A bill for an act

relating to natural resources; appropriating money for environment and natural resources; modifying disposition of certain revenue; authorizing certain sales; modifying and creating certain accounts; modifying and establishing certain fees and surcharges; establishing an off-highway vehicle safety and conservation program; defining certain terms; providing for venison donation; providing for prairie establishment guidance; creating the Cuyuna Country State Recreation Area Citizens Advisory Council; modifying aquatic farm license provisions; restricting certain off-road vehicle trails; modifying state park permit requirements; modifying timber sale provisions; exempting certain exchanged land from the tax-forfeited land assurance fee; authorizing certain leases of tax-forfeited lands; modifying definition of public official; modifying agency service requirements; creating a grant program; designating a state wildlife management area; improving oversight of local government water management; modifying authority of watershed district board of managers and soil and water conservation board of supervisors; modifying provisions for wetland conservation; modifying requirements for ditch buffers; modifying provisions for individual sewage treatment systems; providing for civil enforcement; modifying provisions for regulating genetically engineered organisms; establishing requirements for acquisition of easements; modifying access to certain wetlands; modifying percentage of gasoline use attributable to all-terrain vehicles; modifying trail designation requirements; eliminating sunset of sustainable forest resources provisions; authorizing rulemaking; requiring reports and studies; amending Minnesota Statutes 2006, sections 10A.01, subdivision 35; 15.99, subdivision 3; 16A.531, subdivision 1a; 17.4984, subdivision 1; 84.025, subdivision 9; 84.026, subdivision 1; 84.0272, by adding a subdivision; 84.0855, subdivisions 1, 2; 84.780; 84.927, subdivision 2; 84.963; 84D.02, by adding a subdivision; 84D.13, subdivision 7; 85.054, subdivision 12, by adding a subdivision; 86B.706, subdivision 2; 89.22, subdivision 2; 90.161, by adding a subdivision; 93.22, subdivision 1; 97A.055, subdivision 4; 97A.065, by adding a subdivision; 97A.133, by adding a subdivision; 97A.475, subdivision 7, by adding a subdivision; 97A.485, subdivision 7; 97C.081, subdivision 3; 103B.101, by adding a subdivision; 103C.321, by adding a subdivision; 103D.325, by adding a subdivision; 103E.021, subdivisions 1, 2, 3, by adding a subdivision; 103E.315, subdivision 8; 103E.321, subdivision 1; 103E.701, by adding a subdivision; 103E.705, subdivisions 1, 2, 3; 103E.728, subdivision 2; 103G.222, subdivisions 1, 3; 103G.2241, subdivisions 1, 2, 3, 6, 9, 11; 103G.2242, subdivisions 2, 2a, 9, 12, 15; 103G.2243, subdivision 2; 103G.235; 103G.301, subdivision 2; 115.55, subdivisions 1, 2, 3, by adding a subdivision; 116C.92; 116C.94, subdivision 1; 116C.97, subdivision 2; 282.04, subdivision 1; 296A.18, subdivision 4; Laws 2003, chapter 128, article 1, section 169; Laws 2006, chapter 236, article 1, section 21; proposing coding for new law in Minnesota Statutes, chapters 17; 84; 84D; 85; 89; 97B; 103B; 103E; repealing Minnesota Statutes 2006, sections 89A.11; 103G.2241, subdivision 8.

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

ARTICLE 1
ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

		2008		2009		Total
General	$	134,588,000	$	137,139,000	$	271,727,000
State Government Special Revenue		48,000		48,000		96,000
Environmental		61,425,000		61,622,000		123,047,000
Natural Resources		79,811,000		80,820,000		160,631,000
Game and Fish		90,073,000		92,032,000		182,105,000
Remediation		11,666,000		11,186,000		22,852,000
Permanent School		200,000		200,000		400,000
Total	**$**	**377,811,000**	**$**	**383,047,000**	**$**	**760,858,000**

Sec. 2. **ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009. "The biennium" is fiscal years 2008 and 2009. Appropriations for the fiscal year ending June 30, 2007, are effective the day following final enactment.

		APPROPRIATIONS Available for the Year Ending June 30 2008		2009
Sec. 3. **POLLUTION CONTROL AGENCY**				
Subdivision 1. **Total Appropriation**	**$**	**100,271,000**	**$**	**99,989,000**

Appropriations by Fund

	2008	2009
General	27,232,000	27,233,000
State Government Special Revenue	48,000	48,000
Environmental	61,425,000	61,622,000
Remediation	11,566,000	11,086,000

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

Subd. 2. **Water** 42,928,000 42,248,000

Appropriations by Fund

General	23,326,000	23,266,000
State Government Special Revenue	48,000	48,000
Remediation	550,000	-0-
Environmental	19,004,000	18,934,000

$2,348,000 the first year and $2,348,000 the second year are for the clean water partnership program. Any balance remaining in the first year does not cancel and is available for the second year. This appropriation may be used for grants to local units of government for the purpose of restoring impaired waters listed under section 303(d) of the federal Clean Water Act in accordance with adopted total maximum daily loads (TMDL's), including implementation of approved clean water partnership diagnostic study work plans that will assist in restoration of such impaired waters.

$2,324,000 the first year and $2,324,000 the second year are for grants to delegated counties to administer the county feedlot program. The commissioner, in consultation with the Minnesota Association of County

Feedlot Officers executive team, may use up to five percent of the annual appropriation for initiatives to enhance existing delegated county feedlot programs, information and education, or technical assistance to reduce feedlot-related pollution hazards. Any unexpended balance in the first year does not cancel but is available in the second year.

$335,000 the first year and $335,000 the second year are for community technical assistance and education, including grants and technical assistance to communities for local and basinwide water quality protection.

$405,000 the first year and $405,000 the second year are for individual sewage treatment system (ISTS) administration and grants. Of this amount, $86,000 each year is for assistance to counties through grants for ISTS program administration. Any unexpended balance in the first year does not cancel but is available in the second year.

$480,000 the first year and $480,000 the second year are from the environmental fund to address the need for continued increased activity in the areas of new technology review, technical assistance for local governments, and enforcement under Minnesota Statutes, sections 115.55 to 115.58, and to complete the requirements of Laws 2003, chapter 128, article 1, section 165. Of this amount, $48,000 each year is for administration of individual septic tank fees.

$375,000 the first year and $375,000 the second year are to monitor and analyze endocrine disruptors in surface waters in at least 20 additional sites. The data must be placed on the agency's Web site.

$15,317,000 the first year and $15,317,000 the second year are to implement the requirements of Minnesota Statutes, chapter 114D. Of this amount, $6,317,000 each year is for completion of ten percent of the needed statewide assessments of surface water quality and trends and $9,000,000 each year is to develop TMDL's and TMDL implementation plans for waters listed on the United States Environmental Protection Agency approved impaired waters list. The agency shall complete an average of ten percent of the TMDL's each year over the next ten years.

$690,000 the first year and $690,000 the second year are from the environmental fund to provide regulatory services to the ethanol, mining, and other developing economic sectors. This is a onetime appropriation.

$88,000 the first year is for the endocrine disruptors report required to be completed under article 2.

$550,000 is appropriated in fiscal year 2008 from the remediation fund to the commissioner of the Pollution Control Agency for transfer to the commissioner of health to conduct an evaluation of point of use water treatment units at removing perfluorooctanoic acid, perfluorooctane sulfonate, and perfluorobutanoic acid from known concentrations of these compounds in drinking water. The evaluation shall be completed by December 31, 2007, and the commissioner of health may contract for services to complete the evaluation.

By January 15, 2008, the commissioner shall amend agency rules and, where legislative action is necessary, provide recommendations to the house of representatives and senate divisions on environmental finance on water and air fee changes that will result in revenue to the environmental fund to pay for regulatory services to the ethanol, mining, and other developing economic sectors.

Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2009, for clean water partnership, individual sewage treatment systems (ISTS), Minnesota River, total maximum daily loads (TMDL's), stormwater contracts or grants, and local and basinwide water quality protection contracts or grants in this subdivision are available until June 30, 2011.

Subd. 3. **Air**	10,623,000	10,890,000

Appropriations by Fund

Environmental	10,623,000	10,890,000

Up to $150,000 the first year and $150,000 the second year may be transferred from the environmental fund to the small business environmental improvement loan account established in Minnesota Statutes, section 116.993.

$200,000 the first year and $200,000 the second year are from the environmental fund for a monitoring program under Minnesota Statutes, section 116.454.

$125,000 the first year and $125,000 the second year are from the environmental fund for monitoring ambient air for hazardous pollutants in the metropolitan area.

$760,000 the first year and $760,000 the second year are from the environmental fund to provide regulatory services to the ethanol, mining, and other developing economic sectors. This is a onetime appropriation.

Subd. 4. **Land**			18,081,000	18,151,000

Appropriations by Fund		
Environmental	7,065,000	7,065,000
Remediation	11,016,000	11,086,000

All money for environmental response, compensation, and compliance in the remediation fund not otherwise appropriated is appropriated to the commissioners of the Pollution Control Agency and agriculture for purposes of Minnesota Statutes, section 115B.20, subdivision 2, clauses (1), (2), (3), (6), and (7). At the beginning of each fiscal year, the two commissioners shall jointly submit an annual spending plan to the commissioner of finance and the house and senate chairs of environment and natural resources finance that maximizes the utilization of resources and appropriately allocates the money between the two departments. This appropriation is available until June 30, 2009.

$3,616,000 the first year and $3,616,000 the second year are transferred from the petroleum tank fund to the remediation fund for appropriation to the commissioner for purposes of the leaking underground storage tank program to protect the land.

$252,000 the first year and $252,000 the second year are from the remediation fund to be transferred to the Department of Health for health assessments, drinking water advisories, and public information activities for areas contaminated by hazardous releases.

Subd. 5. **Multimedia**	4,879,000	4,911,000

Appropriations by Fund

General	2,288,000	2,320,000
Environmental	2,591,000	2,591,000

$550,000 the first year and $550,000 the second year are from the environmental fund to provide regulatory services to the ethanol, mining, and other developing economic sectors. This is a onetime appropriation.

Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2009, for total maximum daily load (TMDL) contracts or grants are available until June 30, 2011.

Subd. 6. **Environmental Assistance**	22,142,000	22,142,000

$14,000,000 each year is from the environmental fund for SCORE block grants to counties.

Any unencumbered grant and loan balances in the first year do not cancel but are available for grants and loans in the second year.

All money deposited in the environmental fund for the metropolitan solid waste landfill fee under Minnesota Statutes, section 473.843, and not otherwise appropriated, is appropriated to the agency for the purposes of Minnesota Statutes, section 473.844.

$119,000 the first year and $119,000 the second year are from the environmental fund for environmental assistance grants or loans under Minnesota Statutes, section 115A.0716.

$1,200,000 the first year and $1,200,000 the second year are from the environmental fund to retrofit school buses statewide, including buses for preschool children, and for loans to small trucking firms to install equipment to reduce fuel consumption. This is a onetime appropriation.

Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2009, for environmental assistance grants awarded under Minnesota Statutes, section 115A.0716, and for technical and research assistance under Minnesota Statutes, section 115A.152, technical assistance under Minnesota Statutes, section 115A.52, and pollution prevention assistance under Minnesota Statutes, section 115D.04, are available until June 30, 2011.

Subd. 7. **Administrative Support**	1,618,000	1,647,000

The commissioner may transfer money from the environmental fund to the remediation fund as necessary for the purposes of the remediation fund under Minnesota Statutes, section 116.155, subdivision 2.

Sec. 4. **NATURAL RESOURCES**

Subdivision 1. **Total Appropriation**	**$**	**245,711,000**	**$**	**250,870,000**

Appropriations by Fund

	2008	2009
General	80,587,000	82,778,000
Natural Resources	74,751,000	75,760,000
Game and Fish	90,073,000	92,032,000
Remediation	100,000	100,000
Permanent School	200,000	200,000

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

Subd. 2. **Land and Mineral Resources Management** 11,461,000 11,448,000

Appropriations by Fund

General	6,347,000	6,406,000
Natural Resources	3,551,000	3,447,000
Game and Fish	1,363,000	1,395,000
Permanent School	200,000	200,000

$475,000 the first year and $475,000 the second year are for iron ore cooperative research. Of this amount, $200,000 each year is from the minerals management account in the natural resources fund and $275,000 each year is from the general fund. $237,500 the first year and $237,500 the second year are available only as matched by $1 of nonstate money for each $1 of state money. The match may be cash or in-kind.

$86,000 the first year and $86,000 the second year are for minerals cooperative environmental research, of which $43,000 the first year and $43,000 the second year are available only as matched by $1 of nonstate money for each $1 of state money. The match may be cash or in-kind.

$2,800,000 the first year and $2,696,000 the second year are from the minerals management account in the natural resources fund for use as provided in Minnesota Statutes, section 93.2236, paragraph (c).

$200,000 the first year and $200,000 the second year are from the state forest suspense account in the permanent school fund to accelerate land exchanges, land sales, and commercial leasing of school trust lands and to identify, evaluate, and lease construction aggregate located on school trust lands. This appropriation is to be used for securing maximum long-term economic return from the school trust lands consistent with fiduciary responsibilities and sound natural resources conservation and management principles.

$15,000 the first year is for a report by February 1, 2008, to the house and senate committees with jurisdiction over environment and natural resources on proposed minimum legal and conservation standards that could be applied to conservation easements acquired with public money.

$701,000 the first year and $701,000 the second year are to support the land records management system. Of this amount, $326,000 the first year and $326,000 the second year are from the game and fish fund and $375,000 the first year and $375,000 the second year are from the natural resources fund.

Subd. 3. **Water Resources Management**	12,931,000	13,116,000

Appropriations by Fund		
General	12,651,000	12,836,000
Natural Resources	280,000	280,000

$310,000 the first year and $310,000 the second year are for grants for up to 50 percent of the cost of implementing the Red River mediation agreement.

$65,000 the first year and $65,000 the second year are for a grant to the Mississippi Headwaters Board for up to 50 percent of the cost of implementing the comprehensive plan for the upper Mississippi within areas under the board's jurisdiction.

$5,000 the first year and $5,000 the second year are for payment to the Leech Lake Band of Chippewa Indians to implement the band's portion of the comprehensive plan for the upper Mississippi.

$200,000 the first year and $200,000 the second year are for the construction of ring dikes under Minnesota Statutes, section 103F.161. The ring dikes may be publicly or privately owned. Any unencumbered balance does not cancel at the end of the first year and is available for the second year. If the appropriation in the first year is insufficient, the appropriation for the second year is available in the first year.

$1,280,000 the first year and $1,280,000 the second year are to support the identification of impaired waters and develop plans to address those impairments, as required by the federal Clean Water Act. This is a onetime appropriation.

Subd. 4. **Forest Management** 41,148,000 41,930,000

Appropriations by Fund		
General	22,858,000	23,273,000
Natural Resources	18,033,000	18,393,000
Game and Fish	257,000	264,000

$7,217,000 the first year and $7,217,000 the second year are for prevention, presuppression, and suppression costs of emergency firefighting and other costs incurred under Minnesota Statutes, section 88.12. If the appropriation for either year is insufficient to cover all costs of presuppression and suppression, the amount necessary to pay for these costs during the biennium is appropriated from the general fund.

By November 15 of each year, the commissioner of natural resources shall submit a report to the chairs of the house and senate committees and divisions having jurisdiction over environment and natural resources finance, identifying all firefighting costs incurred and reimbursements received in the prior fiscal year. These appropriations may not be transferred. Any reimbursement of firefighting expenditures made to the commissioner from any source other than federal mobilizations shall be deposited into the general fund.

$17,983,000 the first year and $18,293,000 the second year are from the forest management investment account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 89.039, subdivision 2.

$780,000 the first year and $780,000 the second year are for the Forest Resources Council for implementation of the Sustainable Forest Resources Act.

$350,000 the first year and $350,000 the second year are for the FORIST timber management information system, other information systems, and for increased forestry management. The amount in the second year is also available in the first year.

$257,000 the first year and $264,000 the second year are from the game and fish fund to implement ecological classification systems (ECS) standards on forested landscapes. This appropriation is from revenue deposited in the game and fish fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (1).

$55,000 the first year and $55,000 the second year are to develop and implement a statewide information and education campaign regarding the proposed statewide ban on the transport, storage, or use of nonapproved firewood on state administered land.

$75,000 the first year is to the Forest Resources Council for a task force on forest protection and $75,000 the second year is appropriated to the commissioner for grants to cities, counties, townships, special recreation areas, and park and recreation boards in cities of the first class for the identification, removal, disposal, and replacement of dead or dying shade trees lost to forest pests or disease. For purposes of this section, "shade tree" means a woody perennial grown primarily for aesthetic or environmental purposes with minimal to residual timber value. The commissioner shall consult with municipalities; park and recreation boards in cities of the first class; nonprofit organizations; and other interested parties in developing eligibility criteria.

$50,000 the first year and $100,000 the second year are from the natural resources fund for forest road maintenance in support of all-terrain vehicle trails.

Subd. 5. **Parks and Recreation Management**			35,141,000	35,959,000
Appropriations by Fund				
General	20,560,000	20,923,000		
Natural Resources	14,581,000	15,036,000		

$640,000 the first year and $640,000 the second year are from the water recreation account in the natural resources fund for state park water access projects.

$3,996,000 the first year and $3,996,000 the second year are from the natural resources fund for state park and recreation area operations. This appropriation is from the revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (2).

$5,000 each year is for payment of expenses of the Cuyuna Country State Recreation Area Citizens Advisory Council.

The commissioner of natural resources, in consultation with the local elected officials and citizens of Meeker County, shall develop a plan for Greenleaf Lake State Recreation Area. The commissioner shall submit the plan to the legislative committees with jurisdiction over state parks and capital investment by February 1, 2008.

