A bill for an act

relating to state government; appropriating money from the outdoor heritage fund, clean water fund, parks and trails fund, and arts and cultural heritage fund; modifying certain outdoor heritage provisions; establishing accounts; modifying the Clean Water Legacy Act; revising membership and duties of the Clean Water Council; establishing State Capitol Preservation Commission; providing appointments; establishing reporting and other requirements for legacy fund recipients; amending Minnesota Statutes 2010, sections 3.303, subdivision 10; 85.013, by adding a subdivision; 85.53, subdivision 2; 97A.056, subdivision 2, by adding subdivisions; 114D.10; 114D.20, subdivisions 1, 2, 3, 6, 7; 114D.30; 114D.35; 114D.50, subdivision 4; 116.195; 129D.17, subdivision 2; 129D.18, subdivisions 3, 4; 129D.19, subdivision 5; Laws 2009, chapter 172, article 1, section 2, subdivisions 3, 15; article 2, section 4, as amended; article 4, section 9, subdivision 5; Laws 2010, chapter 361, article 1, section 2, subdivision 14; article 2, section 3; proposing coding for new law in Minnesota Statutes, chapters 15B; 16B; 84; 138; repealing Minnesota Statutes 2010, sections 84.02, subdivisions 1, 2, 3, 4, 6, 7, 8; 114D.45.

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

ARTICLE 1

OUTDOOR HERITAGE FUND

Section 1. **OUTDOOR HERITAGE APPROPRIATION.**

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 outdoor heritage fund and are available for the fiscal years indicated for each purpose. The figures "2012" and "2013" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2012, or June 30, 2013, respectively. "The first year" is fiscal year 2012. "The second year" is fiscal year 2013. "The biennium" is fiscal years 2012 and 2013. The appropriations in this article are onetime.

		APPROPRIATIONS Available for the Year Ending June 30	
		2012	2013

Sec. 2. **OUTDOOR HERITAGE**

Subdivision 1. **Total Appropriation**	**$**	**92,126,000 $**	**471,000**

This appropriation is from the outdoor heritage fund. The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Prairies and Grasslands**	35,324,000	-0-

(a) Wildlife Management Area, Scientific and Natural Areas, and Prairie Bank Easement Acquisition - Phase III

$4,690,000 the first year is to the commissioner of natural resources to:

(1) acquire land in fee for wildlife management area purposes under Minnesota Statutes, sections 86A.05, subdivision 8, and 97A.145;

(2) acquire land in fee for scientific and natural area purposes under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5; and

(3) acquire native prairie bank easements under Minnesota Statutes, section 84.96.

Of this amount, $759,000 is for transfer to the outdoor heritage land management account in the special revenue fund for the purposes specified in Minnesota Statutes, section 97A.056, subdivision 1a.

A list of proposed land or permanent conservation easement acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement monitoring and enforcement plan. Money appropriated from the outdoor heritage fund for easement acquisition may be used to establish a monitoring and enforcement fund as approved in the accomplishment plan, and subject to subdivision 15. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund.

(b) Accelerated Prairie Restoration and Enhancement on DNR Lands - Phase III

$1,652,000 the first year is to the commissioner of natural resources to accelerate the restoration and enhancement on wildlife management areas, scientific and natural areas, and land under native prairie bank easements.

(c) Minnesota Buffers for Wildlife and Water

$2,249,000 the first year is to the Board of Water and Soil Resources in cooperation with Pheasants Forever to acquire permanent conservation easements to enhance habitat by expanding riparian wildlife buffers on private land. A list of proposed easement acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement monitoring and enforcement plan. Money appropriated from the outdoor heritage fund for easement acquisition may be used to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to subdivision 15. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund.

(d) Northern Tallgrass Prairie National Wildlife Refuge Land Acquisition - Phase III

$1,720,000 the first year is to the commissioner of natural resources for an agreement with The Nature Conservancy to acquire land or permanent easements within the Northern Tallgrass Prairie Habitat Preservation Area in western Minnesota for addition to the Northern Tallgrass Prairie National Wildlife Refuge. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement monitoring and enforcement plan.

(e) Minnesota Prairie Recovery Project - Phase II

$4,500,000 the first year is to the commissioner of natural resources for an agreement with The Nature Conservancy to acquire native prairie and savanna and restore and enhance grasslands and savanna. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. Acquisitions, restorations, and enhancements must be within the two existing and two additional pilot focus areas contained in the accomplishment plan. Annual income statements and balance sheets for income and expenses from land acquired with appropriations from the outdoor heritage fund must be submitted to the Lessard-Sams Outdoor Heritage Council.

