

1.1 CONFERENCE COMMITTEE REPORT ON S.F. No. 1012

1.2 A bill for an act

1.3 relating to state government; appropriating money for environment and natural
1.4 resources.

1.5 May 16, 2009

1.6 The Honorable James P. Metzen
1.7 President of the Senate

1.8 The Honorable Margaret Anderson Kelliher
1.9 Speaker of the House of Representatives

1.10 We, the undersigned conferees for S.F. No. 1012 report that we have agreed upon
1.11 the items in dispute and recommend as follows:

1.12 That the House recede from its amendment and that S.F. No. 1012 be further
1.13 amended as follows:

1.14 Page 17, delete subdivision 11 and insert:

1.15 "Subd. 11. Project Requirements

1.16 (a) As a condition of accepting an
1.17 appropriation in this section, any agency or
1.18 entity receiving an appropriation must, for
1.19 any project funded in whole or in part with
1.20 funds from the appropriation:

1.21 (1) comply with Minnesota Statutes, chapter
1.22 116P;

1.23 (2) plant vegetation only of native ecotypes
1.24 to Minnesota and preferably of the local
1.25 ecotype using a high diversity of species
1.26 originating as close to the restoration site as

2.1 possible and when restoring prairies, protect
2.2 existing prairies from genetic contamination.

2.3 Use of seeds and plant materials beyond these
2.4 requirements must be expressly approved in
2.5 the work program;

2.6 (3) provide that all conservation easements:

2.7 (i) are perpetual;

2.8 (ii) specify the parties to an easement in the
2.9 easement;

2.10 (iii) specify all of the provisions of an
2.11 agreement that are perpetual;

2.12 (iv) are sent to the office of the
2.13 Legislative-Citizen Commission on
2.14 Minnesota Resources in an electronic format;
2.15 and

2.16 (v) include a long-term stewardship plan and
2.17 funding for monitoring and enforcing the
2.18 easement agreement;

2.19 (4) for all restorations, prepare an ecological
2.20 restoration and management plan that, to
2.21 the degree practicable, is consistent with the
2.22 highest quality conservation and ecological
2.23 goals for the restoration site. Consideration
2.24 should be given to soil, geology, topography,
2.25 and other relevant factors that would provide
2.26 the best chance for long-term success of the
2.27 restoration projects. The plan shall include
2.28 the proposed time table for implementing
2.29 the restoration, including site preparation,
2.30 establishment of diverse plant species,
2.31 maintenance, and additional enhancement to
2.32 establish the restoration; identify long-term
2.33 maintenance and management needs of
2.34 the restoration and how the maintenance,

3.1 management, and enhancement will be
3.2 financed; and take advantage of the best
3.3 available science and include innovative
3.4 techniques to achieve the best restoration;
3.5 (5) for new lands acquired, prepare a
3.6 restoration and management plan in
3.7 compliance with clause (4), including
3.8 sufficient funding for implementation;
3.9 (6) give priority in any acquisition of land
3.10 or interest in land to high quality natural
3.11 resources or conservation lands that provide
3.12 natural buffers to water resources;
3.13 (7) to ensure public accountability for
3.14 the use of public funds, provide to the
3.15 Legislative-Citizen Commission on
3.16 Minnesota Resources documentation of the
3.17 selection process used to identify parcels
3.18 acquired and provide documentation of all
3.19 related transaction costs, including but not
3.20 limited to appraisals, legal fees, recording
3.21 fees, commissions, other similar costs,
3.22 and donations. This information must be
3.23 provided for all parties involved in the
3.24 transaction. The recipient shall also report
3.25 to the Legislative-Citizen Commission on
3.26 Minnesota Resources any difference between
3.27 the acquisition amount paid to the seller
3.28 and the state-certified or state-reviewed
3.29 appraisal. Acquisition data such as appraisals
3.30 may remain private during negotiations but
3.31 must ultimately be made public according to
3.32 Minnesota Statutes, chapter 13; and
3.33 (8) give consideration to contracting with the
3.34 Minnesota Conservation Corps for contract
3.35 restoration and enhancement services.

4.1 (b) The Legislative-Citizen Commission
4.2 on Minnesota Resources shall review the
4.3 requirement in paragraph (a), clause (7),
4.4 and provide a recommendation whether
4.5 to continue or modify the requirement in
4.6 future years. The commission may waive the
4.7 application of paragraph (a), clause (7), for
4.8 specific projects."

4.9 Page 22, after line 28, insert:

4.10 "Sec. 3. Minnesota Statutes 2008, section 116P.05, subdivision 2, is amended to read:

4.11 Subd. 2. **Duties.** (a) The commission shall recommend an annual or biennial
4.12 legislative bill for appropriations from the environment and natural resources trust fund and
4.13 shall adopt a strategic plan as provided in section 116P.08. Approval of the recommended
4.14 legislative bill requires an affirmative vote of at least 12 members of the commission.

4.15 (b) The commission shall recommend expenditures to the legislature from the state
4.16 land and water conservation account in the natural resources fund.