Subd. 6. **Trails and Waterways Management** 29,942,000 30,147,000

Appropriations by Fund		
General	2,528,000	2,548,000
Natural Resources	25,295,000	25,405,000
Game and Fish	2,119,000	2,194,000

$8,424,000 the first year and $8,424,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for snowmobile grants-in-aid. The additional money under this paragraph may be used for new grant-in-aid trails. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

$1,140,000 the first year and $1,132,000 the second year are from the natural resources fund for off-highway vehicle grants-in-aid. Of this amount, $790,000 the first year and $882,000 the second year are from the all-terrain vehicle account; $150,000 each year is from the off-highway motorcycle account; and $200,000 the first year and $100,000 the second year are from the off-road vehicle account. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

$261,000 the first year and $261,000 the second year are from the water recreation account in the natural resources fund for a safe harbor program on Lake Superior.

$742,000 the first year and $760,000 the second year are from the natural resources fund for state trail operations and maintenance. The money may be used for trail maintenance, signage, mapping, interpretation, native prairie restoration using best management practices, and maintenance of nonmotorized forest trails. This appropriation is from the revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (2).

$32,000 the first year and $107,000 the second year are from the game and fish fund and is added to the base for expenditures on water access sites according to the requirements of the federal sport and fish restoration program.

Subd. 7. **Fish and Wildlife Management**	67,072,000	68,394,000

Appropriations by Fund		
General	3,255,000	3,255,000
Natural Resources	1,876,000	1,876,000
Game and Fish	61,941,000	63,263,000

$410,000 the first year and $418,000 the second year are for resource population surveys in the 1837 treaty area. Of this amount, $274,000 the first year and $288,000 the second year are from the game and fish fund.

$8,061,000 the first year and $8,167,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified in Minnesota Statutes, section 297A.94, paragraph (e), clause (1). Of this amount, $1,175,000 the first year and $1,175,000 the second year are for preserving, restoring, and enhancing grassland/wetland complexes on public lands.

Notwithstanding Minnesota Statutes, section 84.943, $13,000 the first year and $13,000 the second year from the critical habitat private sector matching account may be used to publicize the critical habitat license plate match program.

$8,000 the first year and $8,000 the second year are appropriated from the game and fish fund for transfer to the wild turkey management account for purposes specified in Minnesota Statutes, section 97A.075, subdivision 5.

$108,000 the first year and $108,000 the second year are from the game and fish fund for costs associated with administering fishing contest permits.

$182,000 the first year and $132,000 the second year are to accelerate wildlife health programs and to prevent the spread of disease from livestock and poultry to the wildlife population. $50,000 in the first year is for fencing cattle-feeding areas in bovine tuberculosis control zones, under the emergency deterrent materials assistance program in Minnesota Statutes, section 97A.028, subdivision 3. This appropriation is available until June 30, 2009. $66,000 of this amount is permanent.

$575,000 the first year and $575,000 the second year are for preserving, restoring, and enhancing grassland/wetland complexes on public lands.

$150,000 the first year and $150,000 the second year are from the game and fish fund to expand the roadsides for wildlife program.

$175,000 the first year and $175,000 the second year are appropriated from the game and fish fund to the commissioner of natural resources for grants to Let's Go Fishing of Minnesota to promote opportunities for fishing. The grants must be matched equally with cash or in-kind contributions from nonstate sources. This is a onetime appropriation.

Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2009, for aquatic restoration grants and wildlife habitat grants are available until June 30, 2010.

Subd. 8. **Ecological Services**			14,201,000	15,404,000
Appropriations by Fund				
General	6,831,000	7,934,000		
Natural Resources	3,488,000	3,519,000		
Game and Fish	3,882,000	3,951,000		

$1,192,000 the first year and $1,223,000 the second year are from the nongame wildlife management account in the natural resources fund for the purpose of nongame wildlife management. Notwithstanding Minnesota Statutes, section 290.431, $100,000 the first year and $100,000 the second year may be used for nongame information, education, and promotion.

$1,612,000 the first year and $1,636,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified in Minnesota Statutes, section 297A.94, paragraph (e), clause (1), on public lands.

$2,765,000 in the first year and $3,985,000 in the second year, of which $1,795,000 the first year and $1,795,000 the second year are from the invasive species account in the natural resources fund for law enforcement and water access inspection to prevent the spread of invasive species, grants to manage invasive plants in public waters, technical assistance to grant applicants for improving lake quality, and management of terrestrial invasive species on state-administered lands. Priority shall be given to preventing the spread of aquatic invertebrates. Of this amount, $250,000 the first year and $250,000 the second year are for a zebra mussel pilot program. This is a onetime appropriation. An applicant for a grant to manage invasive plants in public waters must have a workable plan for improving water quality and reducing the need for additional treatment. Grants may not be made for chemicals that are likely endocrine disruptors. A plan to prevent the introduction of asian carp into Minnesota waters must be made available to the public by November 1, 2007.

$125,000 the first year is to support a technical committee and for land management units that manage grass lands in order to develop plans to optimize native prairie seed harvest and replanting on state-owned lands. The work must use best management practices with an outcome of ensuring the survival of the native prairie remaining in Minnesota and to estimate the value of the seeds. Maximizing seed harvest may include allowing seed producers to keep a portion of the seed as compensation for supplying equipment and labor.

The Department of Natural Resources in cooperation with the Department of Agriculture and the Board of Water and Soil Resources shall establish a technical advisory committee which has the expertise to develop (1) criteria to identify public and private marginal lands which could be used to produce native prairie seeds of a local ecotype or restore native prairies that could be used to produce clean energy, (2) guidelines for production that ensure high carbon sequestration, protection of wildlife and waters, and minimization of inputs and that do not compromise the survival of the native prairie remaining in Minnesota, and (3) recommendations for incentives that will result in the production of native prairie seeds of a local ecotype or restore native prairies. In addition to agency members, the advisory committee shall have one member from each of two farm organizations, one member from a sustainable farmer organization, one member each from three rural economic development organizations, one member each from three environmental organizations, and one member each from three wildlife or conservation organizations. The technical committee shall work with the NextGen Energy Board to develop a clean energy program. A report on outcomes from the technical committee is due December 15, 2007, to the legislative finance chairs on environment and natural resources.

$50,000 in the first year is for the commissioner, in consultation with the Environmental Quality Board, to report to the house and senate committees having jurisdiction over environmental policy and finance by February 1, 2008, on the Mississippi River critical area program. The report shall include the status of critical area plans, zoning ordinances, the number and types of revisions anticipated, and the nature and number of variances sought. The report shall include recommendations that adequately protect and manage the aesthetic integrity and natural environment of the river corridor.

$1,500,000 the first year and $1,500,000 the second year are to support the identification of impaired waters and develop plans to address those impairments, as required by the federal Clean Water Act. This is a onetime appropriation.

Subd. 9. **Enforcement**	30,021,000	30,697,000

Appropriations by Fund

General	3,336,000	3,392,000
Natural Resources	7,163,000	7,320,000
Game and Fish	19,422,000	19,885,000
Remediation	100,000	100,000

$100,000 each year is for a conservation officer position to be stationed at Mississippi Headwaters State Forest to work with local jurisdictions, including Native American reservations, in enforcing state law along the Mississippi River from Lake Itasca downstream to Lake Bemidji and in the Bemidji region.

$1,082,000 the first year and $1,082,000 the second year are from the water recreation account in the natural resources fund for grants to counties for boat and water safety.

$100,000 the first year and $100,000 the second year are from the remediation fund for solid waste enforcement activities under Minnesota Statutes, section 116.073.

$315,000 the first year and $315,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for grants to local law enforcement agencies for snowmobile enforcement activities.

$1,164,000 the first year and $1,164,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified in Minnesota Statutes, section 297A.94, paragraph (e), clause (1).

$225,000 the first year and $225,000 the second year are from the natural resources fund for grants to county law enforcement agencies for off-highway vehicle enforcement and public education activities based on off-highway vehicle use in the county. Of this amount, $213,000 each year is from the all-terrain vehicle account, $11,000 each year is from the off-highway motorcycle account, and $1,000 each year is from the off-road vehicle account. The county enforcement agencies may use money received under this appropriation to make grants to other local enforcement agencies within the county that have a high concentration of off-highway vehicle use. Of this appropriation, $25,000 each year is for administration of these grants.

$15,000 the first year and $5,000 the second year are from the off-road vehicle account in the natural resources fund to establish the off-road vehicle environment and safety education and training program under Minnesota Statutes, section 84.8015.

$50,000 the first year and $225,000 the second year are from the natural resources fund for grants to qualifying off-highway vehicle organizations to assist in safety and environmental education and monitoring trails on public lands. Of this appropriation, $25,000 each year is for administration of these grants.

Overtime must be distributed to conservation officers at historical levels; however, a reasonable reduction or addition may be made to the officer's allocation, if justified, based on an individual officer's workload. If funding for enforcement is reduced because of an unallotment, the overtime bank may be reduced in proportion to reductions made in other areas of the budget.

Subd. 10. **Operations Support**			3,794,000	3,775,000
Appropriations by Fund				
General	2,221,000	2,211,000		
Natural Resources	484,000	484,000		
Game and Fish	1,089,000	1,080,000		

$38,000 in the first year is from the game and fish fund for the study on the natural stands of wild rice required in article 2.

$270,000 the first year and $270,000 the second year are from the natural resources fund for grants to be divided equally between the city of St. Paul for the Como Zoo and Conservatory and the city of Duluth for the Duluth Zoo. This appropriation is from the revenue deposited to the fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (5).

$55,000 in the first year and $7,000 in the second year are to be transferred to the Environmental Quality Board to fulfill the requirement of Minnesota Statutes, sections 116C.92 and 116C.94.

Sec. 5. **BOARD OF WATER AND SOIL RESOURCES**	**$**	**22,369,000**	**$**	**22,728,000**

$4,102,000 the first year and $4,102,000 the second year are for natural resources block grants to local governments. The board may reduce the amount of the natural resources block grant to a county by an amount equal to any reduction in the county's general services allocation to a soil and water conservation district from the county's previous year allocation when the board determines that the reduction was disproportionate. Grants must be matched with a combination of local cash or in-kind contributions. The base grant portion related to water planning must be matched by an amount that would be raised by a levy under Minnesota Statutes, section 103B.3369.

$3,566,000 the first year and $3,566,000 the second year are for grants requested by soil and water conservation districts for general purposes, nonpoint engineering, and implementation of the reinvest in Minnesota conservation reserve program. Upon approval of the board, expenditures may be made from these appropriations for supplies and services benefiting soil and water conservation districts. Any district requesting a grant under this paragraph shall create and maintain a Web page that publishes, at a minimum, its annual plan, annual report, annual audit, and annual budget, including membership dues and meeting notices and minutes.

$3,250,000 the first year and $3,250,000 the second year are for grants to soil and water conservation districts for cost-sharing contracts for erosion control and water quality management. Of this amount, at least $1,200,000 the first year and $1,200,000 the second year are for grants for cost-sharing contracts to establish and maintain vegetation buffers of restored native prairie and restored prairie using seeds of a local ecotype region.

$300,000 the first year and $300,000 the second year are available to begin county cooperative weed management programs on natural lands and private lands enrolled in state and federal conservation programs and to restore native plants in selected invasive species management sites by providing local native seeds and plants to landowners for implementation. This appropriation is available until expended. If the appropriation in either year is insufficient, the appropriation in the other year is available for it. Notwithstanding Minnesota Statutes, section 103C.501, any balance in the board's cost-share program that remains from the fiscal year 2007 appropriation is available in an amount up to $2,000 for a grant to the Faribault Soil and Water Conservation District to pay for erosion repair on the Blue Earth River, and up to $40,000 is available for grants to soil and water conservation districts for Web site development and reporting; and $100,000 in fiscal years 2008 and 2009 is for evaluating and reporting on performance, financial, and activity information of local water management entities as provided for in article 2, section 38.

The board shall develop a forestry practice docket for cost-share money. The board shall develop standards or policies for cost-share practices for the following purposes: (1) establishment and maintenance of vegetated buffers of restored prairie or restored native prairie using seeds of a local ecotype; (2) establishment of cooperative weed management programs on private natural lands and lands enrolled in state and federal conservation programs and restoration of native plants in selected invasive species management sites by providing local native seeds and plants to landowners; and (3) establishment of soil and water conservation and ecological improvement practices on private forest lands.

$100,000 the first year and $100,000 the second year are for a grant to the Red

River Basin Commission to develop a Red River basin plan and to coordinate water management activities in the states and provinces bordering the Red River. The unencumbered balance in the first year does not cancel but is available for the second year.

$5,450,000 the first year and $5,450,000 the second year are for implementation of the Clean Water Legacy Act as follows:

(1) $1,500,000 each year is for targeted nonpoint restoration cost-share and incentive payments, of which up to $1,400,000 each year is available for grants. Of this amount, $250,000 each year must be contracted for services with the Minnesota Conservation Corps. The grant funds are available until expended;

(2) $2,000,000 each year is for targeted nonpoint restoration and protection and technical, compliance, and engineering assistance activities, of which up to $1,325,000 the first year and $1,700,000 the second year are available for grants, of which $225,000 the first year is to inventory wetland mitigation opportunities and water quality and watershed improvement projects in a greater than 80 percent area and of which $150,000 the first year is to conduct a regionwide wetland mitigation siting analysis for greater than 80 percent areas. The $225,000 amount shall include an inventory of the wetland and water resources that have been developed on former mine lands and an analysis of the functions and values of

those wetland and water resources. This is a onetime appropriation and is available until June 30, 2009. The $150,000 amount for analysis shall (i) evaluate wetland mitigation opportunities in each watershed and wetland bank service area, (ii) develop goals for maintaining water quality in the greater than 80 percent areas, and (iii) identify wetland mitigation opportunities in other regions with a greater loss of wetlands or with impaired waters. This is a onetime appropriation and is available until June 30, 2009. A report on the analysis outcomes shall be given to the house and senate chairs of the environment and natural resources policy and finance committees by January 15, 2009;

(3) $200,000 each year is for reporting and evaluating applied soil and water conservation practices;

(4) $1,000,000 each year is for grants to implement county individual sewage treatment system programs. Of this amount, after a county has complied with requirements to adopt ordinances pursuant to Minnesota Statutes, section 115.55, subdivision 2, the county may request grants of up to $60,000 the first year and $60,000 the second year to inventory properties with individual sewage treatment systems that are an imminent threat to public health or safety due to water discharges of untreated sewage, and require compliance under an applicable ordinance. The grant amount shall be proportional to the number of properties expected to be inventoried. Each county receiving an appropriation under

this paragraph shall report the number of inspections and the number determined to be an imminent threat to public health or safety to the Pollution Control Agency by February 1 of each year;

(5) $650,000 each year is for feedlot water quality grants for feedlots under 300 animal units where there are impaired waters; and

(6) $100,000 each year is to the Minnesota River Basin Joint Powers Board, also known as the Minnesota River Board, for operating expenses to measure and report the results of projects in the 12 major watersheds within the Minnesota River basin.

If the appropriations in clauses (1) to (6) in either year are insufficient, the appropriation in the other year is available for it. All of the money appropriated in clauses (1) to (6) as grants to local governments shall be administered through the Board of Water and Soil Resources' local water resources protection and management program under Minnesota Statutes, section 103B.3369.

$140,000 the first year and $140,000 the second year are for a grant to Area II, Minnesota River Basin Projects, for floodplain management, including administration of programs.

$1,120,000 the first year and $1,060,000 the second year may be spent for the following purposes to support implementation of the Wetland Conservation Act: $500,000 each year is to make grants to local units of governments to improve response to major wetland violations; $500,000 each year is for staffing to provide adequate state oversight and technical support to local governments administering the Wetland Conservation Act; $60,000 each year is for staff to monitor and enforce wetland replacement and wetland bank sites; and $60,000 the first year is for rulemaking required by changes to the Wetland Conservation Act.

$450,000 the first year and $800,000 the second year are to implement recommendations of the Drainage Work Group to enhance public drainage and modernization as follows: $150,000 the first year is to develop guidelines for drainage records preservation and modernization; $500,000 the second year is for cost-share grants to local governments for public drainage records modernization; and $300,000 each year is to provide assistance to local drainage management officials, to facilitate the work of the Drainage Work Group, to staff a drainage assistance team, and to update the Minnesota Public Drainage Manual. All of the money appropriated in this paragraph as grants to local governments shall be administered through the Board of Water and Soil Resources' local water resources protection and management program under Minnesota Statutes, section 103B.3369.

In addition to other authorities, the Board of Water and Soil Resources may reduce, withhold, or redirect grants and other funding if the local water management entity has not corrected deficiencies as prescribed in a notice from the board within one year from the date of the notice.

Sec. 6. **METROPOLITAN COUNCIL** $ **8,620,000** $ **8,620,000**

Appropriations by Fund		
	2008	2009
General	4,050,000	4,050,000
Natural Resources	4,570,000	4,570,000

$4,050,000 the first year and $4,050,000 the second year are for metropolitan parks operations.

$4,570,000 the first year and $4,570,000 the second year are from the natural resources fund for metropolitan area regional parks and trails maintenance and operations. This appropriation is from the revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (3).

Sec. 7. **MINNESOTA CONSERVATION CORPS** $ **840,000** $ **840,000**

Appropriations by Fund		
	2008	2009
General	350,000	350,000
Natural Resources	490,000	490,000

The Minnesota Conservation Corps may receive money appropriated from the natural resources fund under this section only as provided in an agreement with the commissioner of natural resources.

