Subd. 6. Required deadlines. (a) Deadlines established in a coordinated project plan
4.33	must comply with this subdivision.

5.1	(b) When an environmental assessment worksheet is prepared for an eligible project for
5.2	which an environmental impact statement is not mandatory under Minnesota Rules, chapter
5.3	4410, the decision on the need for an environmental impact statement must be made as
5.4	expeditiously as possible but no later than 18 months after the environmental assessment
5.5	worksheet is submitted.
5.6	(c) When an environmental impact statement is prepared for an eligible project, the
5.7	decision on the adequacy of the final environmental impact statement must be made as
5.8	expeditiously as possible but no later than three years after the data for the environmental
5.9	assessment worksheet is submitted.
5.10	(d) If the commissioner includes plan deadlines that are inconsistent with paragraphs
5.11	(b) and (c), then within 30 days of finalizing the plan, the commissioner must report to the
5.12	chairs and ranking minority members of the legislative committees and divisions with
5.13	jurisdiction over natural resources policy to explain how deadlines were established and
5.14	why the deadlines under paragraphs (b) and (c) are not attainable. The anticipated time
5.15	required to obtain a federal permit or decision may not serve as the sole basis for a decision
5.16	to deviate from the deadlines under paragraphs (b) and (c).
5.17	Subd. 7. Deadline compliance; modification. (a) A state agency that participates in
5.18	developing a coordinated project plan must comply with deadlines established in the plan.
5.19	If a participating state agency fails to meet a deadline established in a coordinated project
5.20	plan or anticipates failing to meet a deadline, the state agency must immediately notify the
5.21	commissioner to explain the reason for the failure or anticipated failure and to propose a
5.22	date for a modified deadline.
5.23	(b) The commissioner may modify a deadline established in a coordinated project plan
5.24	only if:
5.25	(1) the commissioner or state agency provides the person that requested the plan with a
5.26	written justification for the modification; and
5.27	(2) the commissioner and the state agency, after consultation with the person that
5.28	requested the plan, mutually agree on a different deadline.
5.29	(c) If the combined modifications to one or more deadlines established in a coordinated
5.30	project plan extend the initially anticipated final decision date for an eligible project
5.31	application by more than 20 percent, then within 30 days of the last modification, the
5.32	commissioner must report to the chairs and ranking minority members of the legislative
5.33	committees and divisions with jurisdiction over natural resources policy to explain the
5.34	reason the modifications are necessary. For purposes of calculating the percentage of time

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that modifications have extended the anticipated final decision date, modifications made 6.1 necessary by reasons wholly outside the control of state agencies must not be considered. 6.2 Subd. 8. Annual report. The commissioner must annually submit to the chairs and 6.3 ranking minority members of the legislative committees and divisions with jurisdiction over 6.4 natural resources policy a report on progress toward required actions described in a 6.5 coordinated project plan until the required actions are completed or the requestor withdraws 6.6 the plan request. 6.7 Subd. 9. Relation to other law. Nothing in this section is to be construed to require an 6.8 act that conflicts with applicable federal law. Nothing in this section affects the specific 6.9 statutory obligations of a state agency to comply with criteria or standards of environmental 6.10 quality. 6.11 Sec. 3. Minnesota Statutes 2022, section 116.03, subdivision 2b, is amended to read: 6.12 Subd. 2b. Permitting efficiency. (a) It is the goal of the state that environmental and 6.13 resource management permits be issued or denied within 90 days for tier 1 permits or 150 6.14 days for tier 2 permits following submission of a permit application. The commissioner of 6.15 6.16 the Pollution Control Agency shall must establish management systems designed to achieve the goal. For the purposes of this section, "tier 1 permits" are permits that do not require 6.17 individualized actions or public comment periods, and "tier 2 permits" are permits that 6.18 require individualized actions or public comment periods. 6.19 (b) The commissioner shall must prepare an annual semiannual permitting efficiency 6.20

report reports that includes include statistics on meeting the tier 2 goal in paragraph (a) and
the criteria for tier 2 by permit categories. The report is due reports must be submitted to
the governor and to the chairs and ranking minority members of the house of representatives
and senate committees having jurisdiction over environment policy and finance by February
<u>1</u> and August 1 each year and must be posted on the agency's website. Each report must
include:

6.27 (1) for each permit applications application that have has not met the goal, the report
6.28 must state the reasons for not meeting the goal. In stating the reasons for not meeting the
6.29 goal, the commissioner shall separately identify delays an explanation of whether the delay
6.30 was caused by the responsiveness of the proposer, lack of staff, scientific or technical
6.31 disagreements, or the level of public engagement. The report must specify:

7.1 (2) for each permit that has not met the goal, the number of days from initial submission
7.2 of the application to the day of determination that the application is complete. The report
7.3 must aggregate;

(3) a summary of the data for the year reporting period and assess an assessment of
whether program or system changes are necessary to achieve the tier 2 goal. The report
must be posted on the agency's website and submitted to the governor and the chairs and
ranking minority members of the house of representatives and senate committees having
jurisdiction over environment policy and finance. in paragraph (a); and

7.9 (4) a statement of the number of tier 2 permits completed within the reporting period
7.10 and, immediately following in parentheses, a statement of the percentage of total applications
7.11 received for that tier 2 permit category that the number represents, stated separately for
7.12 industrial and municipal permits.

