

A bill for an act

relating to capital investment; prohibiting funds under the reinvest in Minnesota reserve program from being used for mitigation; requiring recipients of bond funds to use certain low-impact development standards; appropriating money for natural resources asset preservation and replacement and RIM conservation reserve; authorizing the sale and issuance of state bonds; amending Minnesota Statutes 2008, section 103F.515, by adding a subdivision; Minnesota Statutes 2009 Supplement, section 115.03, subdivision 5c.

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

Section 1. Minnesota Statutes 2008, section 103F.515, is amended by adding a subdivision to read:

Subd. 10. **Use for mitigation prohibited.** Funds made available under the reinvest in Minnesota reserve program may not be used for fish and wildlife or wetland mitigation purposes required under federal or state law.

Sec. 2. Minnesota Statutes 2009 Supplement, section 115.03, subdivision 5c, is amended to read:

Subd. 5c. **Regulation of storm water discharges.** (a) The agency may issue a general permit to any category or subcategory of point source storm water discharges that it deems administratively reasonable and efficient without making any findings under agency rules. Nothing in this subdivision precludes the agency from requiring an individual permit for a point source storm water discharge if the agency finds that it is appropriate under applicable legal or regulatory standards.

(b) Pursuant to this paragraph, the legislature authorizes the agency to adopt and enforce rules regulating point source storm water discharges. No further legislative

approval is required under any other legal or statutory provision whether enacted before or after May 29, 2003.

(c) The agency shall develop performance standards, design standards, or other tools to enable and promote the implementation of low-impact development and other storm water management techniques. For the purposes of this section, "low-impact development" means an approach to storm water management that mimics a site's natural hydrology as the landscape is developed. Using the low-impact development approach, storm water is managed on-site and the rate and volume of predevelopment storm water reaching receiving waters is unchanged. The calculation of predevelopment hydrology is based on native soil and vegetation. To the extent possible, a recipient of state bond funds shall utilize the standards developed under this paragraph.

Sec. 3. **NATURAL RESOURCES ASSET PRESERVATION; RIM; APPROPRIATION.**

Subdivision 1. Natural resources asset preservation. \$35,000,000 is appropriated from the bond proceeds fund to the commissioner of natural resources for natural resources asset preservation and replacement, to be spent in accordance with Minnesota Statutes, section 84.946.

Subd. 2. Reinvest in Minnesota reserve program. (a) \$35,000,000 is appropriated to the Board of Water and Soil Resources to acquire conservation easements from landowners to preserve, restore, create, and enhance wetlands; restore and enhance rivers and streams, riparian lands, and associated uplands in order to protect soil and water quality; support fish and wildlife habitat; reduce flood damages; and provide other public benefits. The provisions of Minnesota Statutes, section 103F.515, apply to this appropriation, except that the board may establish alternative payment rates for easements and practices to establish restored native prairies, as defined in Minnesota Statutes, section 84.02, subdivision 7, and to protect uplands. Of this appropriation, up to ten percent may be used to implement the program.

The board shall give priority to the area designated for relief and recovery from the flooding that occurred on or after August 18, 2007, in the area of southeast Minnesota designated under Presidential Declaration of Major Disaster DR-1717.

At least \$2,000,000 of this amount is available for use by the Cedar River and Turtle Creek Watershed Districts in Freeborn, Mower, and Steele Counties to restore wetlands and reduce flooding in the Austin area.

3.1 Up to \$8,000,000 of this amount is available for use in Becker, Clay, Kittson,
3.2 Mahnomen, Marshall, Norman, Pennington, Polk, Red Lake, Roseau, and Wilkin Counties
3.3 to restore wetlands and reduce flooding in the Red River Valley area.

3.4 (b) The board is authorized to enter into new agreements and amend past agreements
3.5 with landowners as required by Minnesota Statutes, section 103F.515, subdivision 5, to
3.6 allow for restoration, including overseeding and harvesting of native prairie vegetation
3.7 for use for energy production in a manner that does not devalue the natural habitat,
3.8 water quality benefits, or carbon sequestration functions of the area enrolled in the
3.9 easement. This shall occur after seed production and minimize impacts on wildlife. Of
3.10 this appropriation, up to five percent may be used for restoration, including overseeding.
3.11 The board must submit to the legislative committees with jurisdiction over environment
3.12 finance and capital investment an interim report on this program by October 1, 2010, and a
3.13 final report by February 1, 2011.

3.14 Subd. 3. **Bond sale.** To provide the money appropriated in this section from the
3.15 bond proceeds fund, the commissioner of management and budget shall sell and issue
3.16 bonds of the state in an amount up to \$70,000,000 in the manner, upon the terms, and with
3.17 the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the
3.18 Minnesota Constitution, article XI, sections 4 to 7.

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