ARTICLE 2
ENVIRONMENT AND NATURAL RESOURCES POLICY

Section 1. Minnesota Statutes 2006, section 10A.01, subdivision 35, is amended to read:

Subd. 35. **Public official.** "Public official" means any:

(1) member of the legislature;

(2) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher, legislative analyst, or attorney in the Office of Senate Counsel and Research or House Research;

(3) constitutional officer in the executive branch and the officer's chief administrative deputy;

(4) solicitor general or deputy, assistant, or special assistant attorney general;

(5) commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in section 15.01 or 15.06, or the state chief information officer;

(6) member, chief administrative officer, or deputy chief administrative officer of a state board or commission that has either the power to adopt, amend, or repeal rules under chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;

(7) individual employed in the executive branch who is authorized to adopt, amend, or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

(8) executive director of the State Board of Investment;

(9) deputy of any official listed in clauses (7) and (8);

(10) judge of the Workers' Compensation Court of Appeals;

(11) administrative law judge or compensation judge in the State Office of Administrative Hearings or referee in the Department of Employment and Economic Development;

(12) member, regional administrator, division director, general counsel, or operations manager of the Metropolitan Council;

(13) member or chief administrator of a metropolitan agency;

(14) director of the Division of Alcohol and Gambling Enforcement in the Department of Public Safety;

(15) member or executive director of the Higher Education Facilities Authority;

(16) member of the board of directors or president of Minnesota Technology, Inc.;

(17) member of the board of directors or executive director of the Minnesota State High School League;

(18) member of the Minnesota Ballpark Authority established in section 473.755; ~~or~~

(19) citizen member of the Legislative-Citizen Commission on Minnesota Resources~~.~~;

(20) manager of a watershed district or member of a watershed management organization; or

(21) supervisor of a soil and water conservation district.

Sec. 2. Minnesota Statutes 2006, section 15.99, subdivision 3, is amended to read:

Subd. 3. **Application; extensions.** (a) The time limit in subdivision 2 begins upon the agency's receipt of a written request containing all information required by law or by a previously adopted rule, ordinance, or policy of the agency, including the applicable application fee. If an agency receives a written request that does not contain all required information, the 60-day limit starts over only if the agency sends written notice within 15 business days of receipt of the request telling the requester what information is missing.

(b) If a request relating to zoning, septic systems, watershed district review, soil and water conservation district review, or expansion of the metropolitan urban service area requires the approval of more than one state agency in the executive branch, the 60-day period in subdivision 2 begins to run for all executive branch agencies on the day a request containing all required information is received by one state agency. The agency receiving 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.

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

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 3. Minnesota Statutes 2006, section 16A.531, subdivision 1a, is amended to read:

Subd. 1a. **Revenues.** The following revenues must be deposited in the environmental fund:

(1) all revenue from the motor vehicle transfer fee imposed under section 115A.908;

(2) all fees collected under section 116.07, subdivision 4d;

(3) all money collected by the Pollution Control Agency in enforcement matters as provided in section 115.073;

(4) all revenues from license fees for individual sewage treatment systems under section 115.56;

(5) all loan repayments deposited under section 115A.0716;

(6) all revenue from pollution prevention fees imposed under section 115D.12;

(7) all loan repayments deposited under section 116.994;

(8) all fees collected under section 116C.834;

(9) revenue collected from the solid waste management tax pursuant to chapter 297H;

(10) fees collected under section 473.844; ~~and~~

(11) interest accrued on the fund; and

(12) money received in the form of gifts, grants, reimbursement, or appropriation from any source for any of the purposes provided in subdivision 2, except federal grants.

Sec. 4. **[17.035] VENISON DISTRIBUTION AND REIMBURSEMENT.**

Subdivision 1. **Reimbursement.** A meat processor holding a license under chapter 28A may apply to the commissioner of agriculture for reimbursement of $70 towards the cost of processing a deer donated according to subdivision 1. The meat processor shall deliver the deer, processed into cuts or ground meat, to a charitable organization that is registered under chapter 309 and with the commissioner of agriculture and that operates a food assistance program. To request reimbursement, the processor shall submit an application, on a form prescribed by the commissioner of agriculture, the tag number under which the deer was taken, and a receipt for the deer from the charitable organization.

Subd. 2. **Distribution.** (a) The commissioner of agriculture shall ensure the equitable statewide distribution of processed deer by requiring the charitable organization to allocate and distribute processed deer according to the allocation formula used in the distribution of United States Department of Agriculture commodities under the federal emergency food assistance program. The charitable organization must submit quarterly reports to the commissioner on forms prescribed by the commissioner. The reports must include, but are not limited to, information on the amount of processed deer received and the organizations to which the meat was distributed.

(b) The commissioner of agriculture may adopt rules to implement this section.

Sec. 5. Minnesota Statutes 2006, section 17.4984, subdivision 1, is amended to read:

Subdivision 1. **License required.** (a) A person or entity may not operate an aquatic farm without first obtaining an aquatic farm license from the commissioner.

(b) Applications for an aquatic farm license must be made on forms provided by the commissioner.

(c) Licenses are valid for five years and are transferable upon notification to the commissioner.

(d) The commissioner shall issue an aquatic farm license on payment of the required license fee under section 17.4988.

(e) A license issued by the commissioner is not a determination of private property rights, but is only based on a determination that the licensee does not have a significant detrimental impact on the public resource.

(f) The commissioner shall not issue or renew a license to raise minnows in a natural water body if the natural water body is the subject of a protective easement or other interest in land that was acquired with funding from federal waterfowl stamp proceeds or migratory waterfowl stamp proceeds under section 97A.075, subdivision 2, or if the natural water body was the subject of any other development, restoration, maintenance, or preservation project funded under section 97A.075, subdivision 2.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 6. Minnesota Statutes 2006, section 84.025, subdivision 9, is amended to read:

Subd. 9. **Professional services support account.** The commissioner of natural resources may bill the various programs carried out by the commissioner for the costs of providing them with professional support services. Except as provided under section 89.421, receipts must be credited to a special account in the state treasury and are appropriated to the commissioner to pay the costs for which the billings were made.

The commissioner of natural resources shall submit to the commissioner of finance before the start of each fiscal year a work plan showing the estimated work to be done during the coming year, the estimated cost of doing the work, and the positions and fees that will be necessary. This account is exempted from statewide and agency indirect cost payments.

Sec. 7. **[84.02] DEFINITIONS.**

Subdivision 1. **Definitions.** For purposes of this chapter, the terms defined in this section shall have the meanings given them.

Subd. 2. **Best management practice for native prairie restoration.** "Best management practice for native prairie restoration" means using seeds collected from a native prairie within the same county or within 25 miles of the county's border, but not across the boundary of an ecotype region.

Subd. 3. **Created grassland.** "Created grassland" means a restoration using seeds or plants with origins outside of the state of Minnesota.

Subd. 4. **Ecotype region.** "Ecotype region" means the following ecological subsections and counties based on the Department of Natural Resources map, "County Landscape Groupings Based on Ecological Subsections," dated February 15, 2007.

Ecotype Region	Counties or portions thereof:
Rochester Plateau, Blufflands, and Oak Savanna	Houston, Winona, Fillmore, Wabasha, Goodhue, Mower, Freeborn, Steele, Olmsted, Rice, Waseca, Dakota, Dodge
Anoka Sand Plain, Big Woods, and St. Paul Baldwin Plains and Moraines	Anoka, Hennepin, Ramsey, Washington, Chisago, Scott, Carver, McLeod, Wright, Benton, Isanti, Le Sueur, Sherburne
Inner Coteau and Coteau Moraines	Lincoln, Lyon, Pipestone, Rock, Murray, Nobles, Jackson, Cottonwood
Red River Prairie (South)	Traverse, Wilkin, Clay, Becker
Red River Prairie (North) and Aspen Parklands	Kittson, Roseau, Red Lake, Pennington, Marshall, Clearwater, Mahnomen, Polk, Norman
Minnesota River Prairie (North)	Big Stone, Pope, Stevens, Grant, Swift, Chippewa, Meeker, Kandiyohi, Renville, Lac qui Parle, Yellow Medicine
Minnesota River Prairie (South)	Nicollet, Redwood, Brown, Watonwan, Martin, Faribault, Blue Earth, Sibley
Hardwood Hills	Douglas, Morrison, Otter Tail, Stearns, Todd

Subd. 5. **Native prairie.** "Native prairie" means land that has never been plowed where native prairie vegetation originating from the site currently predominates or, if disturbed, is predominantly covered with native prairie vegetation that originated from the site. Unbroken pasture land used for livestock grazing can be considered native prairie if it

has predominantly native vegetation originating from the site and conservation practices have maintained biological diversity.

Subd. 6. **Native prairie species of a local ecotype.** "Native prairie species of a local ecotype" means a genetically differentiated population of a species that has at least one trait (morphological, biochemical, fitness, or phenological) that is evolutionarily adapted to local environmental conditions, notably plant competitors, pathogens, pollinators, soil microorganisms, growing season length, climate, hydrology, and soil.

Subd. 7. **Restored native prairie.** "Restored native prairie" means a restoration using at least 25 representative and biologically diverse native prairie plant species of a local ecotype originating in the same county as the restoration site or within 25 miles of the county's border, but not across the boundary of an ecotype region.

Subd. 8. **Restored prairie.** "Restored prairie" means a restoration using at least 25 representative and biologically diverse native prairie plant species originating from the same ecotype region in which the restoration occurs.

Sec. 8. Minnesota Statutes 2006, section 84.026, subdivision 1, is amended to read:

Subdivision 1. **Contracts.** The commissioner of natural resources is authorized to enter into contractual agreements with any public or private entity for the provision of statutorily prescribed natural resources services by the department. The contracts shall specify the services to be provided. Except as provided under section 89.421, funds generated in a contractual agreement made pursuant to this section shall be deposited in the special revenue fund and are appropriated to the department for purposes of providing the services specified in the contracts. The commissioner shall report revenues collected and expenditures made under this subdivision to the chairs of the Committees on Ways and Means in the house and Finance in the senate by January 1 of each odd-numbered year.

Sec. 9. Minnesota Statutes 2006, section 84.0272, is amended by adding a subdivision to read:

Subd. 5. **Easement information.** Parties to an easement purchased under the authority of the commissioner must:

(1) specify in the easement all provisions that are perpetual in nature;

(2) file the easement with the county recorder or registrar of titles in the county in which the land is located; and

(3) submit an electronic copy of the easement to the commissioner.

Sec. 10. Minnesota Statutes 2006, section 84.0855, subdivision 1, is amended to read:

Subdivision 1. **Sales authorized; gift certificates.** The commissioner may sell natural resources-related publications and maps; forest resource assessment products; federal migratory waterfowl, junior duck, and other federal stamps; and other nature-related merchandise, and may rent or sell items for the convenience of persons using Department of Natural Resources facilities or services. The commissioner may sell gift certificates for any items rented or sold. Notwithstanding section 16A.1285, a fee charged by the commissioner under this section may include a reasonable amount in excess of the actual cost to support Department of Natural Resources programs. The commissioner may advertise the availability of a program or item offered under this section.

Sec. 11. Minnesota Statutes 2006, section 84.0855, subdivision 2, is amended to read:

Subd. 2. **Receipts; appropriation.** Except as provided under section 89.421, money received by the commissioner under this section or to buy supplies for the use of volunteers, may be credited to one or more special accounts in the state treasury and is appropriated to the commissioner for the purposes for which the money was received. Money received from sales at the state fair shall be available for state fair related costs. Money received from sales of intellectual property and software products or services shall be available for development, maintenance, and support of software products and systems.

Sec. 12. Minnesota Statutes 2006, section 84.780, is amended to read:

84.780 OFF-HIGHWAY VEHICLE DAMAGE ACCOUNT.

(a) The off-highway vehicle damage account is created in the natural resources fund. Money in the off-highway vehicle damage account is appropriated to the commissioner of natural resources for the repair or restoration of property damaged by the operation of off-highway vehicles in an ~~unpermitted~~ illegal area after August 1, 2003, and for the costs of administration for this section. Before the commissioner may make a payment from this account, the commissioner must determine whether the damage to the property was caused by the ~~unpermitted~~ illegal use of off-highway vehicles, that the applicant has made reasonable efforts to identify the responsible individual and obtain payment from the individual, and that the applicant has made reasonable efforts to prevent reoccurrence. ~~By June 30, 2008, the commissioner of finance must transfer the remaining balance in the account to the off-highway motorcycle account under section 84.794, the off-road vehicle account under section 84.803, and the all-terrain vehicle account under section 84.927. The amount transferred to each account must be proportionate to the amounts received in the damage account from the relevant off-highway vehicle accounts.~~

(b) Determinations of the commissioner under this section may be made by written order and are exempt from the rulemaking provisions of chapter 14. Section 14.386 does not apply.

(c) ~~This section expires July 1, 2008~~ These funds are available until expended.

Sec. 13. **[84.8045] RESTRICTIONS ON OFF-ROAD VEHICLE TRAILS.**

Notwithstanding any provision of sections 84.797 to 84.805 or other law to the contrary, the commissioner shall not permit land administered by the commissioner in Beltrami, Cass, Crow Wing, and Hubbard Counties to be used or developed for trails primarily for off-road vehicles as defined in section 84.797, subdivision 7, except:

(1) upon approval by the legislature; or

(2) in designated off-road vehicle use areas.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 14. **[84.9011] OFF-HIGHWAY VEHICLE SAFETY AND CONSERVATION PROGRAM.**

Subdivision 1. **Creation.** The commissioner of natural resources shall establish a program to promote the safe and responsible operation of off-highway vehicles in a manner that does not harm the environment. The commissioner shall coordinate the program through the regional offices of the Department of Natural Resources.

Subd. 2. **Purpose.** The purpose of the program is to encourage off-highway vehicle clubs to assist, on a volunteer basis, in improving, maintaining, and monitoring of trails on state forest land and other public lands.

Subd. 3. **Agreements.** (a) The commissioner shall enter into informal agreements with off-highway vehicle clubs for volunteer services to maintain, make improvements to, and monitor trails on state forest land and other public lands. The off-highway vehicle clubs shall promote the operation of off-highway vehicles in a safe and responsible manner that complies with the laws and rules that relate to the operation of off-highway vehicles.

(b) The off-highway vehicle clubs may provide assistance to the department in locating, recruiting, and training instructors for off-highway vehicle training programs.

(c) The commissioner may provide assistance to enhance the comfort and safety of volunteers and to facilitate the implementation and administration of the safety and conservation program.

Subd. 4. **Worker displacement prohibited.** The commissioner may not enter into any agreement that has the purpose of or results in the displacement of public employees by volunteers participating in the off-highway safety and conservation program under this section. The commissioner must certify to the appropriate bargaining agent that the work performed by a volunteer will not result in the displacement of currently employed workers or workers on seasonal layoff or layoff from a substantially equivalent position, including partial displacement such as reduction in hours of nonovertime work, wages, or other employment benefits.

Sec. 15. Minnesota Statutes 2006, section 84.927, subdivision 2, is amended to read:

Subd. 2. **Purposes.** Subject to appropriation by the legislature, money in the all-terrain vehicle account may only be spent for:

(1) the education and training program under section 84.925;

(2) administration, enforcement, and implementation of sections 84.773 to 84.929;

(3) acquisition, maintenance, and development of vehicle trails and use areas;

(4) grant-in-aid programs to counties and municipalities to construct and maintain all-terrain vehicle trails and use areas;

(5) grants-in-aid to local safety programs; ~~and~~

(6) enforcement and public education grants to local law enforcement agencies~~.~~; and

(7) maintenance of minimum-maintenance forest roads according to section 89.71, subdivision 5, and county forest roads within state forest boundaries as defined under section 89.021.

The distribution of funds made available through grant-in-aid programs must be guided by the statewide comprehensive outdoor recreation plan.

Sec. 16. Minnesota Statutes 2006, section 84.963, is amended to read:

84.963 PRAIRIE PLANT SEED PRODUCTION AREAS.

(a) The commissioner of natural resources shall study the feasibility of establishing private or public prairie plant seed production areas within prairie land locations. If prairie plant seed production is feasible, the commissioner may aid the establishment of production areas. The commissioner may enter cost-share or sharecrop agreements with landowners having easements for conservation purposes of ten or more years on their land to commercially produce prairie plant seed of Minnesota origin. The commissioner may only aid prairie plant seed production areas on agricultural land used to produce crops before December 23, 1985, and cropped three out of five years between 1981 and 1985.

(b) The commissioner shall compile, prepare, and electronically disseminate to the public prairie establishment guidance materials and resources. The resources must provide information and guidance on project planning, seed selection including ecotype and species mix, site preparation, seeding, maintenance, and technical service providers.

The commissioner shall use actual prairie restoration projects under development on state-owned land to illustrate and demonstrate the practices described.

Sec. 17. Minnesota Statutes 2006, section 84D.02, is amended by adding a subdivision to read:

Subd. 7. **Contracts for services for emergency invasive species prevention work; commissions to persons employed.** The commissioner may contract for or accept the services of any persons whose aid is available, temporarily or otherwise, in emergency invasive species prevention work, either gratuitously or for compensation not in excess of the limits provided by law with respect to the employment of labor by the commissioner. The commissioner may issue a commission, or other written evidence of authority, to any person whose services are so arranged for and may thereby empower the person to act, temporarily or otherwise, in any other capacity, with powers and duties as may be specified in the commission or other written evidence of authority, but not in excess of the powers conferred by law. The commissioner of agriculture, under authority provided by law, shall cooperate with the commissioner in emergency control of invasive species prevention.

Sec. 18. Minnesota Statutes 2006, section 84D.13, subdivision 7, is amended to read:

Subd. 7. **Satisfaction of civil penalties.** A civil penalty is due and a watercraft license suspension is effective 30 days after issuance of the civil citation. A civil penalty collected under this section is payable to the commissioner and must be credited to the ~~water recreation account~~ invasive species account.

Sec. 19. **[84D.15] INVASIVE SPECIES ACCOUNT.**

Subdivision 1. **Creation.** The invasive species account is created in the state treasury in the natural resources fund.