7.13 (c) The commissioner shall must allow electronic submission of environmental review
7.14 and permit documents to the agency.

(d) Within 30 business days of application for a permit subject to paragraph (a), the 7.15 commissioner of the Pollution Control Agency shall must notify the permit applicant, in 7.16 writing, whether the application is complete or incomplete. If an application is missing 7.17 information, the commissioner must attempt to complete the application where practicable 7.18 by applying reasonable assumptions to supply the missing information and must include 7.19 that information in the application. If the commissioner determines that an application is 7.20 incomplete, the notice to the applicant must enumerate all deficiencies, citing specific 7.21 provisions of the applicable rules and statutes, and advise the applicant on how the 7.22 deficiencies can be remedied. Submission by the applicant of additional information to 7.23 correct deficiencies does not restart the 30 business days allowed under this paragraph for 7.24 the agency to determine whether the application is complete or incomplete unless the 7.25 7.26 corrected application is more than 30 percent larger than the deficient application. If the commissioner determines that the application is complete, the notice must confirm the 7.27 application's tier 1 or tier 2 permit status and must inform the applicant of any missing 7.28 information that was supplied by the commissioner under this paragraph. If the commissioner 7.29 believes that a complete application for a tier 2 construction permit cannot be issued within 7.30 the 150-day goal, the commissioner must provide notice to the applicant with the 7.31 commissioner's notice that the application is complete and, upon request of the applicant, 7.32 provide the permit applicant with a schedule estimating when the agency will begin drafting 7.33 the permit and issue the public notice of the draft permit. Failure to meet the goal in paragraph 7.34 (a) for issuing a type 2 permit constitutes a final decision of the agency for purposes of 7.35

8.1	section 115.05, subdivision 11. This paragraph does not apply to an application for a permit
8.2	that is subject to a grant or loan agreement under chapter 446A.
8.3	(e) For purposes of this subdivision, "permit professional" means an individual not
8.4	employed by the Pollution Control Agency who:
8.5	(1) has a professional license issued by the state of Minnesota in the subject area of the
8.6	permit;
8.7	(2) has at least ten years of experience in the subject area of the permit; and
8.8	(3) abides by the duty of candor applicable to employees of the Pollution Control Agency
8.9	under agency rules and complies with all applicable requirements under chapter 326.
8.10	(f) Upon the agency's request, an applicant relying on a permit professional must
8.11	participate in a meeting with the agency before submitting an application:
8.12	(1) at least two weeks prior to the preapplication meeting, the applicant must submit at
8.13	least the following:
8.14	(i) project description, including, but not limited to, scope of work, primary emissions
8.15	points, discharge outfalls, and water intake points;
8.16	(ii) location of the project, including county, municipality, and location on the site;
8.17	(iii) business schedule for project completion; and
8.18	(iv) other information requested by the agency at least four weeks prior to the scheduled
8.19	meeting; and
8.20	(2) during the preapplication meeting, the agency shall <u>must</u> provide for the applicant
8.21	at least the following:
8.22	(i) an overview of the permit review program;
8.23	(ii) a determination of which specific application or applications will be necessary to
8.24	complete the project;
8.25	(iii) a statement notifying the applicant if the specific permit being sought requires a
8.26	mandatory public hearing or comment period;
8.27	(iv) a review of the timetable established in the permit review program for the specific
8.28	permit being sought; and
8.29	(v) a determination of what information must be included in the application, including
8.30	a description of any required modeling or testing.

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9.1 (g) The applicant may select a permit professional to undertake the preparation of the9.2 permit application and draft permit.

9.3 (h) If a preapplication meeting was held, the agency shall must, within seven business
9.4 days of receipt of an application, notify the applicant and submitting permit professional
9.5 that the application is complete or is denied, specifying the deficiencies of the application.

9.6 (i) Upon receipt of notice that the application is complete, the permit professional shall
9.7 <u>must</u> submit to the agency a timetable for submitting a draft permit. The permit professional
9.8 shall <u>must</u> submit a draft permit on or before the date provided in the timetable. Within 60
9.9 days after the close of the public comment period, the commissioner shall <u>must</u> notify the
9.10 applicant whether the permit can be issued.

9.11 (j) Nothing in this section shall be construed to modify:

9.12 (1) any requirement of law that is necessary to retain federal delegation to or assumption9.13 by the state; or

9.14 (2) the authority to implement a federal law or program.

9.15 (k) The permit application and draft permit shall must identify or include as an appendix
9.16 all studies and other sources of information used to substantiate the analysis contained in
9.17 the permit application and draft permit. The commissioner shall must request additional
9.18 studies, if needed, and the permit applicant shall must submit all additional studies and
9.19 information necessary for the commissioner to perform the commissioner's responsibility
9.20 to review, modify, and determine the completeness of the application and approve the draft
9.21 permit.

