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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 2468

04/06/2021 Authored by Hansen, R., 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; providing for climate resiliency; appropriating money;
1.3 proposing coding for new law in Minnesota Statutes, chapter 103F.

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

1.5 Section 1. 103F.05 WATER QUALITY AND STORAGE PROGRAM.

1.6 Subdivision 1. Definitions. (a) For purposes of this section, the terms in this subdivision
1.7 have the meanings given them.

1.8 (b) "Board" means the Board of Water and Soil Resources.

1.9 (c) "Local units of government" has the meaning given under section 103B.305,
1.10 subdivision 5.

1.11 Subd. 2. Establishment. The board must establish a program to provide financial
1.12 assistance to local units of government to control water volume and rates to protect
1.13 infrastructure, improve water quality and related public benefits, and mitigate climate change
1.14 impacts.

1.15 Subd. 3. Financial assistance. (a) The board may provide financial assistance to local
1.16 units of government to cover the costs of water storage projects and other water quality
1.17 practices consistent with a plan approved according to chapter 103B, 103C, or 103D. Eligible
1.18 costs include costs for property and equipment acquisition, design, engineering, construction,
1.19 and management. The board may acquire conservation easements under sections 103F.501
1.20 to 103F.531 as necessary to implement a project or practice under this section.

1.21 (b) The board must enter into agreements with local units of government receiving
1.22 financial assistance under this section. The agreements must specify the terms of state and

2.1 local cooperation, including the financing arrangement for constructing any structures and  
2.2 assuring maintenance of the structures after completion.

2.3 Subd. 4. **Matching contribution.** The board must require a matching contribution when  
2.4 providing financial assistance under this section and may adjust matching requirements if  
2.5 federal funds are available for the project.

2.6 Subd. 5. **Technical assistance.** (a) The board may employ or contract with an engineer  
2.7 or hydrologist to work on the technical implementation of the program established under  
2.8 this section.

2.9 (b) When implementing the program, the board must:

2.10 (1) assist local units of government in achieving the goals of the program;

2.11 (2) review and analyze projects and project sites; and

2.12 (3) evaluate the effectiveness of completed projects constructed under the program.

2.13 (c) The board must cooperate with the commissioner of natural resources, the United  
2.14 States Department of Agriculture Natural Resources Conservation Service, and other agencies  
2.15 as needed to analyze hydrological, climate, and engineering information on proposed sites.

2.16 Subd. 6. **Requirements.** (a) A local unit of government applying for financial assistance  
2.17 under this section must provide a copy of a resolution or other documentation of the local  
2.18 unit of government's support for the project. The documentation must include provisions  
2.19 for local funding and management, the proposed method of obtaining necessary land rights  
2.20 for the proposed project, and an assignment of responsibility for maintaining any structures  
2.21 or practices upon completion.

2.22 (b) A local unit of government, with the assistance of the board, must evaluate the public  
2.23 benefits that are reasonably expected upon completing the proposed project. The evaluation  
2.24 must be submitted to the board before the final design.

2.25 Subd. 7. **Interstate cooperation.** The board may enter into or approve working  
2.26 agreements with neighboring states or their political subdivisions to accomplish projects  
2.27 consistent with the program established under this section.

2.28 Subd. 8. **Federal aid availability.** The board must regularly analyze the availability of  
2.29 federal funds and programs to supplement or complement state and local efforts consistent  
2.30 with the purposes of this section.

3.1 Sec. 2. [103F.06] SOIL HEALTH COST-SHARE PROGRAM.

3.2 Subdivision 1. Definitions. (a) For purposes of this section, the terms in this subdivision  
3.3 have the meanings given them.

3.4 (b) "Board" means the Board of Water and Soil Resources.

3.5 (c) "Local units of government" has the meaning given under section 103B.305,  
3.6 subdivision 5.

3.7 (d) "Soil health" has the meaning given under section 103C.101, subdivision 10a.

3.8 Subd. 2. Establishment. The board must establish a cost-share program consistent with  
3.9 the provisions of section 103C.501 for the purpose of establishing soil health practices to  
3.10 mitigate climate change impacts and improve water quality and related public benefits.