Subd. 2. **Receipts.** Money received from surcharges on watercraft licenses under section 86B.415, subdivision 7, and civil penalties under section 84D.13 shall be deposited in the invasive species account. Each year, the commissioner of finance shall transfer from the game and fish fund to the invasive species account, the annual surcharge collected on nonresident fishing licenses under section 97A.475, subdivision 7, paragraph (b).

Subd. 3. **Use of money in account.** Money credited to the invasive species account in subdivision 2 shall be used for management of invasive species and implementation of this chapter as it pertains to invasive species, including control, public awareness, law enforcement, assessment and monitoring, management planning, and research.

Sec. 20. **[85.0146] CUYUNA COUNTRY STATE RECREATION AREA; CITIZENS ADVISORY COUNCIL.**

Subdivision 1. **Advisory council created.** The Cuyuna Country State Recreation Area Citizens Advisory Council is established. Membership on the advisory council shall include:

(1) a representative of the Cuyuna Range Mineland Recreation Area Joint Powers Board;

(2) a representative of the Croft Mine Historical Park Joint Powers Board;

(3) a designee of the Cuyuna Range Mineland Reclamation Committee who has worked as a miner in the local area;

(4) a representative of the Crow Wing County Board;

(5) an elected state official;

(6) a representative of the Grand Rapids regional office of the Department of Natural Resources;

(7) a designee of the Iron Range Resources and Rehabilitation Board;

(8) a designee of the local business community selected by the area chambers of commerce;

(9) a designee of the local environmental community selected by the Crow Wing County District 5 commissioner;

(10) a designee of a local education organization selected by the Crosby-Ironton School Board;

(11) a designee of one of the recreation area user groups selected by the Cuyuna Range Chamber of Commerce; and

(12) a member of the Cuyuna Country Heritage Preservation Society.

Subd. 2. **Administration.** (a) The advisory council must meet at least four times annually. The council shall elect a chair and meetings shall be at the call of the chair.

(b) Members of the advisory council shall serve as volunteers for two-year terms with the ability to be reappointed. Members shall accept no per diem.

(c) The state recreation area manager may attend the council meetings and advise the council of issues in management of the recreation area.

(d) Before a major decision is implemented in the Cuyuna Country State Recreation Area, the area manager must consult with the council and take into consideration any council comments or advice that may impact the major decision.

Sec. 21. Minnesota Statutes 2006, section 85.054, subdivision 12, is amended to read:

Subd. 12. **Soudan Underground Mine State Park.** A state park permit is not required and a fee may not be charged for motor vehicle entry ~~or~~, parking at the visitor parking area of Soudan Underground Mine State Park, or for tours of the High Energy Physics Lab by supervised kindergarten through grade 12 school classes during the school year.

Sec. 22. Minnesota Statutes 2006, section 85.054, is amended by adding a subdivision to read:

Subd. 13. **Cuyuna Country State Recreation Area.** A state park permit is not required and a fee may not be charged for motor vehicle entry or parking at Croft Mine Historical Park and Portsmouth Mine Lake Overlook in Cuyuna Country State Recreation Area, except for overnight camping.

Sec. 23. Minnesota Statutes 2006, section 86B.706, subdivision 2, is amended to read:

Subd. 2. **Money deposited in account.** The following shall be deposited in the state treasury and credited to the water recreation account:

(1) fees ~~and surcharges~~ from titling and licensing of watercraft under this chapter;

(2) fines, installment payments, and forfeited bail according to section 86B.705, subdivision 2;

(3) ~~civil penalties according to section 84D.13;~~

~~(4)~~ mooring fees and receipts from the sale of marine gas at state-operated or state-assisted small craft harbors and mooring facilities according to section 86A.21;

~~(5)~~ (4) the unrefunded gasoline tax attributable to watercraft use under section 296A.18; and

~~(6)~~ (5) fees for permits issued to control or harvest aquatic plants other than wild rice under section 103G.615, subdivision 2.

Sec. 24. Minnesota Statutes 2006, section 89.22, subdivision 2, is amended to read:

Subd. 2. **Receipts to ~~natural resources~~ special revenue fund.** Fees collected under subdivision 1 shall be credited to ~~a forest land use account in the natural resources fund~~ the special revenue fund and are annually appropriated to the commissioner to recoup the costs of developing, operating, and maintaining facilities necessary for the specified uses in subdivision 1 or to prevent or mitigate resource impacts of those uses.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to fees collected according to Minnesota Statutes, section 89.22, subdivision 1, after August 1, 2006.

Sec. 25. **[89.421] FOREST RESOURCE ASSESSMENT PRODUCTS AND SERVICES ACCOUNT.**

Subdivision 1. **Creation.** The forest resource assessment products and services account is created in the state treasury in the natural resources fund.

Subd. 2. **Receipts.** Money received from forest resource assessment product sales and services provided by the commissioner under sections 84.025, subdivision 9; 84.026; and 84.0855 shall be credited to the forest resource assessment products and services account. Forest resource assessment products and services include the sale of aerial photography, remote sensing, and satellite imagery products and services.

Subd. 3. **Use of money in account.** Money credited to the forest resource assessment products and services account under subdivision 2 is annually appropriated to the commissioner and shall be used to maintain the staff and facilities producing the aerial photography, remote sensing, and satellite imagery products and services.

Sec. 26. **[89.62] SHADE TREE PEST CONTROL; GRANT PROGRAM.**

Subdivision 1. **Grants.** The commissioner may make grants to aid in the control of a shade tree pest. To be eligible, a grantee must have a pest control program approved by the commissioner that:

(1) defines tree ownership and who is responsible for the costs associated with control measures;

(2) defines the zone of infestation within which the control measures are to be applied;

(3) includes a tree inspector certified under section 89.63 and having the authority to enter and inspect private lands;

(4) has the means to enforce measures needed to limit the spread of shade tree pests; and

(5) provides that grant money received will be deposited in a separate fund to be spent only for the purposes authorized by this section.

Subd. 2. **Grant eligibility.** The following are eligible for grants under this section:

(1) a home rule charter or statutory city or a town that exercises municipal powers under section 368.01 or any general or special law;

(2) a special park district organized under chapter 398;

(3) a special-purpose park and recreation board;

(4) a soil and water conservation district;

(5) a county; or

(6) any other organization with the legal authority to enter into contractual agreements.

Subd. 3. **Rules; applicability to municipalities.** The rules and procedures adopted under this section by the commissioner apply in a municipality unless the municipality adopts an ordinance determined by the commissioner to be more stringent than the rules and procedures of the commissioner. The rules and procedures of the commissioner or the municipality apply to all state agencies, special purpose districts, and metropolitan commissions as defined in section 473.121, subdivision 5a, that own or control land adjacent to or within a zone of infestation.

Sec. 27. Minnesota Statutes 2006, section 90.161, is amended by adding a subdivision to read:

Subd. 4. **Change of security.** Prior to any harvest activity, or activities incidental to the preparation for harvest, a purchaser having posted a bond for 100 percent of the purchase price of a sale may request the release of the bond and the commissioner shall grant such release upon cash payment to the commissioner of the down payment requirement of the sale, plus interest.

Sec. 28. Minnesota Statutes 2006, section 93.22, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) All payments under sections 93.14 to 93.285 shall be made to the Department of Natural Resources and shall be credited according to this section.

~~(a) If the lands or minerals and mineral rights covered by a lease are held by the state by virtue of an act of Congress, payments made under the lease shall be credited to the permanent fund of the class of land to which the leased premises belong.~~

~~(b) If a lease covers the bed of navigable waters, payments made under the lease shall be credited to the permanent school fund of the state.~~

~~(c) If the lands or minerals and mineral rights covered by a lease are held by the state in trust for the taxing districts, payments made under the lease shall be distributed annually on the first day of September as follows:~~

~~(1) 20 percent to the general fund; and~~

~~(2) 80 percent to the respective counties in which the lands lie, to be apportioned among the taxing districts interested therein as follows: county, three-ninths; town or city, two-ninths; and school district, four-ninths.~~

~~(d) Except as provided under this section and except where the disposition of payments may be otherwise directed by law, all payments shall be paid into the general fund of the state.~~

(b) Twenty percent of all payments under sections 93.14 to 93.285 shall be credited to the minerals management account in the natural resources fund as costs for the administration and management of state mineral resources by the commissioner of natural resources.

(c) The remainder of the payments shall be credited as follows:

(1) if the lands or minerals and mineral rights covered by a lease are held by the state by virtue of an act of Congress, payments made under the lease shall be credited to the permanent fund of the class of land to which the leased premises belong;

(2) if a lease covers the bed of navigable waters, payments made under the lease shall be credited to the permanent school fund of the state;

(3) if the lands or minerals and mineral rights covered by a lease are held by the state in trust for the taxing districts, payments made under the lease shall be distributed annually on the first day of September to the respective counties in which the lands lie, to be apportioned among the taxing districts interested therein as follows: county, three-ninths; town or city, two-ninths; and school district, four-ninths;

(4) if the lands or mineral rights covered by a lease became the absolute property of the state under the provisions of chapter 84A, payments made under the lease shall be distributed as follows: county containing the land from which the income was derived, five-eighths; and general fund of the state, three-eighths; and

(5) except as provided under this section and except where the disposition of payments may be otherwise directed by law, payments made under a lease shall be paid into the general fund of the state.

Sec. 29. Minnesota Statutes 2006, section 97A.055, subdivision 4, is amended to read:

Subd. 4. **Game and fish annual reports.** (a) By December 15 each year, the commissioner shall submit to the legislative committees having jurisdiction over appropriations and the environment and natural resources reports on each of the following:

(1) the amount of revenue from the following and purposes for which expenditures were made:

(i) the small game license surcharge under section 97A.475, subdivision 4;

(ii) the Minnesota migratory waterfowl stamp under section 97A.475, subdivision 5, clause (1);

(iii) the trout and salmon stamp under section 97A.475, subdivision 10;

(iv) the pheasant stamp under section 97A.475, subdivision 5, clause (2); ~~and~~

(v) the turkey stamp under section 97A.475, subdivision 5, clause (3); and

(vi) the deer license surcharge under section 97A.475, subdivision 3a;

(2) the amounts available under section 97A.075, subdivision 1, paragraphs (b) and (c), and the purposes for which these amounts were spent;

(3) money credited to the game and fish fund under this section and purposes for which expenditures were made from the fund;

(4) outcome goals for the expenditures from the game and fish fund; and

(5) summary and comments of citizen oversight committee reviews under subdivision 4b.

(b) The report must include the commissioner's recommendations, if any, for changes in the laws relating to the stamps and surcharge referenced in paragraph (a).

Sec. 30. Minnesota Statutes 2006, section 97A.065, is amended by adding a subdivision to read:

Subd. 6. **Deer license surcharge.** The surcharge collected under section 97A.475, subdivision 3a, shall be deposited in a special revenue account and is appropriated to the commissioner for deer management, including for grants or payments to agencies, organizations, or individuals for assisting with the cost of processing deer taken for population management purposes for venison donation programs. None of the additional license fees shall be transferred to any other agency for administration of programs other than venison donation. If any money transferred by the commissioner is not used for a venison donation program, it shall be returned to the commissioner.

Sec. 31. Minnesota Statutes 2006, section 97A.133, is amended by adding a subdivision to read:

Subd. 66. Vermillion Highlands Wildlife Management Area, Dakota County.

Sec. 32. Minnesota Statutes 2006, section 97A.475, is amended by adding a subdivision to read:

Subd. 3a. **Deer license surcharge.** Fees for annual resident and nonresident licenses to take deer by firearms or archery established under subdivisions 2, clauses (4), (5), (9), and (11), and 3, clauses (2), (3), and (7), must be increased by a surcharge of $1, except as provided under section 97A.065, subdivision 6. An additional commission may not be assessed on the surcharge and the following statement must be included in the annual deer hunting regulations: "The $1 deer license surcharge is being paid by hunters for deer management, including assisting with the costs of processing deer donated for charitable purposes."

Sec. 33. Minnesota Statutes 2006, section 97A.475, subdivision 7, is amended to read:

Subd. 7. **Nonresident fishing.** (a) Fees for the following licenses, to be issued to nonresidents, are:

(1) to take fish by angling, $34;

(2) to take fish by angling limited to seven consecutive days selected by the licensee, $24;

(3) to take fish by angling for a 72-hour period selected by the licensee, $20;

(4) to take fish by angling for a combined license for a family for one or both parents and dependent children under the age of 16, $46;

(5) to take fish by angling for a 24-hour period selected by the licensee, $8.50; and

(6) to take fish by angling for a combined license for a married couple, limited to 14 consecutive days selected by one of the licensees, $35.

(b) A $2 surcharge shall be added to all nonresident fishing licenses, except licenses issued under paragraph (a), clause (5). An additional commission may not be assessed on this surcharge.

EFFECTIVE DATE. This section is effective March 1, 2008.

Sec. 34. Minnesota Statutes 2006, section 97A.485, subdivision 7, is amended to read:

Subd. 7. **Electronic licensing system commission.** The commissioner shall retain for the operation of the electronic licensing system the commission established under section 84.027, subdivision 15, and issuing fees collected by the commissioner on all license fees collected, excluding:

(1) the small game surcharge; ~~and~~

(2) the deer license surcharge; and

(3) $2.50 of the license fee for the licenses in section 97A.475, subdivisions 6, clauses (1), (2), and (4), 7, 8, 12, and 13.

Sec. 35. **[97B.303] VENISON DONATIONS.**

An individual who legally takes a deer may donate the deer, for distribution to charitable food assistance programs, to a meat processor that is licensed under chapter 28A. An individual donating a deer must supply the processor with the tag number under which the deer was taken.

Sec. 36. Minnesota Statutes 2006, section 97C.081, subdivision 3, is amended to read:

Subd. 3. **Contests requiring a permit.** (a) A person must have a permit from the commissioner to conduct a fishing contest that does not meet the criteria in subdivision 2. ~~Permits shall be issued without a fee.~~ The commissioner shall charge a fee for the permit that recovers the costs of issuing the permit and of monitoring the activities allowed by the permit. Receipts collected from this fee shall be credited to the game and fish fund. Notwithstanding section 16A.1283, the commissioner may, by written order published in the State Register, establish contest permit fees. The fees are not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply.

(b) If entry fees are over $25 per person, or total prizes are valued at more than $25,000, and if the applicant has either:

(1) not previously conducted a fishing contest requiring a permit under this subdivision; or

(2) ever failed to make required prize awards in a fishing contest conducted by the applicant, the commissioner may require the applicant to furnish the commissioner evidence of financial responsibility in the form of a surety bond or bank letter of credit in the amount of $25,000.

(c) The permit fee for any individual contest may not exceed the following amounts:

(1) $120 for an open water contest not exceeding 100 participants and without off-site weigh-in;

(2) $400 for an open water contest with more than 100 participants and without off-site weigh-in;

(3) $500 for an open water contest not exceeding 100 participants with off-site weigh-in;

(4) $1,000 for an open water contest with more than 100 participants with off-site weigh-in; or

(5) $120 for an ice fishing contest with more than 150 participants.

Sec. 37. Minnesota Statutes 2006, section 103B.101, is amended by adding a subdivision to read:

Subd. 12. **Authority to issue penalty orders.** The board may issue an order requiring violations to be corrected and administratively assessing monetary penalties for violations of this chapter and chapters 103C, 103D, 103E, 103F, and 103G, any rules adopted under those chapters, and any standards, limitations, or conditions established by the board.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 38. **[103B.102] LOCAL WATER MANAGEMENT ACCOUNTABILITY AND OVERSIGHT.**

Subdivision 1. **Findings; improving accountability and oversight.** The legislature finds that a process is needed to monitor the performance and activities of local water management entities. The process should be preemptive so that problems can be identified early and systematically. Underperforming entities should be provided assistance and direction for improving performance in a reasonable time frame.

Subd. 2. **Definitions.** For the purposes of this section, "local water management entities" means watershed districts, soil and water conservation districts, metropolitan water management organizations, and counties operating separately or jointly in their role as local water management authorities under chapter 103B, 103C, 103D, or 103G and chapter 114D.

Subd. 3. **Evaluation and report.** The Board of Water and Soil Resources shall evaluate performance, financial, and activity information for each local water management entity. The board shall evaluate the entities' progress in accomplishing their adopted plans on a regular basis, but not less than once every five years. The board shall maintain a summary of local water management entity performance on the board's Web site. Beginning February 1, 2008, and annually thereafter, the board shall provide an analysis of local water management entity performance to the chairs of the house and senate committees having jurisdiction over environment and natural resources policy.

Subd. 4. **Corrective actions.** (a) In addition to other authorities, the Board of Water and Soil Resources may, based on its evaluation in subdivision 3, reduce, withhold, or redirect grants and other funding if the local water management entity has not corrected deficiencies as prescribed in a notice from the board within one year from the date of the notice.

(b) The board may defer a decision on a termination petition filed under section 103B.221, 103C.225, or 103D.271 for up to one year to conduct or update the evaluation under subdivision 3 or to communicate the results of the evaluation to petitioners or to local and state government agencies.

Sec. 39. Minnesota Statutes 2006, section 103C.321, is amended by adding a subdivision to read:

Subd. 6. **Credit card use.** The supervisors may authorize the use of a credit card by any soil and water conservation district officer or employee otherwise authorized to make a purchase on behalf of the soil and water conservation district. If a soil and water conservation district officer or employee makes a purchase by credit card that is not approved by the supervisors, the officer or employee is personally liable for the amount of the purchase. A purchase by credit card must otherwise comply with all statutes, rules, or soil and water conservation district policy applicable to soil and water conservation district purchases.