## 9.22 Sec. 4. [116.035] ENVIRONMENTAL REVIEW AND PERMITTING;

#### 9.23 **COORDINATED PROJECT PLANS.**

#### 9.24 Subdivision 1. **Definitions.** In this section, the following terms have the meanings given:

#### 9.25 (1) "commissioner" means the commissioner of the Pollution Control Agency;

9.26 (2) "coordinated project plan" or "plan" means a plan to ensure that any required

#### 9.27 environmental review and other required state agency actions are completed efficiently by

- 9.28 <u>coordinating and establishing deadlines for all necessary state agency actions;</u>
- 9.29 (3) "eligible project" means:
- 9.30 (i) a project that requires an environmental assessment worksheet or an environmental
  9.31 impact statement under chapter 116D; or

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10.1	(ii) a license, permit, certificate, certification, approval, compliance schedule, or other
10.2	authorization for which approval includes considerations to protect land, air, or water
10.3	resources and that:
10.4	(A) must be obtained from the commissioner before constructing or operating a facility
10.5	in the state; or
10.6	(B) will have a significant impact on regulatory requirements for constructing or operating
10.7	a facility; and
10.8	(4) "state agency" means an office, board, commission, authority, department, or other
10.9	agency of the executive branch of state government.
10.10	Subd. 2. State policy. It is the goal of the state to maximize the coordination,
10.11	effectiveness, transparency, and accountability of environmental review, environmental
10.12	permitting, and other critical regulatory actions for facilities in Minnesota.
10.13	Subd. 3. Early communication; identifying issues. (a) To the extent practicable, the
10.14	commissioner must establish and provide an expeditious process for a person requesting or
10.15	planning to request a coordinated project plan to confer with the commissioner, other state
10.16	agencies, and federal, Tribal, and local agencies and to obtain from those agencies
10.17	information about:
10.18	(1) the availability of any information and tools, including preapplication toolkits, to
10.19	facilitate early planning efforts;
10.20	(2) key issues of concern to each agency and to the public; and
10.21	(3) issues that must be addressed before an environmental review, permit action, or other
10.22	required action by a state agency can be completed.
10.23	(b) The commissioner and other state agencies must identify, as early as practicable,
10.24	any issues of concern regarding the potential environmental impacts related to an eligible
10.25	project, including any issues that could substantially delay or prevent a state agency from
10.26	completing agency decisions.
10.27	Subd. 4. Plan preparation; participating agencies. (a) A person who submits an
10.28	application for an eligible project to the commissioner may request that the commissioner
10.29	prepare a coordinated project plan to complete any required environmental review and other
10.30	agency actions for the eligible project. A plan may be incorporated into a memorandum of
10.31	understanding with other state and federal agencies and Tribes.

11.1	(b) Within 60 days of receiving a request under paragraph (a), the commissioner must
11.2	prepare a coordinated project plan in consultation with the requestor and other state agencies
11.3	identified under paragraph (c).
11.4	(c) Any state agency that has environmental review, permitting, or other regulatory
11.5	authority over the eligible project or that intends to comment on environmental review or
11.6	an application for the eligible project must participate in developing a coordinated project
11.7	<u>plan.</u>
11.8	Subd. 5. Plan contents; synchronization; updates. (a) A coordinated project plan must
11.9	include:
11.10	(1) a list of all state agencies with environmental review, permitting, or other regulatory
11.11	authority over the eligible project and an explanation of each agency's specific role and
11.12	responsibilities for actions under the coordinated project plan;
11.13	(2) plans and a schedule for any public and Tribal outreach and coordination; and
11.14	(3) a comprehensive schedule of deadlines by which all environmental reviews, permits,
11.15	and other state agency actions, including those at the federal level to the extent practicable,
11.16	must be completed. The deadlines established under this clause must include intermediate
11.17	and final completion deadlines for actions by each state agency and must be consistent with
11.18	subdivision 6.
11.19	(b) To the extent practicable under applicable law, the commissioner and participating
11.20	state agencies must synchronize state environmental review, permitting, and decision
11.21	processes listed in the coordinated project plan with any federal, local, or Tribal agency
11.22	responsible for conducting a review or authorization related to an eligible project to ensure
11.23	timely and efficient completion of environmental reviews and state agency decisions. To
11.24	the extent practicable, any synchronization plan must be included in a memorandum of
11.25	understanding with affected agencies.
11.26	(c) The commissioner must update a coordinated project plan quarterly.
11.27	Subd. 6. Required deadlines. (a) Deadlines established in a coordinated project plan
11.28	must comply with this subdivision.
11.29	(b) When an environmental assessment worksheet is prepared for an eligible project for
11.30	which an environmental impact statement is not mandatory under Minnesota Rules, chapter
11.31	4410, the decision on the need for an environmental impact statement must be made as
11.32	expeditiously as possible but no later than 18 months after the environmental assessment
11.33	worksheet is submitted.