4.17 (c) It is a condition of acceptance of the appropriations made from the Minnesota
4.18 environment and natural resources trust fund, and oil overcharge money under section
4.19 4.071, subdivision 2, that the agency or entity receiving the appropriation must submit
4.20 a work program and semiannual progress reports in the form determined by the
4.21 Legislative-Citizen Commission on Minnesota Resources, and comply with applicable
4.22 reporting requirements under section 116P.16. None of the money provided may be spent
4.23 unless the commission has approved the pertinent work program.

4.24 (d) The peer review panel created under section 116P.08 must also review, comment,
4.25 and report to the commission on research proposals applying for an appropriation from the
4.26 oil overcharge money under section 4.071, subdivision 2.

4.27 (e) The commission may adopt operating procedures to fulfill its duties under this
4.28 chapter.

4.29 (f) As part of the operating procedures, the commission shall:

4.30 (1) ensure that members' expectations are to participate in all meetings related to
4.31 funding decision recommendations;

4.32 (2) recommend adequate funding for increased citizen outreach and communications
4.33 for trust fund expenditure planning;

4.34 (3) allow administrative expenses as part of individual project expenditures based
4.35 on need;

4.36 (4) provide for project outcome evaluation;

5.1 (5) keep the grant application, administration, and review process as simple as
5.2 possible; and

5.3 (6) define and emphasize the leveraging of additional sources of money that project
5.4 proposers should consider when making trust fund proposals.

5.5 Sec. 4. Minnesota Statutes 2008, section 116P.08, subdivision 4, is amended to read:

5.6 Subd. 4. **Legislative recommendations.** (a) Funding may be provided only for
5.7 those projects that meet the categories established in subdivision 1.

5.8 (b) The commission must recommend an annual or biennial legislative bill to
5.9 make appropriations from the trust fund for the purposes provided in subdivision 1. The
5.10 recommendations must be submitted to the governor for inclusion in the biennial budget
5.11 and supplemental budget submitted to the legislature.

5.12 (c) The commission may recommend regional block grants for a portion of trust
5.13 fund expenditures to partner with existing regional organizations that have strong citizen
5.14 involvement, to address unique local needs and capacity, and to leverage all available
5.15 funding sources for projects.

5.16 (d) The commission may recommend the establishment of an ~~annual~~ emerging
5.17 issues account in its ~~annual~~ legislative bill for funding emerging issues, which come up
5.18 unexpectedly, but which still adhere to the commission's strategic plan, to be approved by
5.19 the governor after initiation and recommendation by the commission.

5.20 (e) Money in the trust fund may not be spent except under an appropriation by law.

5.21 Sec. 5. Minnesota Statutes 2008, section 116P.10, is amended to read:

5.22 **116P.10 ROYALTIES, COPYRIGHTS, PATENTS, AND SALE OF**
5.23 **PRODUCTS AND ASSETS.**

5.24 (a) This section applies to projects supported by the trust fund and the oil overcharge
5.25 money referred to in section 4.071, subdivision 2, each of which is referred to in this
5.26 section as a "fund."

5.27 (b) The fund owns and shall take title to the percentage of a royalty, copyright, or
5.28 patent resulting from a project supported by the fund equal to the percentage of the project's
5.29 total funding provided by the fund. Cash receipts resulting from a royalty, copyright, or
5.30 patent, or the sale of the fund's rights to a royalty, copyright, or patent, must be credited
5.31 immediately to the principal of the fund. Receipts from Minnesota future resources fund
5.32 projects must be credited to the trust fund. The commission may include in its ~~annual~~
5.33 legislative bill a recommendation to relinquish the ownership or rights to a royalty,
5.34 copyright, or patent resulting from a project supported by the fund to the project's proposer
5.35 when the amount of the original grant or loan, plus interest, has been repaid to the fund.

6.1 (c) If a project supported by the fund results in net income from the sale of products
6.2 or assets developed or acquired by an appropriation from the fund, the appropriation
6.3 must be repaid to the fund in an amount equal to the percentage of the project's total
6.4 funding provided by the fund. The commission may include in its ~~annual~~ legislative bill a
6.5 recommendation to relinquish the income if a plan is approved for reinvestment of the
6.6 income in the project or when the amount of the original grant or loan, plus interest, has
6.7 been repaid to the fund."

6.8 Renumber the sections in sequence and correct the internal references

6.9 Amend the title as follows:

6.10 Page 1, line 3, delete the period and insert "; modifying duties of Legislative-Citizen
6.11 Commission on Minnesota Resources;"

6.12 Correct the title numbers

7.1 We request the adoption of this report and repassage of the bill.

7.2 Senate Conferees: (Signed)

7.3
7.4 Ellen Anderson Dennis Frederickson

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7.6 Jim Vickerman Satveer Chaudhary

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7.8 Pat Pariseau

7.9 House Conferees: (Signed)

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7.11 Jean Wagenius Kate Knuth

7.12
7.13 Kory Kath John Persell

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7.15 Jenifer Loon