Sec. 40. Minnesota Statutes 2006, section 103D.325, is amended by adding a subdivision to read:

Subd. 4. **Credit card use.** The managers may authorize the use of a credit card by any watershed district officer or employee otherwise authorized to make a purchase on behalf of the watershed district. If a watershed district officer or employee makes a purchase by credit card that is not approved by the managers, the officer or employee is personally liable for the amount of the purchase. A purchase by credit card must otherwise comply with all statutes, rules, or watershed district policy applicable to watershed district purchases.

Sec. 41. Minnesota Statutes 2006, section 103E.021, subdivision 1, is amended to read:

Subdivision 1. **Spoil banks must be spread and ~~grass planted~~ permanent vegetation established.** In any proceeding to establish, construct, improve, or do any work affecting a public drainage system under any law that appoints viewers to assess benefits and damages, the authority having jurisdiction over the proceeding shall order spoil banks to be spread consistent with the plan and function of the drainage system. The authority shall order that permanent grass, other than a noxious weed, be planted on the ~~banks~~ ditch side slopes and ~~on a strip~~ that a permanent strip of perennial vegetation approved by the drainage authority be established on each side of the ditch. Preference should be given to planting native species of a local ecotype. The approved perennial vegetation shall not impede future maintenance of the ditch. The permanent strips of perennial vegetation shall be 16-1/2 feet in width measured outward from the top edge of the constructed channel resulting from the proceeding, or to the crown of the leveled spoil bank, whichever is the greater, ~~on each side of the top edge of the channel of the ditch.~~ except for an action by a drainage authority that results only in a redetermination of benefits and damages, for which the required width shall be 16-1/2 feet. Drainage system rights-of-way for the acreage and additional property required for the ~~planting~~ permanent strips must be acquired by the authority having jurisdiction.

Sec. 42. Minnesota Statutes 2006, section 103E.021, subdivision 2, is amended to read:

Subd. 2. **Reseeding and harvesting ~~grass~~ perennial vegetation.** The authority having jurisdiction over the repair and maintenance of the drainage system shall supervise all necessary reseeding. The permanent ~~grass~~ strips of perennial vegetation must be maintained in the same manner as other drainage system repairs. Harvest of the ~~grass~~ vegetation from the ~~grass~~ permanent strip in a manner not harmful to the ~~grass~~ vegetation or the drainage system is the privilege of the fee owner or assigns. The ~~county~~ drainage inspector shall establish rules for the fee owner and assigns to harvest the ~~grass~~ vegetation.

Sec. 43. Minnesota Statutes 2006, section 103E.021, subdivision 3, is amended to read:

Subd. 3. **Agricultural practices prohibited.** Agricultural practices, other than those required for the maintenance of a permanent growth of ~~grass~~ perennial vegetation, are not permitted on any portion of the property acquired for ~~planting~~ perennial vegetation.

Sec. 44. Minnesota Statutes 2006, section 103E.021, is amended by adding a subdivision to read:

Subd. 6. **Incremental implementation of vegetated ditch buffer strips and side inlet controls.** (a) Notwithstanding other provisions of this chapter requiring appointment of viewers and redetermination of benefits and damages, a drainage authority may implement permanent buffer strips of perennial vegetation approved by the drainage authority or side inlet controls, or both, adjacent to a public drainage ditch, where necessary to control erosion and sedimentation, improve water quality, or maintain the efficiency of the drainage system. Preference should be given to planting native species of a local ecotype. The approved perennial vegetation shall not impede future maintenance of the ditch. The permanent strips of perennial vegetation shall be 16-1/2 feet in width measured outward from the top edge of the existing constructed channel. Drainage system rights-of-way for the acreage and additional property required for the permanent strips must be acquired by the authority having jurisdiction.

(b) A project under this subdivision shall be implemented as a repair according to section 103E.705, except that the drainage authority may appoint an engineer to examine the drainage system and prepare an engineer's repair report for the project.

(c) Damages shall be determined by the drainage authority, or viewers, appointed by the drainage authority, according to section 103E.315, subdivision 8. A damages statement shall be prepared, including an explanation of how the damages were determined for each property affected by the project, and filed with the auditor or watershed district. Within 30 days after the damages statement is filed, the auditor or watershed district shall prepare property owners' reports according to section 103E.323, subdivision 1, clauses (1), (2), (6), (7), and (8), and mail a copy of the property owner's report and damages statement to each owner of property affected by the proposed project.

(d) After a damages statement is filed, the drainage authority shall set a time, by order, not more than 30 days after the date of the order, for a hearing on the project. At least ten days before the hearing, the auditor or watershed district shall give notice by mail of the time and location of the hearing to the owners of property and political subdivisions likely to be affected by the project.

(e) The drainage authority shall make findings and order the repairs to be made if the drainage authority determines from the evidence presented at the hearing and by the viewers and engineer, if appointed, that the repairs are necessary for the drainage system and the costs of the repairs are within the limitations of section 103E.705.

Sec. 45. **[103E.067] DITCH BUFFER STRIP ANNUAL REPORTING.**

The drainage authority shall annually submit a report to the Board of Water and Soil Resources for the calendar year including:

(1) the number and types of actions for which viewers were appointed;

(2) the number of miles of buffer strips established according to section 103E.021;

(3) the number of drainage system inspections conducted; and

(4) the number of violations of section 103E.021 identified and enforcement actions taken.

Sec. 46. Minnesota Statutes 2006, section 103E.315, subdivision 8, is amended to read:

Subd. 8. **Extent of damages.** Damages to be paid may include:

(1) the fair market value of the property required for the channel of an open ditch and the permanent ~~grass~~ strip of perennial vegetation under section 103E.021;

(2) the diminished value of a farm due to severing a field by an open ditch;

(3) loss of crop production during drainage project construction; ~~and~~

(4) the diminished productivity or land value from increased overflow~~.~~; and

(5) costs to restore a perennial vegetative cover or structural practice existing under a federal or state conservation program adjacent to the permanent drainage system right-of-way and damaged by the drainage project.

Sec. 47. Minnesota Statutes 2006, section 103E.321, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** The viewers' report must show, in tabular form, for each lot, 40-acre tract, and fraction of a lot or tract under separate ownership that is benefited or damaged:

(1) a description of the lot or tract, under separate ownership, that is benefited or damaged;

(2) the names of the owners as they appear on the current tax records of the county and their addresses;

(3) the number of acres in each tract or lot;

(4) the number and value of acres added to a tract or lot by the proposed drainage of public waters;

(5) the damage, if any, to riparian rights;

(6) the damages paid for the permanent ~~grass~~ strip of perennial vegetation under section 103E.021;

(7) the total number and value of acres added to a tract or lot by the proposed drainage of public waters, wetlands, and other areas not currently being cultivated;

(8) the number of acres and amount of benefits being assessed for drainage of areas which before the drainage benefits could be realized would require a public waters work permit to work in public waters under section 103G.245 to excavate or fill a navigable water body under United States Code, title 33, section 403, or a permit to discharge into waters of the United States under United States Code, title 33, section 1344;

(9) the number of acres and amount of benefits being assessed for drainage of areas that would be considered conversion of a wetland under United States Code, title 16, section 3821, if the area was placed in agricultural production;

(10) the amount of right-of-way acreage required; and

(11) the amount that each tract or lot will be benefited or damaged.

Sec. 48. Minnesota Statutes 2006, section 103E.701, is amended by adding a subdivision to read:

Subd. 7. **Restoration; disturbance or destruction by repair.** If a drainage system repair disturbs or destroys a perennial vegetative cover or structural practice existing under a federal or state conservation program adjacent to the permanent drainage system right-of-way, the practice must be restored according to the applicable practice plan or as determined by the drainage authority, if a practice plan is not available. Restoration costs shall be paid by the drainage system.

Sec. 49. Minnesota Statutes 2006, section 103E.705, subdivision 1, is amended to read:

Subdivision 1. **Inspection.** After the construction of a drainage system has been completed, the drainage authority shall maintain the drainage system that is located in its jurisdiction, including ~~grass~~ the permanent strips of perennial vegetation under section

103E.021, and provide the repairs necessary to make the drainage system efficient. The drainage authority shall have the drainage system inspected on a regular basis by an inspection committee of the drainage authority or a drainage inspector appointed by the drainage authority. Open drainage ditches shall be inspected at a minimum of every five years when no violation of section 103E.021 is found and annually when a violation of section 103E.021 is found, until one year after the violation is corrected.

Sec. 50. Minnesota Statutes 2006, section 103E.705, subdivision 2, is amended to read:

Subd. 2. **~~Grass~~ Permanent strip of perennial vegetation inspection and compliance notice.** (a) The drainage authority having jurisdiction over a drainage system must inspect the drainage system for violations of section 103E.021. If an inspection committee of the drainage authority or a drainage inspector determines that permanent ~~grass~~ strips of perennial vegetation are not being maintained in compliance with section 103E.021, a compliance notice must be sent to the property owner.

(b) The notice must state:

(1) the date the ditch was inspected;

(2) the persons making the inspection;

(3) that spoil banks are to be spread in a manner consistent with the plan and function of the drainage system and that the drainage system has acquired a ~~grass~~ permanent strip ~~16-1/2 feet in width or to the crown of the spoil bank, whichever is greater~~ of perennial vegetation, according to section 103E.021;

(4) the violations of section 103E.021;

(5) the measures that must be taken by the property owner to comply with section 103E.021 and the date when the property must be in compliance; and

(6) that if the property owner does not comply by the date specified, the drainage authority will perform the work necessary to bring the area into compliance with section 103E.021 and charge the cost of the work to the property owner.

(c) If a property owner does not bring an area into compliance with section 103E.021 as provided in the compliance notice, the inspection committee or drainage inspector must notify the drainage authority.

(d) This subdivision applies to property acquired under section 103E.021.

Sec. 51. Minnesota Statutes 2006, section 103E.705, subdivision 3, is amended to read:

Subd. 3. **Drainage inspection report.** For each drainage system that the board designates and requires the drainage inspector to examine, the drainage inspector shall make a drainage inspection report in writing to the board after examining a drainage system, designating portions that need repair or maintenance of ~~grass~~ the permanent strips of perennial vegetation and the location and nature of the repair or maintenance. The board shall consider the drainage inspection report at its next meeting and may repair all or any part of the drainage system as provided under this chapter. The ~~grass~~ permanent strips of perennial vegetation must be maintained in compliance with section 103E.021.

Sec. 52. Minnesota Statutes 2006, section 103E.728, subdivision 2, is amended to read:

Subd. 2. **Additional assessment for agricultural practices on ~~grass~~ permanent strip of perennial vegetation.** (a) The drainage authority may, after notice and hearing, charge an additional assessment on property that has agricultural practices on or otherwise violates provisions related to the permanent ~~grass~~ strip of perennial vegetation acquired under section 103E.021.

(b) The drainage authority may determine the cost of the repair per mile of open ditch on the ditch system. Property that is in violation of the grass requirement shall be assessed a cost of 20 percent of the repair cost per open ditch mile multiplied by the length of open ditch in miles on the property in violation.

(c) After the amount of the additional assessment is determined and applied to the repair cost, the balance of the repair cost may be apportioned pro rata as provided in subdivision 1.

Sec. 53. Minnesota Statutes 2006, section 103G.222, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) Wetlands must not be drained or filled, wholly or partially, unless replaced by restoring or creating wetland areas of at least equal public value under a replacement plan approved as provided in section 103G.2242, a replacement plan under a local governmental unit's comprehensive wetland protection and management plan approved by the board under section 103G.2243, or, if a permit to mine is required under section 93.481, under a mining reclamation plan approved by the commissioner under the permit to mine. Mining reclamation plans shall apply the same principles and standards for replacing wetlands by restoration or creation of wetland areas that are applicable to mitigation plans approved as provided in section 103G.2242. Public value must be determined in accordance with section 103B.3355 or a comprehensive wetland protection and management plan established under section 103G.2243. Sections 103G.221 to 103G.2372 also apply to excavation in permanently and semipermanently flooded areas of types 3, 4, and 5 wetlands.

(b) Replacement must be guided by the following principles in descending order of priority:

(1) avoiding the direct or indirect impact of the activity that may destroy or diminish the wetland;

(2) minimizing the impact by limiting the degree or magnitude of the wetland activity and its implementation;

(3) rectifying the impact by repairing, rehabilitating, or restoring the affected wetland environment;

(4) reducing or eliminating the impact over time by preservation and maintenance operations during the life of the activity;

(5) compensating for the impact by restoring a wetland; and

(6) compensating for the impact by replacing or providing substitute wetland resources or environments.

For a project involving the draining or filling of wetlands in an amount not exceeding 10,000 square feet more than the applicable amount in section 103G.2241, subdivision 9, paragraph (a), the local government unit may make an on-site sequencing determination without a written alternatives analysis from the applicant.

(c) If a wetland is located in a cultivated field, then replacement must be accomplished through restoration only without regard to the priority order in paragraph (b), provided that a deed restriction is placed on the altered wetland prohibiting nonagricultural use for at least ten years.

(d) If a wetland is drained under section 103G.2241, subdivision 2, the local government unit may require a deed restriction that prohibits nonagricultural use for at least ten years unless the drained wetland is replaced as provided under this section. The local government unit may require the deed restriction if it determines the wetland area drained is at risk of conversion to a nonagricultural use within ten years based on the zoning classification, proximity to a municipality or full service road, or other criteria as determined by the local government unit.

(e) Restoration and replacement of wetlands must be accomplished in accordance with the ecology of the landscape area affected and ponds that are created primarily to fulfill stormwater management, and water quality treatment requirements may not be used to satisfy replacement requirements under this chapter unless the design includes pretreatment of runoff and the pond is functioning as a wetland.

~~(e)~~ (f) Except as provided in paragraph ~~(f)~~ (g), for a wetland or public waters wetland located on nonagricultural land, replacement must be in the ratio of two acres of replaced wetland for each acre of drained or filled wetland.

~~(f)~~ (g) For a wetland or public waters wetland located on agricultural land or in a greater than 80 percent area, replacement must be in the ratio of one acre of replaced wetland for each acre of drained or filled wetland.

~~(g)~~ (h) Wetlands that are restored or created as a result of an approved replacement plan are subject to the provisions of this section for any subsequent drainage or filling.

~~(h)~~ (i) Except in a greater than 80 percent area, only wetlands that have been restored from previously drained or filled wetlands, wetlands created by excavation in nonwetlands, wetlands created by dikes or dams along public or private drainage ditches, or wetlands created by dikes or dams associated with the restoration of previously drained or filled wetlands may be used in a statewide banking program established in rules adopted under section 103G.2242, subdivision 1. Modification or conversion of nondegraded naturally occurring wetlands from one type to another are not eligible for enrollment in a statewide wetlands bank.

~~(i)~~ (j) The Technical Evaluation Panel established under section 103G.2242, subdivision 2, shall ensure that sufficient time has occurred for the wetland to develop wetland characteristics of soils, vegetation, and hydrology before recommending that the wetland be deposited in the statewide wetland bank. If the Technical Evaluation Panel has reason to believe that the wetland characteristics may change substantially, the panel shall postpone its recommendation until the wetland has stabilized.

~~(j)~~ (k) This section and sections 103G.223 to 103G.2242, 103G.2364, and 103G.2365 apply to the state and its departments and agencies.

~~(k)~~ (l) For projects involving draining or filling of wetlands associated with a new public transportation project, and for projects expanded solely for additional traffic capacity, public transportation authorities may purchase credits from the board at the cost to the board to establish credits. Proceeds from the sale of credits provided under this paragraph are appropriated to the board for the purposes of this paragraph.

~~(l)~~ (m) A replacement plan for wetlands is not required for individual projects that result in the filling or draining of wetlands for the repair, rehabilitation, reconstruction, or replacement of a currently serviceable existing state, city, county, or town public road necessary, as determined by the public transportation authority, to meet state or federal design or safety standards or requirements, excluding new roads or roads expanded solely for additional traffic capacity lanes. This paragraph only applies to authorities for public transportation projects that:

(1) minimize the amount of wetland filling or draining associated with the project and consider mitigating important site-specific wetland functions on-site;

(2) except as provided in clause (3), submit project-specific reports to the board, the Technical Evaluation Panel, the commissioner of natural resources, and members of the public requesting a copy at least 30 days prior to construction that indicate the location, amount, and type of wetlands to be filled or drained by the project or, alternatively, convene an annual meeting of the parties required to receive notice to review projects to be commenced during the upcoming year; and

(3) for minor and emergency maintenance work impacting less than 10,000 square feet, submit project-specific reports, within 30 days of commencing the activity, to the board that indicate the location, amount, and type of wetlands that have been filled or drained.

Those required to receive notice of public transportation projects may appeal minimization, delineation, and on-site mitigation decisions made by the public transportation authority to the board according to the provisions of section 103G.2242, subdivision 9. The Technical Evaluation Panel shall review minimization and delineation decisions made by the public transportation authority and provide recommendations regarding on-site mitigation if requested to do so by the local government unit, a contiguous landowner, or a member of the Technical Evaluation Panel.

Except for state public transportation projects, for which the state Department of Transportation is responsible, the board must replace the wetlands, and wetland areas of public waters if authorized by the commissioner or a delegated authority, drained or filled by public transportation projects on existing roads.

Public transportation authorities at their discretion may deviate from federal and state design standards on existing road projects when practical and reasonable to avoid wetland filling or draining, provided that public safety is not unreasonably compromised. The local road authority and its officers and employees are exempt from liability for any tort claim for injury to persons or property arising from travel on the highway and related to the deviation from the design standards for construction or reconstruction under this paragraph. This paragraph does not preclude an action for damages arising from negligence in construction or maintenance on a highway.

~~(m)~~ (n) If a landowner seeks approval of a replacement plan after the proposed project has already affected the wetland, the local government unit may require the landowner to replace the affected wetland at a ratio not to exceed twice the replacement ratio otherwise required.