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(c) When an environmental impact statement is prepared for an eligible project, the 12.1 decision on the adequacy of the final environmental impact statement must be made as 12.2 12.3 expeditiously as possible but no later than three years after the data for the environmental 12.4 assessment worksheet is submitted. (d) If the commissioner includes plan deadlines that are inconsistent with paragraphs 12.5 (b) and (c), then within 30 days of finalizing the plan, the commissioner must report to the 12.6 chairs and ranking minority members of the legislative committees and divisions with 12.7 12.8 jurisdiction over natural resources policy to explain how deadlines were established and why the deadlines under paragraphs (b) and (c) are not attainable. The anticipated time 12.9 required to obtain a federal permit or decision may not serve as the sole basis for a decision 12.10 to deviate from the deadlines under paragraphs (b) and (c). 12.11 Subd. 7. Deadline compliance; modification. (a) A state agency that participates in 12.12 developing a coordinated project plan must comply with deadlines established in the plan. 12.13 If a participating state agency fails to meet a deadline established in a coordinated project 12.14 plan or anticipates failing to meet a deadline, the state agency must immediately notify the 12.15 commissioner to explain the reason for the failure or anticipated failure and to propose a 12.16 date for a modified deadline. 12.17 (b) The commissioner may modify a deadline established in a coordinated project plan 12.18 only if: 12.19 12.20 (1) the commissioner or state agency provides the person that requested the plan with a written justification for the modification; and 12.21 (2) the commissioner and the state agency, after consultation with the person that 12.22 requested the plan, mutually agree on a different deadline. 12.23 (c) If the combined modifications to one or more deadlines established in a coordinated 12.24 project plan extend the initially anticipated final decision date for an eligible project 12.25 12.26 application by more than 20 percent, then within 30 days of the last modification, the commissioner must report to the chairs and ranking minority members of the legislative 12.27 committees and divisions with jurisdiction over natural resources policy to explain the 12.28 reason the modifications are necessary. For purposes of calculating the percentage of time 12.29 that modifications have extended the anticipated final decision date, modifications made 12.30 necessary by reasons wholly outside the control of state agencies must not be considered. 12.31 Subd. 8. Annual report. The commissioner must annually submit to the chairs and 12.32 ranking minority members of the legislative committees and divisions with jurisdiction over 12.33 natural resources policy a report on progress toward required actions described in a 12.34

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13.1 coordinated project plan until the required actions are completed or the requestor withdraws
 13.2 the plan request.

13.3 Subd. 9. Relation to other law. Nothing in this section is to be construed to require an

13.4 act that conflicts with applicable federal law. Nothing in this section affects the specific

- 13.5 statutory obligations of a state agency to comply with criteria or standards of environmental
  13.6 quality.
- 13.7 Sec. 5. Minnesota Statutes 2023 Supplement, section 116.07, subdivision 4a, is amended
  13.8 to read:

Subd. 4a. Permits. (a) The Pollution Control Agency may issue, continue in effect or 13.9 deny permits, under such conditions as it may prescribe for the prevention of pollution, for 13.10 the emission of air contaminants, or for the installation or operation of any emission facility, 13.11 air contaminant treatment facility, treatment facility, potential air contaminant storage 13.12 facility, or storage facility, or any part thereof, or for the sources or emissions of noise 13.13 pollution. The Pollution Control Agency must issue separate permits for constructing a 13.14 facility described in this paragraph and for its operation. The Pollution Control Agency 13.15 13.16 must issue these permits in a manner that minimizes the time required to construct and begin

- 13.17 <u>operation of the permitted facility.</u>
- (b) The Pollution Control Agency may also issue, continue in effect or deny permits,
  under such conditions as it may prescribe for the prevention of pollution, for the storage,
  collection, transportation, processing, or disposal of waste, or for the installation or operation
  of any system or facility, or any part thereof, related to the storage, collection, transportation,
  processing, or disposal of waste.

(c) The agency may not issue a permit to a facility without analyzing and considering
the cumulative levels and effects of past and current environmental pollution from all sources
on the environment and residents of the geographic area within which the facility's emissions
are likely to be deposited, provided that the facility is located in a community in a city of
the first class in Hennepin County that meets all of the following conditions:

(1) is within a half mile of a site designated by the federal government as an EPAsuperfund site due to residential arsenic contamination;

13.30 (2) a majority of the population are low-income persons of color and American Indians;

- 13.31 (3) a disproportionate percent of the children have childhood lead poisoning, asthma,
- 13.32 or other environmentally related health problems;

(4) is located in a city that has experienced numerous air quality alert days of dangerous
air quality for sensitive populations between February 2007 and February 2008; and

14.3 (5) is located near the junctions of several heavily trafficked state and county highways
14.4 and two one-way streets which carry both truck and auto traffic.

(d) The Pollution Control Agency may revoke or modify any permit issued under this
subdivision and section 116.081 whenever it is necessary, in the opinion of the agency, to
prevent or abate pollution.

(e) The Pollution Control Agency has the authority for approval over the siting, expansion, 14.8 or operation of a solid waste facility with regard to environmental issues. However, the 14.9 agency's issuance of a permit does not release the permittee from any liability, penalty, or 14.10 duty imposed by any applicable county ordinances. Nothing in this chapter precludes, or 14.11 shall be construed to preclude, a county from enforcing land use controls, regulations, and 14.12 ordinances existing at the time of the permit application and adopted pursuant to Minnesota 14.13 Statutes 2020, sections 366.10 to 366.181, or sections 394.21 to 394.37, or 462.351 to 14.14 462.365, with regard to the siting, expansion, or operation of a solid waste facility. 14.15

(f) Except as prohibited by federal law, a person may commence construction,
reconstruction, replacement, or modification of any facility prior to the issuance of a
construction permit by the agency.