3.11 Subd. 3. Financial assistance. (a) The board may provide financial assistance to local  
3.12 units of government for the costs of soil health and related water quality practices consistent  
3.13 with a plan approved according to chapter 103B, 103C, or 103D. The board must establish  
3.14 costs eligible for financial assistance under this section, including costs for conservation  
3.15 planning, cover crop seeding, equipment acquisition or use, and other practices to improve  
3.16 soil health.

3.17 (b) The board must enter into agreements with local units of government receiving  
3.18 financial assistance under this section.

3.19 Subd. 4. Technical assistance. (a) The board may employ or contract with agronomists,  
3.20 biologists, or hydrologists in implementing the cost-share program.

3.21 (b) When implementing the program, the board must:

3.22 (1) assist local units of government in achieving the goals of the program;

3.23 (2) review and assess practice standards; and

3.24 (3) evaluate the effectiveness of completed practices constructed with assistance from  
3.25 the cost-share program.

3.26 (c) The board shall cooperate with the Minnesota Office for Soil Health at the University  
3.27 of Minnesota, the United States Department of Agriculture Natural Resources Conservation  
3.28 Service, and other agencies and private sector organizations as needed to enhance program  
3.29 effectiveness.

4.1 Subd. 5. **Federal aid availability.** The board shall regularly complete an analysis of the  
4.2 availability of federal funds and programs to supplement or complement state and local  
4.3 efforts consistent with the purposes of this section.

4.4 Subd. 6. **Report.** By January 15, 2024, the board shall evaluate the effectiveness of the  
4.5 program under this section and submit a report with the results and recommendations to the  
4.6 chairs and ranking minority members of the house of representatives and senate committees  
4.7 and divisions with jurisdiction over the environment and natural resources. The report shall  
4.8 include an assessment of the applicability and viability of tools to assist farm operators and  
4.9 landowners in evaluating nutrient, soil organic matter, and soil loss management practices  
4.10 on individual fields.

4.11 **Sec. 3. APPROPRIATION; WATER QUALITY AND STORAGE PROGRAM.**

4.12 \$1,500,000 in fiscal year 2022 and \$1,500,000 in fiscal year 2023 are appropriated from  
4.13 the general fund to the Board of Water and Soil Resources for the water quality and storage  
4.14 program under Minnesota Statutes, section 103F.05.

4.15 **Sec. 4. APPROPRIATION; SOIL HEALTH PROGRAM.**

4.16 \$2,750,000 in fiscal year 2022 and \$2,750,000 in fiscal year 2023 are appropriated from  
4.17 the general fund to the Board of Water and Soil Resources for the soil health program under  
4.18 Minnesota Statutes, section 103F.06.

4.19 **Sec. 5. APPROPRIATION; CLIMATE RESILIENCY PROGRAM.**

4.20 \$1,358,000 in fiscal year 2022 and \$1,606,000 in fiscal year 2023 are appropriated to  
4.21 the commissioner of the Pollution Control Agency to establish and implement a climate  
4.22 resiliency program providing technical assistance and grants to local governmental units  
4.23 and Tribal governments. Climate resiliency technical assistance and grants may fund climate  
4.24 risk assessment, planning, and pre-design necessary for infrastructure bond funding to  
4.25 address issues of community flooding and wastewater treatment system overflows caused  
4.26 by inadequate storm water or sanitary sewer infrastructure.

4.27 **Sec. 6. APPROPRIATION; CARBON SEQUESTRATION; TREE PLANTING.**

4.28 \$1,300,000 in fiscal year 2022 and \$1,300,000 in fiscal year 2023 are appropriated from  
4.29 the general fund to the commissioner of natural resources for increasing carbon sequestration  
4.30 by increasing seed collection and conservation-grade tree seedling production at the state  
4.31 forest nursery and by providing cost-share incentives to increase tree planting.

5.1      Sec. 7. **APPROPRIATION; CLIMATE ADAPTATION AND RESILIENCY.**

5.2             \$1,358,000 in fiscal year 2022 and \$1,606,000 in fiscal year 2023 are appropriated from  
5.3 the general fund to the commissioner of the Pollution Control Agency to establish and  
5.4 implement a climate adaptation and resiliency program, including technical assistance and  
5.5 grants to local governmental units and Tribal governments. The base budget in fiscal year  
5.6 2024 and beyond is \$1,482,000.