~~(n)~~ (o) A local government unit may request the board to reclassify a county or watershed on the basis of its percentage of presettlement wetlands remaining. After receipt of satisfactory documentation from the local government, the board shall change the classification of a county or watershed. If requested by the local government unit, the board must assist in developing the documentation. Within 30 days of its action to approve a change of wetland classifications, the board shall publish a notice of the change in the Environmental Quality Board Monitor.

~~(o)~~ (p) One hundred citizens who reside within the jurisdiction of the local government unit may request the local government unit to reclassify a county or watershed on the basis of its percentage of presettlement wetlands remaining. In support of their petition, the citizens shall provide satisfactory documentation to the local government unit. The local government unit shall consider the petition and forward the request to the board under paragraph ~~(n)~~ (o) or provide a reason why the petition is denied.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 54. Minnesota Statutes 2006, section 103G.222, subdivision 3, is amended to read:

Subd. 3. **Wetland replacement siting.** (a) Siting wetland replacement must follow this priority order:

(1) on site or in the same minor watershed as the affected wetland;

(2) in the same watershed as the affected wetland;

(3) in the same county as the affected wetland;

(4) for replacement by wetland banking, in the same wetland bank service area as the impacted wetland, except that impacts in a 50 to 80 percent area must be replaced in a 50 to 80 percent area and impacts in a less than 50 percent area must be replaced in a less than 50 percent area;

(5) for project specific replacement, in an adjacent watershed ~~or county~~ to the affected wetland, or for replacement by wetland banking, in an adjacent wetland bank service area, except that impacts in a 50 to 80 percent area must be replaced in a 50 to 80 percent area and impacts in a less than 50 percent area must be replaced in a less than 50 percent area; and

~~(5)~~ (6) statewide~~, only for wetlands affected in greater than 80 percent areas and~~ for public transportation projects, except that wetlands affected in less than 50 percent areas must be replaced in less than 50 percent areas, and wetlands affected in the seven-county metropolitan area must be replaced at a ratio of two to one in: (i) the affected county or, (ii) in another of the seven metropolitan counties, or (iii) in one of the major watersheds that are wholly or partially within the seven-county metropolitan area, but at least one to one must be replaced within the seven-county metropolitan area.

(b) Notwithstanding paragraph (a), siting wetland replacement in greater than 80 percent areas may follow the priority order under this paragraph: (1) by wetland banking after evaluating on-site replacement and replacement within the watershed; (2) replaced in an adjacent wetland bank service area if wetland bank credits are not reasonably available in the same wetland bank service area as the affected wetland, as determined by the local government unit or by a comprehensive inventory approved by the board; and (3) statewide.

(c) Notwithstanding paragraph (a), siting wetland replacement in the seven-county metropolitan area must follow the priority order under this paragraph: (1) in the affected county; (2) in another of the seven metropolitan counties; or (3) in one of the major watersheds that are wholly or partially within the seven-county metropolitan area, but at least one to one must be replaced within the seven-county metropolitan area.

(d) The exception in paragraph (a), clause ~~(5)~~ (6), does not apply to replacement completed using wetland banking credits established by a person who submitted a complete wetland banking application to a local government unit by April 1, 1996.

~~(c)~~ (e) When reasonable, practicable, and environmentally beneficial replacement opportunities are not available in siting priorities listed in paragraph (a), the applicant may seek opportunities at the next level.

~~(d)~~ (f) For the purposes of this section, "reasonable, practicable, and environmentally beneficial replacement opportunities" are defined as opportunities that:

(1) take advantage of naturally occurring hydrogeomorphological conditions and require minimal landscape alteration;

(2) have a high likelihood of becoming a functional wetland that will continue in perpetuity;

(3) do not adversely affect other habitat types or ecological communities that are important in maintaining the overall biological diversity of the area; and

(4) are available and capable of being done after taking into consideration cost, existing technology, and logistics consistent with overall project purposes.

~~(e)~~ (g) Regulatory agencies, local government units, and other entities involved in wetland restoration shall collaborate to identify potential replacement opportunities within their jurisdictional areas.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 55. Minnesota Statutes 2006, section 103G.2241, subdivision 1, is amended to read:

Subdivision 1. **Agricultural activities.** ~~(a)~~ A replacement plan for wetlands is not required for:

~~(1) activities in a wetland that was planted with annually seeded crops, was in a crop rotation seeding of pasture grass or legumes, or was required to be set aside to receive price support or other payments under United States Code, title 7, sections 1421 to 1469, in six of the last ten years prior to January 1, 1991;~~

~~(2) activities in a wetland that is or has been enrolled in the federal conservation reserve program under United States Code, title 16, section 3831, that:~~

~~(i) was planted with annually seeded crops, was in a crop rotation seeding, or was required to be set aside to receive price support or payment under United States Code, title 7, sections 1421 to 1469, in six of the last ten years prior to being enrolled in the program; and~~

~~(ii) has not been restored with assistance from a public or private wetland restoration program;~~

~~(3) activities in a wetland that has received a commenced drainage determination provided for by the federal Food Security Act of 1985, that was made to the county Agricultural Stabilization and Conservation Service office prior to September 19, 1988, and a ruling and any subsequent appeals or reviews have determined that drainage of the wetland had been commenced prior to December 23, 1985;~~

~~(4) activities in a type 1 wetland on agricultural land, except for bottomland hardwood type 1 wetlands, and activities in a type 2 or type 6 wetland that is less than two acres in size and located on agricultural land;~~

(1) activities in a wetland conducted as part of normal farming practices. For purposes of this clause, "normal farming practices" means farming, silvicultural, grazing, and ranching activities such as plowing, seeding, cultivating, and harvesting for the production of feed, food, fuel, fiber, and forest products, but does not include activities that result in the draining or filling of wetlands in whole or part;

(2) soil and water conservation practices approved by the soil and water conservation district, after review by the Technical Evaluation Panel;

~~(5)~~ (3) aquaculture activities including pond excavation and construction and maintenance of associated access roads and dikes authorized under, and conducted in accordance with, a permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344, but not including construction or expansion of buildings; or

~~(6)~~ (4) wild rice production activities, including necessary diking and other activities authorized under a permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344~~;~~.

~~(7) normal agricultural practices to control noxious or secondary weeds as defined by rule of the commissioner of agriculture, in accordance with applicable requirements under state and federal law, including established best management practices; and~~

~~(8) agricultural activities in a wetland that is on agricultural land:~~

~~(i) annually enrolled in the federal Agriculture Improvement and Reform Act of 1996 and is subject to United States Code, title 16, sections 3821 to 3823, in effect on January 1, 2000; or~~

~~(ii) subject to subsequent federal farm program restrictions that meet minimum state standards under this chapter and sections 103A.202 and 103B.3355 and that have been approved by the Board of Water and Soil Resources, the commissioners of natural resources and agriculture, and the Pollution Control Agency.~~

~~(b) Land enrolled in a federal farm program under paragraph (a), clause (8), is eligible for easement participation for those acres not already compensated under a federal program.~~

~~(c) The exemption under paragraph (a), clause (4), may be expanded to additional acreage, including types 1, 2, and 6 wetlands that are part of a larger wetland system, when the additional acreage is part of a conservation plan approved by the local soil and water conservation district, the additional draining or filling is necessary for efficient operation of the farm, the hydrology of the larger wetland system is not adversely affected, and wetlands other than types 1, 2, and 6 are not drained or filled.~~

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 56. Minnesota Statutes 2006, section 103G.2241, subdivision 2, is amended to read:

Subd. 2. **Drainage.** (a) For the purposes of this subdivision, "public drainage system" means a drainage system as defined in section 103E.005, subdivision 12, and any ditch or tile lawfully connected to the drainage system. If wetlands drained under this subdivision are converted to uses prohibited under paragraph (b), clause (2), during the ten-year period following drainage, the wetlands must be replaced according to section 103G.222.

(b) A replacement plan is not required for draining of type 1 wetlands, or up to five acres of type 2 or 6 wetlands, in an unincorporated area on land that has been assessed drainage benefits for a public drainage system, provided that:

(1) during the 20-year period that ended January 1, 1992:

(i) there was an expenditure made from the drainage system account for the public drainage system;

(ii) the public drainage system was repaired or maintained as approved by the drainage authority; or

(iii) no repair or maintenance of the public drainage system was required under section 103E.705, subdivision 1, as determined by the public drainage authority; and

(2) the wetlands are not drained for conversion to:

(i) platted lots;

(ii) planned unit, commercial, or industrial developments; or

(iii) any development with more than one residential unit per 40 acres.

~~If wetlands drained under this paragraph are converted to uses prohibited under clause (2) during the ten-year period following drainage, the wetlands must be replaced under section 103G.222.~~

(c) A replacement plan is not required for draining or filling of wetlands, except for draining types 3, 4, and 5 wetlands that have been in existence for more than 25 years, resulting from maintenance and repair of existing public drainage systems.

(d) A replacement plan is not required for draining or filling of wetlands, except for draining wetlands that have been in existence for more than 25 years, resulting from maintenance and repair of existing drainage systems other than public drainage systems.

~~(e) A replacement plan is not required for draining or filling of wetlands resulting from activities conducted as part of a public drainage system improvement project that received final approval from the drainage authority before July 1, 1991, and after July 1, 1986, if:~~

~~(1) the approval remains valid;~~

~~(2) the project remains active; and~~

~~(3) no additional drainage will occur beyond that originally approved.~~

<u>(e) A replacement plan is not required for draining agricultural land that: (1) was planted with annually seeded crops before June 10, except for crops that are normally planted after that date, in eight out of the ten most recent years prior to the impact; (2) was in a crop rotation seeding of pasture grass or legumes in eight out of the ten most recent years prior to the impact; or (3) was enrolled in a state or federal land conservation program and met the requirements of clause (1) or (2) before enrollment.</u>

(f) The public drainage authority may, as part of the repair, install control structures, realign the ditch, construct dikes along the ditch, or make other modifications as necessary to prevent drainage of the wetland.

(g) Wetlands of all types that would be drained as a part of a public drainage repair project are eligible for the permanent wetlands preserve under section 103F.516. The board shall give priority to acquisition of easements on types 3, 4, and 5 wetlands that have been in existence for more than 25 years on public drainage systems and other wetlands that have the greatest risk of drainage from a public drainage repair project.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 57. Minnesota Statutes 2006, section 103G.2241, subdivision 3, is amended to read:

Subd. 3. **Federal approvals.** A replacement plan for wetlands is not required for~~:~~

~~(1) activities exempted from federal regulation under United States Code, title 33, section 1344(f), as in effect on January 1, 1991;~~

~~(2) activities authorized under, and conducted in accordance with, an applicable general permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344, except the nationwide permit in Code of Federal Regulations, title 33, section 330.5, paragraph (a), clauses (14), limited to when a new road crosses a wetland, and (26), as in effect on January 1, 1991; or~~

~~(3)~~ activities authorized under the federal Clean Water Act, section 404, or the Rivers and Harbors Act, section 10, regulations that meet minimum state standards under this chapter and sections 103A.202 and 103B.3355 and that have been approved by the Board of Water and Soil Resources, the commissioners of natural resources and agriculture, and the Pollution Control Agency.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 58. Minnesota Statutes 2006, section 103G.2241, subdivision 6, is amended to read:

Subd. 6. **Utilities; public works.** (a) A replacement plan for wetlands is not required for:

~~(1) placement, maintenance, repair, enhancement, or replacement of utility or utility-type service if:~~

~~(i) the impacts of the proposed project on the hydrologic and biological characteristics of the wetland have been avoided and minimized to the extent possible; and~~

~~(ii) the proposed project significantly modifies or alters less than one-half acre of wetlands;~~

~~(2) activities associated with routine maintenance of utility and pipeline rights-of-way, provided the activities do not result in additional intrusion into the wetland;~~

~~(3) alteration of a wetland associated with the operation, maintenance, or repair of an interstate pipeline within all existing or acquired interstate pipeline rights-of-way;~~

~~(4) emergency repair and normal maintenance and repair of existing public works, provided the activity does not result in additional intrusion of the public works into the wetland and does not result in the draining or filling, wholly or partially, of a wetland;~~

~~(5) normal maintenance and minor repair of structures causing no additional intrusion of an existing structure into the wetland, and maintenance and repair of private crossings that do not result in the draining or filling, wholly or partially, of a wetland; or~~

~~(6) repair and updating of existing individual sewage treatment systems as necessary to comply with local, state, and federal regulations.~~

(1) new placement or maintenance, repair, enhancement, or replacement of existing utility or utility-type service, including pipelines, if:

(i) the direct and indirect impacts of the proposed project have been avoided and minimized to the extent possible; and

(ii) the proposed project significantly modifies or alters less than one-half acre of wetlands;

(2) activities associated with operation, routine maintenance, or emergency repair of existing utilities and public work structures, including pipelines, provided the activities do not result in additional wetland intrusion or additional draining or filling of a wetland either wholly or partially; or

(3) repair and updating of existing individual sewage treatment systems necessary to comply with local, state, and federal regulations.

(b) For maintenance, repair, and replacement, the local government unit may issue a seasonal or annual exemption certification or the utility may proceed without local government unit certification if the utility is carrying out the work according to approved best management practices. Work of an emergency nature may proceed as necessary and any drain or fill activities shall be addressed with the local government unit after the emergency work has been completed.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 59. Minnesota Statutes 2006, section 103G.2241, subdivision 9, is amended to read:

Subd. 9. **De minimis.** (a) Except as provided in paragraphs (b) and (c), a replacement plan for wetlands is not required for draining or filling the following amounts of wetlands as part of a project:

(1) 10,000 square feet of type 1, 2, 6, or 7 wetland, excluding white cedar and tamarack wetlands, outside of the shoreland wetland protection zone in a greater than 80 percent area;

(2) ~~5,000~~ 2,500 square feet of type 1, 2, 6, or 7 wetland, excluding white cedar and tamarack wetlands, outside of the shoreland wetland protection zone in a 50 to 80 percent area;

(3) ~~2,000~~ 1,000 square feet of type 1, 2, or 6 wetland, outside of the shoreland wetland protection zone in a less than 50 percent area;

(4) ~~400~~ 100 square feet of wetland types not listed in clauses (1) to (3) outside of the building setback zone of the shoreland wetland protection zones in all counties; ~~or~~

(5) 400 square feet of ~~type 1, 2, 3, 4, 5, 6, 7, or 8~~ wetland types listed in clauses (1) to (3), ~~in~~ beyond the building setback zone, as defined in the local shoreland management ordinance, but within the shoreland wetland protection zone~~, except that~~. In a greater than 80 percent area, the local government unit may increase the de minimis amount up to 1,000 square feet ~~in the shoreland protection zone in areas beyond the building setback~~ if the wetland is isolated and is determined to have no direct surficial connection to the public water. To the extent that a local shoreland management ordinance is more restrictive than this provision, the local shoreland ordinance applies; or

(6) up to 20 square feet of wetland, regardless of type or location.

(b) The amounts listed in paragraph (a), clauses (1) to ~~(5)~~ (6), may not be combined on a project.

(c) This exemption no longer applies to a landowner's portion of a wetland when the cumulative area drained or filled of the landowner's portion since January 1, 1992, is the greatest of:

(1) the applicable area listed in paragraph (a), if the landowner owns the entire wetland;

(2) five percent of the landowner's portion of the wetland; or

(3) 400 square feet.

(d) This exemption may not be combined with another exemption in this section on a project.

(e) Property may not be divided to increase the amounts listed in paragraph (a).

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 60. Minnesota Statutes 2006, section 103G.2241, subdivision 11, is amended to read:

Subd. 11. **Exemption conditions.** (a) A person conducting an activity in a wetland under an exemption in subdivisions 1 to 10 shall ensure that:

(1) appropriate erosion control measures are taken to prevent sedimentation of the water;

(2) the activity does not block fish passage in a watercourse; and

(3) the activity is conducted in compliance with all other applicable federal, state, and local requirements, including best management practices and water resource protection requirements established under chapter 103H.

(b) An activity is exempt if it qualifies for any one of the exemptions, even though it may be indicated as not exempt under another exemption.

(c) Persons proposing to conduct an exempt activity are encouraged to contact the local government unit or the local government unit's designee for advice on minimizing wetland impacts.

(d) The board shall develop rules that address the application and implementation of exemptions and that provide for estimates and reporting of exempt wetland impacts, including those in section 103G.2241, subdivisions 2, 6, and 9.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 61. Minnesota Statutes 2006, section 103G.2242, subdivision 2, is amended to read:

Subd. 2. **Evaluation.** (a) Questions concerning the public value, location, size, or type of a wetland shall be submitted to and determined by a Technical Evaluation Panel after an on-site inspection. The Technical Evaluation Panel shall be composed of a technical professional employee of the board, a technical professional employee of the local soil and water conservation district or districts, a technical professional with expertise in water resources management appointed by the local government unit, and a technical professional employee of the Department of Natural Resources for projects affecting public waters or wetlands adjacent to public waters. The panel shall use the "United States Army Corps of Engineers Wetland Delineation Manual" (January 1987), including updates, supplementary guidance, and replacements, if any, "Wetlands of the United States" (United States Fish and Wildlife Service Circular 39, 1971 edition), and "Classification of Wetlands and Deepwater Habitats of the United States" (1979 edition). The panel shall provide the wetland determination and recommendations on other technical matters to the local government unit that must approve a replacement plan, wetland banking plan, exemption determination, no-loss determination, or wetland boundary or type determination and may recommend approval or denial of the plan. The authority must consider and include the decision of the Technical Evaluation Panel in their approval or denial of a plan or determination.