14.19 Sec. 6. Minnesota Statutes 2022, section 116.07, subdivision 4d, is amended to read:

Subd. 4d. Permit fees. (a) The agency may collect permit fees in amounts not greater 14.20 than those necessary to cover the reasonable costs of developing, reviewing, and acting 14.21 upon applications for agency permits and implementing and enforcing the conditions of the 14.22 permits pursuant to agency rules. Permit fees shall not include the costs of litigation. The 14.23 fee schedule must reflect reasonable and routine direct and indirect costs associated with 14.24 permitting, implementation, and enforcement. The agency may impose an additional 14.25 enforcement fee to be collected for a period of up to two years to cover the reasonable costs 14.26 of implementing and enforcing the conditions of a permit under the rules of the agency. 14.27 Any money collected under this paragraph shall be deposited in the environmental fund. 14.28

(b) Notwithstanding paragraph (a), the agency shall collect an annual fee from the owner
or operator of all stationary sources, emission facilities, emissions units, air contaminant
treatment facilities, treatment facilities, potential air contaminant storage facilities, or storage
facilities subject to a notification, permit, or license requirement under this chapter,
subchapters I and V of the federal Clean Air Act, United States Code, title 42, section 7401

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et seq., or rules adopted thereunder. The annual fee shall be used to pay for all direct and 15.1 indirect reasonable costs, including legal costs, required to develop and administer the 15.2 notification, permit, or license program requirements of this chapter, subchapters I and V 15.3 of the federal Clean Air Act, United States Code, title 42, section 7401 et seq., or rules 15.4 adopted thereunder. Those costs include the reasonable costs of reviewing and acting upon 15.5 an application for a permit; implementing and enforcing statutes, rules, and the terms and 15.6 conditions of a permit; emissions, ambient, and deposition monitoring; preparing generally 15.7 15.8 applicable regulations; responding to federal guidance; modeling, analyses, and demonstrations; preparing inventories and tracking emissions; and providing information 15.9 to the public about these activities. 15.10

15.11 (c) The agency shall set fees that:

(1) will result in the collection, in the aggregate, from the sources listed in paragraph
(b), of an amount not less than \$25 per ton of each volatile organic compound; pollutant
regulated under United States Code, title 42, section 7411 or 7412 (section 111 or 112 of
the federal Clean Air Act); and each pollutant, except carbon monoxide, for which a national
primary ambient air quality standard has been promulgated;

(2) may result in the collection, in the aggregate, from the sources listed in paragraph
(b), of an amount not less than \$25 per ton of each pollutant not listed in clause (1) that is
regulated under this chapter or air quality rules adopted under this chapter; and

(3) shall collect, in the aggregate, from the sources listed in paragraph (b), the amount
needed to match grant funds received by the state under United States Code, title 42, section
7405 (section 105 of the federal Clean Air Act).

The agency must not include in the calculation of the aggregate amount to be collected under clauses (1) and (2) any amount in excess of 4,000 tons per year of each air pollutant from a source. The increase in air permit fees to match federal grant funds shall be a surcharge on existing fees. The commissioner may not collect the surcharge after the grant funds become unavailable. In addition, the commissioner shall use nonfee funds to the extent practical to match the grant funds so that the fee surcharge is minimized.

(d) To cover the reasonable costs described in paragraph (b), the agency shall provide
in the rules promulgated under paragraph (c) for an increase in the fee collected in each
year by the percentage, if any, by which the Consumer Price Index for the most recent
calendar year ending before the beginning of the year the fee is collected exceeds the
Consumer Price Index for the calendar year 1989. For purposes of this paragraph the
Consumer Price Index for any calendar year is the average of the Consumer Price Index for

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all-urban consumers published by the United States Department of Labor, as of the close
of the 12-month period ending on August 31 of each calendar year. The revision of the
Consumer Price Index that is most consistent with the Consumer Price Index for calendar
year 1989 shall be used.

(e) Any money collected under paragraphs (b) to (d) must be deposited in theenvironmental fund and must be used solely for the activities listed in paragraph (b).

(f) Permit applicants who wish to construct, reconstruct, or modify a project may offer 16.7 request expedited permitting under this paragraph. An applicant requesting expedited 16.8 permitting under this paragraph must agree to reimburse the agency for the costs of staff 16.9 16.10 time or consultant services needed to expedite the preapplication process and permit development process through the final decision on the permit, including the analysis of 16.11 environmental review documents. The reimbursement shall be is in addition to permit 16.12 application fees imposed by law. When the agency determines that it needs additional 16.13 resources to develop the permit application in an expedited manner, and that expediting the 16.14 development is consistent with permitting program priorities, the agency may accept the 16.15 reimbursement. The commissioner must give the applicant an estimate of the timeline and 16.16 16.17 costs to be incurred by the commissioner. The estimate must include a brief description of the tasks to be performed, a schedule for completing the tasks, and the estimated cost for 16.18 each task. If the applicant agrees to the estimated timeline and costs negotiated with the 16.19 commissioner, the applicant and the commissioner must enter into a written agreement 16.20 detailing the estimated costs for the expedited permit decision-making process to be incurred 16.21 by the agency to proceed accordingly. The agreement must also identify staff anticipated 16.22 to be assigned to the project. The agreement may provide that, if permitting is completed 16.23 16.24 ahead of the schedule set forth in the written agreement, the commissioner may retain any fees that would have been due if the permitting had taken the time contemplated in the 16.25 written agreement. Fees retained by the commissioner under this paragraph are appropriated 16.26 to the commissioner to pay for administering the commissioner's permitting duties. The 16.27 commissioner must not issue a permit until the applicant has paid all fees in full. The 16.28 16.29 commissioner must refund any unobligated balance of fees paid. Reimbursements accepted by the agency are appropriated to the agency for the purpose of developing the permit or 16.30 analyzing environmental review documents. Reimbursement by a permit applicant shall 16.31 precede and not be contingent upon issuance of a permit; shall not affect the agency's decision 16.32 on whether to issue or deny a permit, what conditions are included in a permit, or the 16.33 application of state and federal statutes and rules governing permit determinations; and shall 16.34 not affect final decisions regarding environmental review. 16.35

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17.1

(g) The fees under this subdivision are exempt from section 16A.1285.

Sec. 7. Minnesota Statutes 2022, section 116D.04, subdivision 2a, is amended to read: 17.2 Subd. 2a. When prepared. (a) Where there is potential for significant environmental 17.3 effects resulting from any major governmental action, the action must be preceded by a 17.4 detailed environmental impact statement prepared by the responsible governmental unit. 17.5 The environmental impact statement must be an analytical rather than an encyclopedic 17.6 17.7 document that describes the proposed action in detail, analyzes its significant environmental impacts, discusses appropriate alternatives to the proposed action and their impacts, and 17.8 explores methods by which adverse environmental impacts of an action could be mitigated. 17.9 The environmental impact statement must also analyze those economic, employment, and 17.10 sociological effects that cannot be avoided should the action be implemented. To ensure its 17.11 use in the decision-making process, the environmental impact statement must be prepared 17.12 as early as practical in the formulation of an action. 17.13

(b) The board shall must by rule establish categories of actions for which environmental 17.14 impact statements and for which environmental assessment worksheets must be prepared 17.15 as well as categories of actions for which no environmental review is required under this 17.16 section. A mandatory environmental assessment worksheet is not required for the expansion 17.17 of an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph (b), or the 17.18 17.19 conversion of an ethanol plant to a biobutanol facility or the expansion of a biobutanol facility as defined in section 41A.15, subdivision 2d, based on the capacity of the expanded 17.20 or converted facility to produce alcohol fuel, but must be required if the ethanol plant or 17.21 biobutanol facility meets or exceeds thresholds of other categories of actions for which 17.22 environmental assessment worksheets must be prepared. The responsible governmental unit 17.23 for an ethanol plant or biobutanol facility project for which an environmental assessment 17.24 worksheet is prepared is the state agency with the greatest responsibility for supervising or 17.25 17.26 approving the project as a whole.

(c) A mandatory environmental impact statement is not required for a facility or plant 17.27 17.28 located outside the seven-county metropolitan area that produces less than 125,000,000 gallons of ethanol, biobutanol, or cellulosic biofuel annually, or produces less than 400,000 17.29 tons of chemicals annually, if the facility or plant is: an ethanol plant, as defined in section 17.30 41A.09, subdivision 2a, paragraph (b); a biobutanol facility, as defined in section 41A.15, 17.31 subdivision 2d; or a cellulosic biofuel facility. A facility or plant that only uses a cellulosic 17.32 feedstock to produce chemical products for use by another facility as a feedstock is not 17.33 considered a fuel conversion facility as used in rules adopted under this chapter. 17.34

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(d) The responsible governmental unit shall must promptly publish notice of the 18.1 completion of an environmental assessment worksheet by publishing the notice in at least 18.2 one newspaper of general circulation in the geographic area where the project is proposed, 18.3 by posting the notice on a website that has been designated as the official publication site 18.4 for publication of proceedings, public notices, and summaries of a political subdivision in 18.5 which the project is proposed, or in any other manner determined by the board and shall 18.6 must provide copies of the environmental assessment worksheet to the board and its member 18.7 18.8 agencies. Comments on the need for an environmental impact statement may be submitted to the responsible governmental unit during a 30-day period following publication of the 18.9 notice that an environmental assessment worksheet has been completed. The responsible 18.10 governmental unit may extend the 30-day comment period for an additional 30 days one 18.11time. Further extensions of the comment period may not be made unless approved by the 18.12 18.13 project's proposer. The responsible governmental unit's decision on the need for an environmental impact statement must be based on the environmental assessment worksheet 18.14 and the comments received during the comment period, and must be made within 15 days 18.15 after the close of the comment period. The board's chair may extend the 15-day period by 18.16 not more than 15 additional days upon the request of the responsible governmental unit. 18.17

(e) An environmental assessment worksheet must also be prepared for a proposed action 18.18 whenever material evidence accompanying a petition by not less than 100 individuals who 18.19 reside or own property in the state a county where the proposed action will be undertaken 18.20 or in one or more adjoining counties, submitted before the proposed project has received 18.21 final approval by the appropriate governmental units, demonstrates that, because of the 18.22 nature or location of a proposed action, there may be potential for significant environmental 18.23 effects. Petitions requesting the preparation of an environmental assessment worksheet must 18.24 be submitted to the board. The chair of the board shall must determine the appropriate 18.25 responsible governmental unit and forward the petition to it. A decision on the need for an 18.26 18.27 environmental assessment worksheet must be made by the responsible governmental unit within 15 days after the petition is received by the responsible governmental unit. The 18.28 board's chair may extend the 15-day period by not more than 15 additional days upon request 18.29 of the responsible governmental unit. 18.30