(b) Persons conducting wetland or public waters boundary delineations or type determinations are exempt from the requirements of chapter 326. ~~By January 15, 2001, the board, in consultation with the Minnesota Association of Professional Soil Scientists, the University of Minnesota, and the Wetland Delineators' Association, shall submit a plan for a professional wetland delineator certification program to the legislature.~~ <u>The board may develop a professional wetland delineator certification program.</u>

<u>EFFECTIVE DATE.</u> <u>This section is effective the day following final enactment.</u>

Sec. 62. Minnesota Statutes 2006, section 103G.2242, subdivision 2a, is amended to read:

Subd. 2a. **Wetland boundary or type determination.** (a) A landowner may apply for a wetland boundary or type determination from the local government unit. The landowner applying for the determination is responsible for submitting proof necessary to make the determination, including, but not limited to, wetland delineation field data, observation well data, topographic mapping, survey mapping, and information regarding soils, vegetation, hydrology, and groundwater both within and outside of the proposed wetland boundary.

(b) A local government unit that receives an application under paragraph (a) may seek the advice of the Technical Evaluation Panel as described in subdivision 2, and, if necessary, expand the Technical Evaluation Panel. The local government unit may delegate the decision authority for wetland boundary or type determinations ~~with the zoning administrator~~ <u>to designated staff</u>, or establish other procedures it considers appropriate.

(c) The local government unit decision must be made in compliance with section 15.99. Within ten calendar days of the decision, the local government unit decision must be mailed to the landowner, members of the Technical Evaluation Panel, the watershed district or watershed management organization, if one exists, and individual members of the public who request a copy.

(d) <u>Appeals of decisions made by designated local government staff must be made to the local government unit. Notwithstanding any law to the contrary, a ruling on an appeal must be made by the local government unit within 30 days from the date of the filing of the appeal.</u>

<u>(e)</u> The local government unit decision is valid for three years unless the Technical Evaluation Panel determines that natural or artificial changes to the hydrology, vegetation, or soils of the area have been sufficient to alter the wetland boundary or type.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 63. Minnesota Statutes 2006, section 103G.2242, subdivision 9, is amended to read:

Subd. 9. **Appeal.** (a) Appeal of a replacement plan, exemption, wetland banking, wetland boundary or type determination, ~~or~~ no-loss decision, or restoration order may be obtained by mailing a petition and payment of a filing fee ~~of $200~~, which shall be retained by the board to defray administrative costs, to the board within 30 days after the postmarked date of the mailing specified in subdivision 7. If appeal is not sought within 30 days, the decision becomes final. ~~The local government unit may require the petitioner to post a letter of credit, cashier's check, or cash in an amount not to exceed $500.~~ If the petition for hearing is accepted, the amount posted must be returned to the petitioner. Appeal may be made by:

(1) the wetland owner;

(2) any of those to whom notice is required to be mailed under subdivision 7; or

(3) 100 residents of the county in which a majority of the wetland is located.

(b) Within 30 days after receiving a petition, the board shall decide whether to grant the petition and hear the appeal. The board shall grant the petition unless the board finds that:

(1) the appeal is meritless, trivial, or brought solely for the purposes of delay;

(2) the petitioner has not exhausted all local administrative remedies;

(3) expanded technical review is needed;

(4) the local government unit's record is not adequate; or

(5) the petitioner has not posted a letter of credit, cashier's check, or cash if required by the local government unit.

(c) In determining whether to grant the appeal, the board shall also consider the size of the wetland, other factors in controversy, any patterns of similar acts by the local government unit or petitioner, and the consequences of the delay resulting from the appeal.

(d) All appeals must be heard by the committee for dispute resolution of the board, and a decision made within 60 days of filing the local government unit's record and the written briefs submitted for the appeal. The decision must be served by mail on the parties to the appeal, and is not subject to the provisions of chapter 14. A decision whether to grant a petition for appeal and a decision on the merits of an appeal must be considered the decision of an agency in a contested case for purposes of judicial review under sections 14.63 to 14.69.

(e) Notwithstanding section 16A.1283, the board shall establish a fee schedule to defray the administrative costs of appeals made to the board under this subdivision. Fees established under this authority shall not exceed $1,000. Establishment of the fee is not subject to the rulemaking process of chapter 14 and section 14.386 does not apply.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 64. Minnesota Statutes 2006, section 103G.2242, subdivision 12, is amended to read:

Subd. 12. **Replacement credits.** (a) No public or private wetland restoration, enhancement, or construction may be allowed for replacement unless specifically designated for replacement and paid for by the individual or organization performing the wetland restoration, enhancement, or construction, and is completed prior to any draining or filling of the wetland.

(b) Paragraph (a) does not apply to a wetland whose owner has paid back with interest the individual or organization restoring, enhancing, or constructing the wetland.

(c) Notwithstanding section 103G.222, subdivision 1, paragraph ~~(h)~~ (i), the following actions, and others established in rule, that are consistent with criteria in rules adopted by the board in conjunction with the commissioners of natural resources and agriculture, are eligible for replacement credit as determined by the local government unit, including enrollment in a statewide wetlands bank:

(1) reestablishment of permanent native, noninvasive vegetative cover on a wetland on agricultural land that was planted with annually seeded crops, was in a crop rotation seeding of pasture grasses or legumes, or was in a land retirement program during the past ten years;

(2) buffer areas of permanent native, noninvasive vegetative cover established or preserved on upland adjacent to replacement wetlands;

(3) wetlands restored for conservation purposes under terminated easements or contracts; and

(4) water quality treatment ponds constructed to pretreat storm water runoff prior to discharge to wetlands, public waters, or other water bodies, provided that the water quality treatment ponds must be associated with an ongoing or proposed project that will impact a wetland and replacement credit for the treatment ponds is based on the replacement of wetland functions and on an approved stormwater management plan for the local government.

(d) Notwithstanding section 103G.222, subdivision 1, paragraphs ~~(e)~~ (f) and ~~(f)~~ (g), the board may establish by rule different replacement ratios for restoration projects with exceptional natural resource value.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 65. Minnesota Statutes 2006, section 103G.2242, subdivision 15, is amended to read:

Subd. 15. **Fees paid to board.** All fees established in ~~subdivision~~ subdivisions 9 and 14 must be paid to the Board of Water and Soil Resources ~~and credited to the general fund~~ to be used for the purpose of administration of the wetland bank and to process appeals under section 103G.2242, subdivision 9.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 66. Minnesota Statutes 2006, section 103G.2243, subdivision 2, is amended to read:

Subd. 2. **Plan contents.** A comprehensive wetland protection and management plan may:

(1) provide for classification of wetlands in the plan area based on:

(i) an inventory of wetlands in the plan area;

(ii) an assessment of the wetland functions listed in section 103B.3355, using a methodology chosen by the Technical Evaluation Panel from one of the methodologies established or approved by the board under that section; and

(iii) the resulting public values;

(2) vary application of the sequencing standards in section 103G.222, subdivision 1, paragraph (b), for projects based on the classification and criteria set forth in the plan;

(3) vary the replacement standards of section 103G.222, subdivision 1, paragraphs ~~(e)~~ (f) and ~~(f)~~ (g), based on the classification and criteria set forth in the plan, for specific wetland impacts provided there is no net loss of public values within the area subject to the plan, and so long as:

(i) in a 50 to 80 percent area, a minimum acreage requirement of one acre of replaced wetland for each acre of drained or filled wetland requiring replacement is met within the area subject to the plan; and

(ii) in a less than 50 percent area, a minimum acreage requirement of two acres of replaced wetland for each acre of drained or filled wetland requiring replacement is met within the area subject to the plan, except that replacement for the amount above a 1:1 ratio can be accomplished as described in section 103G.2242, subdivision 12; and

(4) in a greater than 80 percent area, allow replacement credit, based on the classification and criteria set forth in the plan, for any project that increases the public value of wetlands, including activities on adjacent upland acres~~; and~~.

~~(5) in a greater than 80 percent area, based on the classification and criteria set forth in the plan, expand the application of the exemptions in section 103G.2241, subdivision 1, paragraph (a), clause (4), to also include nonagricultural land, provided there is no net loss of wetland values.~~

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 67. Minnesota Statutes 2006, section 103G.235, is amended to read:

103G.235 RESTRICTIONS ON ACCESS TO ~~PUBLIC WATERS~~ WETLANDS.

Subdivision 1. **Wetlands adjacent to roads.** To protect the public health or safety, local units of government may by ordinance restrict public access to public waters wetlands from municipality, county, or township roads that abut public waters wetlands.

Subd. 2. **Privately restored or created wetlands.** When a landowner creates a new wetland or restores a formerly existing wetland on private land that is adjacent to public land or a public road right-of-way, there is no public access to the created or restored wetland if posted by the landowner.

Sec. 68. Minnesota Statutes 2006, section 103G.301, subdivision 2, is amended to read:

Subd. 2. **Permit application fees.** (a) A permit application fee to defray the costs of receiving, recording, and processing the application must be paid for a permit authorized under this chapter and for each request to amend or transfer an existing permit.

(b) The fee to apply for a permit to appropriate water by a nonpublic applicant or a nonagricultural irrigation applicant must be assessed to recover the reasonable costs of preparing and issuing the permit. Fees collected under this paragraph must be credited to an account in the natural resources fund and are appropriated to the commissioner.

~~(b)~~ (c) The fee to apply for a permit to appropriate water, other than a permit subject to the fee under paragraph (b); a permit to construct or repair a dam that is subject to dam safety inspection~~,~~; or a state general permit or to apply for the state water bank program is $150. The application fee for a permit to work in public waters or to divert waters for mining must be at least $150, but not more than $1,000, according to a schedule of fees adopted under section 16A.1285.

Sec. 69. Minnesota Statutes 2006, section 115.55, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to sections 115.55 to 115.56.

(b) "Advisory committee" means the Advisory Committee on Individual Sewage Treatment Systems established under the individual sewage treatment system rules. The advisory committee must be appointed to ensure geographic representation of the state and include elected public officials.

(c) "Applicable requirements" means:

(1) local ordinances that comply with the individual sewage treatment system rules, as required in subdivision 2; or

(2) in areas not subject to the ordinances described in clause (1), the individual sewage treatment system rules.

(d) "City" means a statutory or home rule charter city.

(e) "Commissioner" means the commissioner of the Pollution Control Agency.

(f) "Dwelling" means a building or place used or intended to be used by human occupants as a single-family or two-family unit.

(g) "Individual sewage treatment system" or "system" means a sewage treatment system, or part thereof, ~~serving a dwelling, other establishment, or group thereof,~~ that uses subsurface soil treatment and disposal, or a holding tank, serving a dwelling, other establishment, or a group thereof.

(h) "Individual sewage treatment system professional" means an inspector, installer, site evaluator or designer, or pumper.

(i) "Individual sewage treatment system rules" means rules adopted by the agency that establish minimum standards and criteria for the design, location, installation, use, and maintenance of individual sewage treatment systems.

(j) "Inspector" means a person who inspects individual sewage treatment systems for compliance with the applicable requirements.

(k) "Installer" means a person who constructs or repairs individual sewage treatment systems.

(l) "Local unit of government" means a township, city, or county.

(m) "Performance-based system" means a system that is designed specifically for a site and the environmental conditions on that site and designed to adequately protect the public health and the environment and provide long-term performance. At a minimum, a performance based system must ensure that applicable water quality standards are met in both ground and surface water that ultimately receive the treated wastewater.

(n) "Pumper" means a person who maintains components of individual sewage treatment systems including, but not limited to, septic, aerobic, and holding tanks.

~~(n)~~ (o) "Seasonal dwelling" means a dwelling that is occupied or used for less than 180 days per year and less than 120 consecutive days.

~~(o)~~ (p) "Septic system tank" means any covered receptacle designed, constructed, and installed as part of an individual sewage treatment system.

~~(p)~~ (q) "Site evaluator or designer" means a person who:

(1) investigates soils and site characteristics to determine suitability, limitations, and sizing requirements; and

(2) designs individual sewage treatment systems.

~~(q)~~ (r) "Straight-pipe system" means a sewage disposal system that includes toilet waste and transports raw or partially settled sewage directly to a lake, a stream, a drainage system, or ground surface.

Sec. 70. Minnesota Statutes 2006, section 115.55, subdivision 2, is amended to read:

Subd. 2. **Local ordinances.** (a) All counties ~~that did not adopt ordinances by May 7, 1994, or that do not have ordinances,~~ must adopt ordinances that comply with revisions to the individual sewage treatment system rules ~~by January 1, 1999, unless all towns and cities in the county have adopted such ordinances~~ within two years of the final adoption by the agency. County ordinances must apply to all areas of the county other than cities or towns that have adopted ordinances that comply with this section and are as strict as the applicable county ordinances. ~~Any ordinance adopted by a local unit of government before May 7, 1994, to regulate individual sewage treatment systems must be in compliance with the individual sewage treatment system rules by January 1, 1998.~~

(b) A copy of each ordinance adopted under this subdivision must be submitted to the commissioner upon adoption.

(c) A local unit of government must make available to the public upon request a written list of any differences between its ordinances and rules adopted under this section.

Sec. 71. Minnesota Statutes 2006, section 115.55, subdivision 3, is amended to read:

Subd. 3. **Rules.** (a) The agency shall adopt rules containing minimum standards and criteria for the design, location, installation, use, and maintenance of individual sewage treatment systems. The rules must include:

(1) how the agency will ensure compliance under subdivision 2;

(2) how local units of government shall enforce ordinances under subdivision 2, including requirements for permits and inspection programs;

(3) how the advisory committee will participate in review and implementation of the rules;

(4) provisions for ~~alternative~~ nonstandard systems and performance-based systems;

(5) provisions for handling and disposal of effluent;

(6) provisions for system abandonment; and

(7) procedures for variances, including the consideration of variances based on cost and variances that take into account proximity of a system to other systems.

(b) The agency shall consult with the advisory committee before adopting rules under this subdivision.

(c) Notwithstanding the repeal of the agency rule under which the commissioner has established a list of warrantied individual sewage treatment systems, the warranties for all systems so listed as of the effective date of the repeal shall continue to be valid for the remainder of the warranty period.

(d) The rules required in paragraph (a) must also address the following:

(1) a definition of redoximorphic features and other criteria that can be used by system designers and inspectors;

(2) direction on the interpretation of observed soil features that may be redoximorphic and their relation to zones of seasonal saturation; and

(3) procedures on how to resolve professional disagreements on seasonally saturated soils.

These rules must be in place by March 31, 2006.

Sec. 72. Minnesota Statutes 2006, section 115.55, is amended by adding a subdivision to read:

Subd. 12. **Advisory committee; county individual sewage treatment system management plan.** (a) A county may adopt an individual sewage treatment system management plan that describes how the county plans on carrying out individual sewage treatment system needs. The commissioner of the Pollution Control Agency shall form an advisory committee to determine what the plans should address. The advisory committee shall be made up of representatives of the Association of Minnesota Counties, Pollution Control Agency, Board of Water and Soil Resources, Department of Health, and other public agencies or local units of government that have an interest in individual sewage treatment systems.

(b) The advisory committee shall advise the agency on the standards, management, monitoring, and reporting requirements for performance-based systems.

Sec. 73. Minnesota Statutes 2006, section 116C.92, is amended to read:

116C.92 COORDINATION OF ACTIVITIES.

Subdivision 1. **State coordinating organization.** The Environmental Quality Board is designated the state coordinating organization for state and federal regulatory activities relating to genetically engineered organisms.

Subd. 2. **Notice of nationwide action.** The board shall notify interested parties if a permit to release genetically engineered wild rice is issued anywhere in the United States. For purposes of this subdivision, "interested parties" means:

(1) the state's wild rice industry;

(2) the legislature;

(3) federally recognized tribes within Minnesota; and

(4) individuals who request to be notified.

Sec. 74. Minnesota Statutes 2006, section 116C.94, subdivision 1, is amended to read:

Subdivision 1. **General authority.** (a) Except as provided in paragraph (b), the board shall adopt rules consistent with sections 116C.91 to 116C.96 that require an environmental assessment worksheet and otherwise comply with chapter 116D and rules adopted under it for a proposed release and a permit for a release. The board may place conditions on a permit and may deny, modify, suspend, or revoke a permit.

(b) The board shall adopt rules that require an environmental impact statement and otherwise comply with chapter 116D and rules adopted under it for a proposed release and a permit for a release of genetically engineered wild rice. The board may place conditions on the permit and may deny, modify, suspend, or revoke the permit.

Sec. 75. Minnesota Statutes 2006, section 116C.97, subdivision 2, is amended to read:

Subd. 2. **Federal oversight.** (a) If the board determines, upon its own volition or at the request of any person, that a federal program exists for regulating the release of certain genetically engineered organisms and the federal oversight under the program is adequate to protect human health or the environment, then any person may release such genetically engineered organisms after obtaining the necessary federal approval and without obtaining a state release permit or a significant environmental permit or complying with the other requirements of sections 116C.91 to 116C.96 and the rules of the board adopted pursuant to section 116C.94.

(b) If the board determines the federal program is adequate to meet only certain requirements of sections 116C.91 to 116C.96 and the rules of the board adopted pursuant to section 116C.94, the board may exempt such releases from those requirements.

(c) A person proposing a release for which a federal authorization is required may apply to the board for an exemption from the board's permit or to a state agency with a significant environmental permit for the proposed release for an exemption from the agency's permit. The proposer must file with the board or state agency a written request for exemption with a copy of the federal application and the information necessary to determine if there is a potential for significant environmental effects under chapter 116D and rules adopted under it. The board or state agency shall give public notice of the request in the first available issue of the EQB Monitor and shall provide an opportunity for public comment on the environmental review process consistent with chapter 116D and rules adopted under it. The board or state agency may grant the exemption if the board or state agency finds that the federal authorization issued is adequate to meet the requirements of chapter 116D and rules adopted under it and any other requirement of the board's or state agency's authority regarding the release of genetically engineered organisms. The board or state agency must grant or deny the exemption within 45 days after the receipt of the written request and the information required by the board or state agency.