(f) Except in an environmentally sensitive location where Minnesota Rules, part
4410.4300, subpart 29, item B, applies, the proposed action is exempt from environmental
review under this chapter and rules of the board, if:

18.34 (1) the proposed action is:

18.35 (i) an animal feedlot facility with a capacity of less than 1,000 animal units; or

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19.1 (ii) an expansion of an existing animal feedlot facility with a total cumulative capacity
19.2 of less than 1,000 animal units;

(2) the application for the animal feedlot facility includes a written commitment by the
proposer to design, construct, and operate the facility in full compliance with Pollution
Control Agency feedlot rules; and

(3) the county board holds a public meeting for citizen input at least ten business days
before the Pollution Control Agency or county issuing a feedlot permit for the animal feedlot
facility unless another public meeting for citizen input has been held with regard to the
feedlot facility to be permitted. The exemption in this paragraph is in addition to other
exemptions provided under other law and rules of the board.

(g) The board may, before final approval of a proposed project, require preparation of
an environmental assessment worksheet by a responsible governmental unit selected by the
board for any action where environmental review under this section has not been specifically
provided for by rule or otherwise initiated.

(h) An early and open process must be used to limit the scope of the environmental 19.15 impact statement to a discussion of those impacts that, because of the nature or location of 19.16 the project, have the potential for significant environmental effects. The same process must 19.17 be used to determine the form, content, and level of detail of the statement as well as the 19.18 alternatives that are appropriate for consideration in the statement. In addition, the permits 19.19 that will be required for the proposed action must be identified during the scoping process. 19.20 Further, the process must identify those permits for which information will be developed 19.21 concurrently with the environmental impact statement. The board shall must provide in its 19.22 rules for the expeditious completion of the scoping process. The determinations reached in 19.23 the process must be incorporated into the order requiring the preparation of an environmental 19.24 19.25 impact statement.

(i) The responsible governmental unit shall must, to the extent practicable, avoid 19.26 duplication and ensure coordination between state and federal environmental review and 19.27 19.28 between environmental review and environmental permitting. Whenever practical, information needed by a governmental unit for making final decisions on permits or other 19.29 actions required for a proposed project must be developed in conjunction with the preparation 19.30 of an environmental impact statement. When an environmental impact statement is prepared 19.31 for a project requiring multiple permits for which two or more agencies' decision processes 19.32 include either mandatory or discretionary hearings before a hearing officer before the 19.33 agencies' decision on the permit, the agencies may, notwithstanding any law or rule to the 19.34

contrary, conduct the hearings in a single consolidated hearing process if requested by the 20.1 proposer. All agencies having jurisdiction over a permit that is included in the consolidated 20.2 hearing shall must participate. The responsible governmental unit shall must establish 20.3 appropriate procedures for the consolidated hearing process, including procedures to ensure 20.4 that the consolidated hearing process is consistent with the applicable requirements for each 20.5 permit regarding the rights and duties of parties to the hearing, and shall must use the earliest 20.6 applicable hearing procedure to initiate the hearing. All agencies having jurisdiction over 20.7 20.8 a permit identified in the draft environmental assessment worksheet scoping document must begin reviewing any permit application upon publication of the notice of preparation of the 20.9 environmental impact statement. 20.10

(j) An environmental impact statement must be prepared and its adequacy determined 20.11 within 280 days after notice of its preparation unless the time is extended by consent of the 20.12 parties or by the governor for good cause. The responsible governmental unit shall must 20.13 determine the adequacy of an environmental impact statement, unless within 60 days after 20.14 notice is published that an environmental impact statement will be prepared, the board 20.15 chooses to determine the adequacy of an environmental impact statement. If an environmental 20.16 impact statement is found to be inadequate, the responsible governmental unit has 60 days 20.17 to prepare an adequate environmental impact statement. 20.18

(k) The proposer of a specific action may include in the information submitted to the 20.19 responsible governmental unit a preliminary draft environmental impact statement under 20.20 this section on that action for review, modification, and determination of completeness and 20.21 adequacy by the responsible governmental unit. A preliminary draft environmental impact 20.22 statement prepared by the project proposer and submitted to the responsible governmental 20.23 20.24 unit must identify or include as an appendix all studies and other sources of information used to substantiate the analysis contained in the preliminary draft environmental impact 20.25 statement. The responsible governmental unit shall must require additional studies, if needed, 20.26 and obtain from the project proposer all additional studies and information necessary for 20.27 the responsible governmental unit to perform its responsibility to review, modify, and 20.28 20.29 determine the completeness and adequacy of the environmental impact statement.

(1) If an environmental or resource management permit is not issued or denied within
the applicable period described in paragraph (a), the commissioner must immediately begin
review of the application and must take all steps necessary to issue the final permit, deny
the permit, or issue the public notice for the draft permit within 150 days of the expiration
of the applicable period described in paragraph (a). The commissioner may extend the period
for up to 60 days by issuing a written notice to the applicant stating the length of and reason

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21.1	for the extension. Except as prohibited by federal law, after the applicable period expires,
21.2	any person may seek an order of the district court requiring the commissioner to immediately
21.3	take action on the permit application. A time limit under this paragraph may be extended
21.4	through written agreement between the commissioner and the applicant.
21.5	Sec. 8. Minnesota Statutes 2022, section 116J.035, is amended by adding a subdivision
21.6	to read:
21.7	Subd. 9. Ombudsman for business permitting. (a) The commissioner of employment
21.8	and economic development must appoint an ombudsman for business permitting to assist
21.9	businesses of all sizes with obtaining permits necessary to operate in the state. The
21.10	ombudsman's duties include but are not limited to:
21.11	(1) conducting independent evaluations of all aspects of permitting processes that affect
21.12	businesses in the state;
21.13	(2) monitoring, reviewing, and providing comments and recommendations to federal,
21.14	state, and local authorities on laws and regulations that impact businesses in the state;
21.15	(2) facilitating and promoting participation of hypipagoog in developing laws and
<ul><li>21.15</li><li>21.16</li></ul>	(3) facilitating and promoting participation of businesses in developing laws and regulations that affect businesses;
21.10	regulations that affect businesses,
21.17	(4) providing reports to federal, state, and local authorities and the public on the
21.18	requirements of permitting laws and the laws' impact on businesses;
21.19	(5) disseminating information about proposed regulations and other information to
21.20	businesses and other interested parties;
21.21	(6) participating in and sponsoring meetings and conferences about business permitting
21.22	with state and local regulatory officials, industry groups, and business representatives;
21.23	(7) investigating and assisting in resolving complaints and disputes from businesses
21.24	against state or local authorities;
21.25	(8) operating a toll-free telephone line to provide free confidential help on
21.26	permitting-related problems and grievances;
21.27	(9) establishing cooperative programs with trade associations and small businesses to
21.28	promote and achieve voluntary compliance with applicable laws and regulations;
21.29	(10) establishing cooperative programs with federal, state, and local governmental entities
21.30	and the private sector to assist businesses in securing sources of funding to comply with
21.31	federal, state, and local permitting laws and regulations;

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22.1	(11) conducting studies to evaluate the impacts of federal and state permitting laws and
22.2	regulations on the state's economy, local economies, and businesses; and
22.3	(12) coordinating with Minnesota Business First Stop, the ombudsman for small business
22.4	air-quality compliance assistance, and other relevant state officials.
22.5	(b) In carrying out the duties imposed by this subdivision, the ombudsman may act
22.6	independently of any agency in providing testimony to the legislature, contacting and making
22.7	periodic reports to federal and state officials as necessary to carry out the duties imposed
22.8	by this subdivision, and addressing problems or concerns related to business permitting.
22.9	(c) The ombudsman must be knowledgeable about federal and state business permitting
22.10	laws and regulations and federal and state legislative and regulatory processes. The
22.11	ombudsman must be experienced in dealing with both private enterprise and governmental
22.12	entities, arbitration and negotiation, interpretation of laws and regulations, investigation,
22.13	record keeping, report writing, public speaking, and management.
22.14	(d) The commissioner of employment and economic development must provide the
22.15	ombudsman with the necessary office space, supplies, equipment, and clerical support to
22.16	effectively perform the duties imposed by this subdivision.
22.17	Sec. 9. SCOPING ENVIRONMENTAL ASSESSMENT WORKSHEET NOT
22.18	<b>REQUIRED FOR PROJECTS THAT REQUIRE A MANDATORY</b>
22.19	ENVIRONMENTAL IMPACT STATEMENT.
22.20	(a) The Environmental Quality Board must amend Minnesota Rules, part 4410.2100, as
22.21	follows:
22.22	(1) to provide that neither an environmental assessment worksheet nor any other scoping
22.23	document needs to be prepared for a project that falls within a mandatory environmental
22.24	
22.25	impact statement category under Minnesota Rules, part 4410.4400, or other applicable law;
22.23	impact statement category under Minnesota Rules, part 4410.4400, or other applicable law; and
22.25	
	and
22.26	<u>and</u> (2) to provide that a scoping process undertaken under Minnesota Rules, part 4410.2100,
22.26 22.27	and (2) to provide that a scoping process undertaken under Minnesota Rules, part 4410.2100, must be completed no later than 280 days after the process begins.

23.1	Sec. 10. STATE IMPLEMENTATION PLAN REVISIONS.
23.2	(a) The commissioner of the Pollution Control Agency must seek approval from the
23.3	federal Environmental Protection Agency for revisions to the state's federal Clean Air Act
23.4	state implementation plan to reflect the requirements of Minnesota Statutes, section 116.07,
23.5	subdivision 4a, as amended by this act.
23.6	(b) The commissioner of the Pollution Control Agency must report quarterly to the chairs
23.7	and ranking minority members of the house of representatives and senate committees and
23.8	divisions with jurisdiction over environment and natural resources policy on the status of
23.9	efforts to implement paragraph (a) until the revisions required by paragraph (a) have been
23.10	either approved or denied.