<u>(d) This subdivision does not apply to genetically engineered organisms for which an environmental impact statement is required under sections 116C.91 to 116C.96.</u>

Sec. 76. Minnesota Statutes 2006, section 282.04, subdivision 1, is amended to read:

Subdivision 1. **Timber sales; land leases and uses.** (a) The county auditor may sell timber upon any tract that may be approved by the natural resources commissioner. The sale of timber shall be made for cash at not less than the appraised value determined by the county board to the highest bidder after not less than one week's published notice in an official paper within the county. Any timber offered at the public sale and not sold may thereafter be sold at private sale by the county auditor at not less than the appraised value thereof, until the time as the county board may withdraw the timber from sale. The appraised value of the timber and the forestry practices to be followed in the cutting of said timber shall be approved by the commissioner of natural resources.

(b) Payment of the full sale price of all timber sold on tax-forfeited lands shall be made in cash at the time of the timber sale, except in the case of oral or sealed bid auction sales, the down payment shall be no less than 15 percent of the appraised value, and the balance shall be paid prior to entry. In the case of auction sales that are partitioned and sold as a single sale with predetermined cutting blocks, the down payment shall be no less than 15 percent of the appraised price of the entire timber sale which may be held until the satisfactory completion of the sale or applied in whole or in part to the final cutting block. The value of each separate block must be paid in full before any cutting may begin in that block. With the permission of the county contract administrator the purchaser may enter unpaid blocks and cut necessary timber incidental to developing logging roads as may be needed to log other blocks provided that no timber may be removed from an unpaid block until separately scaled and paid for. If payment is provided as specified in this paragraph as security under paragraph (a) and no cutting has taken place on the contract, the county auditor may credit the security provided, less any down payment required for an auction sale under this paragraph, to any other contract issued to the contract holder by the county under this chapter to which the contract holder requests in writing that it be credited, provided the request and transfer is made within the same calendar year as the security was received.

(c) The county board may ~~require final settlement on the basis of a scale of cut products~~ sell any timber, including biomass, as appraised or scaled. Any parcels of land from which timber is to be sold by scale of cut products shall be so designated in the published notice of sale under paragraph (a), in which case the notice shall contain a description of the parcels, a statement of the estimated quantity of each species of timber, and the appraised price of each species of timber for 1,000 feet, per cord or per piece, as the case may be. In those cases any bids offered over and above the appraised prices shall be by percentage, the percent bid to be added to the appraised price of each of the different species of timber advertised on the land. The purchaser of timber from the parcels shall pay in cash at the time of sale at the rate bid for all of the timber shown in the notice of sale as estimated to be standing on the land, and in addition shall pay at the same rate for any additional amounts which the final scale shows to have been cut or was available for cutting on the land at the time of sale under the terms of the sale. Where the final scale of cut products shows that less timber was cut or was available for cutting under terms of the sale than was originally paid for, the excess payment shall be refunded from the forfeited tax sale fund upon the claim of the purchaser, to be audited and allowed by the county board as in case of other claims against the county. No timber, except hardwood pulpwood, may be removed from the parcels of land or other designated landings until scaled by a person or persons designated by the county board and approved by the commissioner of natural resources. Landings other than the parcel of land from which timber is cut may be designated for scaling by the county board by written agreement with the purchaser of the timber. The county board may, by written agreement with the purchaser and with a consumer designated by the purchaser when the timber is sold by the county auditor, and with the approval of the commissioner of natural resources, accept the consumer's scale of cut products delivered at the consumer's landing. No timber shall be removed until fully paid for in cash. Small amounts of timber not exceeding $3,000 in appraised valuation may be sold for not less than the full appraised value at private sale to individual persons without first publishing notice of sale or calling for bids, provided that in case of a sale involving a total appraised value of more than $200 the sale shall be made subject to final settlement on the basis of a scale of cut products in the manner above provided and not more than two of the sales, directly or indirectly to any individual shall be in effect at one time.

(d) As directed by the county board, the county auditor may lease tax-forfeited land to individuals, corporations or organized subdivisions of the state at public or private sale, and at the prices and under the terms as the county board may prescribe, for use as cottage and camp sites and for agricultural purposes and for the purpose of taking and removing of hay, stumpage, sand, gravel, clay, rock, marl, and black dirt from the land, and for garden sites and other temporary uses provided that no leases shall be for a period to exceed ten years; provided, further that any leases involving a consideration of more than $12,000 per year, except to an organized subdivision of the state shall first be offered at public sale in the manner provided herein for sale of timber. Upon the sale of any leased land, it shall remain subject to the lease for not to exceed one year from the beginning of the term of the lease. Any rent paid by the lessee for the portion of the term cut off by the cancellation shall be refunded from the forfeited tax sale fund upon the claim of the lessee, to be audited and allowed by the county board as in case of other claims against the county.

(e) As directed by the county board, the county auditor may lease tax-forfeited land to individuals, corporations, or organized subdivisions of the state at public or private sale, at the prices and under the terms as the county board may prescribe, for the purpose of taking and removing for use for road construction and other purposes tax-forfeited stockpiled iron-bearing material. The county auditor must determine that the material is needed and suitable for use in the construction or maintenance of a road, tailings basin, settling basin, dike, dam, bank fill, or other works on public or private property, and that the use would be in the best interests of the public. No lease shall exceed ten years. The use of a stockpile for these purposes must first be approved by the commissioner of natural resources. The request shall be deemed approved unless the requesting county is notified to the contrary by the commissioner of natural resources within six months after receipt of a request for approval for use of a stockpile. Once use of a stockpile has been approved, the county may continue to lease it for these purposes until approval is withdrawn by the commissioner of natural resources.

(f) The county auditor, with the approval of the county board is authorized to grant permits, licenses, and leases to tax-forfeited lands for the depositing of stripping, lean ores, tailings, or waste products from mines or ore milling plants, upon the conditions and for the consideration and for the period of time, not exceeding 15 years, as the county board may determine. The permits, licenses, or leases are subject to approval by the commissioner of natural resources.

(g) Any person who removes any timber from tax-forfeited land before said timber has been scaled and fully paid for as provided in this subdivision is guilty of a misdemeanor.

(h) The county auditor may, with the approval of the county board, and without first offering at public sale, grant leases, for a term not exceeding 25 years, for the removal of peat and for the production or removal of farm-grown closed-loop biomass as defined in section 216B.2424, subdivision 1, or short-rotation woody crops from tax-forfeited lands upon the terms and conditions as the county board may prescribe. Any lease for the removal of peat, farm-grown closed-loop biomass, or short-rotation woody crops from tax-forfeited lands must first be reviewed and approved by the commissioner of natural resources if the lease covers 320 or more acres. No lease for the removal of peat, farm-grown closed-loop biomass, or short-rotation woody crops shall be made by the county auditor pursuant to this section without first holding a public hearing on the auditor's intention to lease. One printed notice in a legal newspaper in the county at least ten days before the hearing, and posted notice in the courthouse at least 20 days before the hearing shall be given of the hearing.

(i) Notwithstanding any provision of paragraph (c) to the contrary, the St. Louis County auditor may, at the discretion of the county board, sell timber to the party who bids the highest price for all the several kinds of timber, as provided for sales by the commissioner of natural resources under section 90.14. Bids offered over and above the appraised price need not be applied proportionately to the appraised price of each of the different species of timber.

(j) In lieu of any payment or deposit required in paragraph (b), as directed by the county board and under terms set by the county board, the county auditor may accept an irrevocable bank letter of credit in the amount equal to the amount otherwise determined in paragraph (b). If an irrevocable bank letter of credit is provided under this paragraph, at the written request of the purchaser, the county may periodically allow the bank letter of credit to be reduced by an amount proportionate to the value of timber that has been harvested and for which the county has received payment. The remaining amount of the bank letter of credit after a reduction under this paragraph must not be less than 20 percent of the value of the timber purchased. If an irrevocable bank letter of credit or cash deposit is provided for the down payment required in paragraph (b), and no cutting of timber has taken place on the contract for which a letter of credit has been provided, the county may allow the transfer of the letter of credit to any other contract issued to the contract holder by the county under this chapter to which the contract holder requests in writing that it be credited.

Sec. 77. Minnesota Statutes 2006, section 296A.18, subdivision 4, is amended to read:

Subd. 4. **All-terrain vehicle.** Approximately ~~0.15~~ <u>0.27</u> of one percent of all gasoline received in or produced or brought into this state, except gasoline used for aviation purposes, is being used for the operation of all-terrain vehicles in this state, and of the total revenue derived from the imposition of the gasoline fuel tax, ~~0.15~~ <u>0.27</u> of one percent is the amount of tax on fuel used in all-terrain vehicles operated in this state.

Sec. 78. Laws 2003, chapter 128, article 1, section 169, is amended to read:

Sec. 169. **CONTINUOUS TRAIL DESIGNATION.**

(a) The commissioner of natural resources shall locate, plan, design, map, construct, designate, and sign a new trail for use by all-terrain vehicles and off-highway motorcycles of not less than 70 continuous miles in length on any land owned by the state or in cooperation with any county on land owned by that county or on a combination of any of these lands. This new trail shall be ready for use by ~~April 1, 2007~~ <u>June 30, 2009</u>.

(b) All funding for this new trail shall come from the all-terrain vehicle dedicated account and is appropriated each year as needed.

(c) This new trail shall have at least two areas of access complete with appropriate parking for vehicles and trailers and enough room for loading and unloading all-terrain vehicles. Some existing trails, that are strictly all-terrain vehicle trails, and are not inventoried forest roads, may be incorporated into the design of this new all-terrain vehicle trail. This new trail may be of a continuous loop design and shall provide for spurs to other all-terrain vehicle trails as long as those spurs do not count toward the 70 continuous miles of this new all-terrain vehicle trail. Four rest areas shall be provided along the way.

Sec. 79. Laws 2006, chapter 236, article 1, section 21, is amended to read:

Sec. 21. **EXCHANGE OF TAX-FORFEITED LAND; PRIVATE SALE; ITASCA COUNTY.**

(a) For the purpose of a land exchange for use in connection with a proposed steel mill in Itasca County referenced in Laws 1999, chapter 240, article 1, section 8, subdivision 3, title examination and approval of the land described in paragraph (b) shall be undertaken as a condition of exchange of the land for class B land, and shall be governed by Minnesota Statutes, section 94.344, subdivisions 9 and 10, and the provisions of this section. Notwithstanding the evidence of title requirements in Minnesota Statutes, section 94.344, subdivisions 9 and 10, the county attorney shall examine one or more title reports or title insurance commitments prepared or underwritten by a title insurer licensed to conduct title insurance business in this state, regardless of whether abstracts were created or updated in the preparation of the title reports or commitments. The opinion of the county attorney, and approval by the attorney general, shall be based on those title reports or commitments.

(b) The land subject to this section is located in Itasca County and is described as:

(1) Sections 3, 4, 7, 10, 14, 15, 16, 17, 18, 20, 21, 22, 23, 26, 28, and 29, Township 56 North, Range 22 West;

(2) Sections 3, 4, 9, 10, 13, and 14, Township 56 North, Range 23 West;

(3) Section 30, Township 57 North, Range 22 West; and

(4) Sections 25, 26, 34, 35, and 36, Township 57 North, Range 23 West.

(c) Riparian land given in exchange by Itasca County for the purpose of the steel mill referenced in paragraph (a), is exempt from the restrictions imposed by Minnesota Statutes, section 94.342, subdivision 3.

(d) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Itasca County may sell, by private sale, any land received in exchange for the purpose of the steel mill referenced in paragraph (a), under the remaining provisions of Minnesota Statutes, chapter 282. The sale must be in a form approved by the attorney general.

(e) Notwithstanding Minnesota Statutes, section 284.28, subdivision 8, or any other law to the contrary, land acquired through an exchange under this section is exempt from payment of three percent of the sales price required to be collected by the county auditor at the time of sale for deposit in the state treasury.

Sec. 80. **ENDOCRINE DISRUPTOR REPORT.**

The commissioner of the Pollution Control Agency shall prepare a report on strategies to prevent the entry of endocrine disruptors into waters of the state. The report must include an estimate for each strategy of the proportion of endocrine disruptors that are prevented from entering the waters of the state. The commissioner shall submit the report to the house and senate committees having jurisdiction over environment and natural resources policy and finance by January 15, 2008.

Sec. 81. **EASEMENT REPORT REQUIRED.**

By January 1, 2008, the commissioner of natural resources must report to the house and senate committees with jurisdiction over environment and natural resources finance with proposed minimum legal and conservation standards that could be applied to conservation easements acquired with public money.

Sec. 82. **TAX-FORFEITED LANDS LEASE; ITASCA COUNTY.**

Notwithstanding Minnesota Statutes, section 282.04, or other law to the contrary, the Itasca County auditor may lease tax-forfeited land to Minnesota Steel for a period of 20 years, for use as a tailings basin and buffer area. A lease entered under this section is renewable.

Sec. 83. **WILD RICE STUDY.**

By February 15, 2008, the commissioner of natural resources must prepare a study for natural wild rice that includes:

(1) the current location and estimated acreage and area of natural stands;

(2) identified threats to natural stands, including, but not limited to, development pressure, water levels, pollution, invasive species, and genetic strains; and

(3) recommendations to the house and senate committees with jurisdiction over natural resources on protecting and increasing natural wild rice stands in the state.

In developing the study, the commissioner must contact and ask for comments from the state's wild rice industry, the commissioner of agriculture, local officials with significant areas of wild rice within their jurisdictions, tribal leaders within affected federally recognized tribes, and interested citizens.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 84. **CONSTRUCTION.**

Nothing in sections 73, 74, 75, and 83 affects, alters, or modifies the authorities, responsibilities, obligations, or powers of the state or any political subdivision thereof or any federally recognized tribe.

Sec. 85. **SEPTIC BEST PRACTICES ASSISTANCE.**

The commissioner of the Pollution Control Agency shall establish a database of best practices regarding the installation, management, and maintenance of individual sewage treatment systems. The database must be made available to any interested public or private party.

Sec. 86. **RULEMAKING.**

Within 90 days of the effective date of this section, the Board of Water and Soil Resources shall adopt rules that amend Minnesota Rules, chapter 8420, to incorporate statute changes and to address the related wetland exemption provisions in Minnesota Rules, parts 8420.0115 to 8420.0210, and the wetland replacement and banking provisions in Minnesota Rules, parts 8420.0500 to 8420.0760. These rules are exempt from the rulemaking provisions of Minnesota Statutes, chapter 14, except that Minnesota Statutes, section 14.386, applies and the proposed rules must be submitted to the senate and house committees having jurisdiction over environment and natural resources at least 30 days prior to being published in the State Register. The amended rules are effective for two years from the date of publication in the State Register unless they are superseded by permanent rules.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 87. **VERMILLION HIGHLANDS WILDLIFE MANAGEMENT AREA.**

(a) The following area is established and designated as the Vermillion Highlands Wildlife Management Area, subject to the special permitted uses authorized in this section:

The approximately 2,840 acres owned by the University of Minnesota lying within the area legally described as approximately the southerly 3/4 of the Southwest 1/4 of Section 1, the Southeast 1/4 of Section 2, the East 1/2 of Section 10, Section 11, the West 1/2 of Section 12, Section 13, and Section 14, all in Township 114 North, Range 19 West, Dakota County.

(b) Notwithstanding Minnesota Statutes, section 86A.05, subdivision 8, paragraph (c), permitted uses in the Vermillion Highlands Wildlife Management Area include:

(1) education, outreach, and agriculture with the intent to eventually phase out agriculture leases and plant and restore native prairie;

(2) research by the University of Minnesota or other permitted researchers;

(3) hiking, hunting, fishing, trapping, and other compatible wildlife-related recreation of a natural outdoors experience, without constructing new hard surface trails or roads, and supporting management and improvements;

(4) designated trails for hiking, horseback riding, biking, and cross-country skiing and necessary trailhead support with minimal impact on the permitted uses in clause (3);

(5) shooting sports facilities for sporting clays, skeet, trapshooting, and rifle and pistol shooting, including sanctioned events and training for responsible handling and use of firearms;

(6) grant-in-aid snowmobile trails; and

(7) leases for small-scale farms to market vegetable farming.

(c) With the concurrence of representatives of the University of Minnesota and Dakota County, the commissioner of natural resources may, by posting or rule, restrict the permitted uses as follows:

(1) temporarily close areas or trails, by posting at the access points, to facilitate hunting. When temporarily closing trails under this clause, the commissioner shall avoid closing all trail loops simultaneously whenever practical; or

(2) limit other permitted uses to accommodate hunting and trapping after providing advance public notice. Research conducted by the university may not be limited unless mutually agreed by the commissioner and the University of Minnesota.

(d) Road maintenance within the wildlife management area shall be minimized, with the intent to abandon interior roads when no longer needed for traditional agriculture purposes.

(e) Money collected on leases from lands within the wildlife management area must be kept in a separate account and spent within the wildlife management area under direction of the representatives listed in paragraph (c). $200,000 of this money may be transferred to the commissioner of natural resources for a master planning process and resource inventory of the land identified in Minnesota Statutes, section 137.50, subdivision 6, in order to provide needed prairie and wetland restoration. The commissioner must work with affected officials from the University of Minnesota and Dakota County to complete these requirements and inform landowners and lessees about the planning process.

(f) Notwithstanding Minnesota Statutes, sections 97A.061 and 477A.11, the state of Minnesota shall not provide payments in lieu of taxes for the lands described in paragraph (a).

Sec. 88. **REPEALER.**

(a) Minnesota Statutes 2006, section 89A.11, is repealed.

(b) Minnesota Statutes 2006, section 103G.2241, subdivision 8, is repealed.

EFFECTIVE DATE. Paragraph (a) of this section is effective July 1, 2007. Paragraph (b) of this section is effective the day following final enactment.