(f) Cannon River Headwaters Habitat Complex - Phase I

$1,877,000 the first year is to the commissioner of natural resources for an agreement with The Trust for Public Land to acquire and restore lands in the Cannon River watershed for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8, or aquatic management areas under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02. Of this amount, $344,000 is for transfer to the outdoor heritage land management account in the special revenue fund for the purposes specified in Minnesota Statutes, section 97A.056, subdivision 1a. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(g) Accelerating the Wildlife Management Area Program - Phase III

$6,691,000 the first year is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire prairie and other habitat areas for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8. Of this amount, $1,191,000 is for transfer to the outdoor heritage land management account in the special revenue fund for the purposes specified in Minnesota Statutes, section 97A.056, subdivision 1a. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(h) Accelerating the Waterfowl Production Area Program - Phase III

$9,815,000 the first year is to the commissioner of natural resources for an agreement with Pheasants Forever to accelerate the acquisition of wetlands and grasslands to be added to the waterfowl production area system in Minnesota in cooperation with the United States Fish and Wildlife Service. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(i) The Green Corridor Legacy Program - Phase III

$2,130,000 the first year is to the commissioner of natural resources for an agreement with the Redwood Area Development Corporation to acquire land for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8, or aquatic management areas under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02. Of this amount, $359,000 is for transfer to the outdoor heritage land management account in the special revenue fund for the purposes specified in Minnesota Statutes, section 97A.056, subdivision 1a. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(j) Native Prairie Report

By January 15, 2012, the Lessard-Sams Outdoor Heritage Council shall submit a report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over the outdoor heritage fund and environment and natural resources finance and policy that details the amount of native prairie protected, enhanced, and restored with outdoor heritage fund appropriations for fiscal years 2010, 2011, and 2012. The report must include:

(1) the total number of acres of native prairie that have been protected; and

(2) the total number of acres of native prairie that have been restored.

Subd. 3. **Forests**	16,039,000	-0-

(a) Minnesota Forests for the Future - Phase III

$5,409,000 the first year is to the commissioner of natural resources to acquire forest and wetland habitat through working forest easements and fee acquisition under the Minnesota forests for the future program pursuant to Minnesota Statutes, section 84.66. A conservation easement acquired with money appropriated under this paragraph must comply with subdivision 13. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement monitoring and enforcement plan. Money appropriated from the outdoor heritage fund for easement acquisition may be used to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to subdivision 15. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund.

(b) LaSalle Lake: Protecting Critical Mississippi Headwaters Habitat

$5,709,000 the first year is to the commissioner of natural resources for an agreement with The Trust for Public Land to acquire land adjacent to LaSalle Lake in Hubbard County. Of this amount, $1,077,000 is for transfer to the outdoor heritage land management account in the special revenue fund for the purposes specified in Minnesota Statutes, section 97A.056, subdivision 1a. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. If the acquisition is not completed by July 15, 2012, or if a balance remains after acquisition of land, the money under this paragraph is available for acquisition under subdivision 2, paragraph (a).

(c) Accelerated Forest Habitat Enhancement - Phase II

$826,000 the first year is to the commissioner of natural resources to restore and enhance lands in state forests, pursuant to Minnesota Statutes, section 89.021.

(d) Northeastern Minnesota Sharp-Tailed Grouse Habitat Partnership - Phase II

$1,199,000 the first year is to the commissioner of natural resources for an agreement with Pheasants Forever in cooperation with the Minnesota Sharp-Tailed

Grouse Society to acquire and enhance lands for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8. Of this amount, $211,000 is for transfer to the outdoor heritage land management account in the special revenue fund for the purposes specified in Minnesota Statutes, section 97A.056, subdivision 1a. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(e) Lower Mississippi River Habitat Partnership - Phase II

$863,000 the first year is to the commissioner of natural resources to acquire and enhance habitat in the lower Root River and lower Zumbro River watersheds, pursuant to Minnesota Statutes, section 86A.05, subdivisions 7 and 8. Of this amount, $156,000 is for transfer to the outdoor heritage land management account in the special revenue fund for the purposes specified in Minnesota Statutes, section 97A.056, subdivision 1a. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(f) Protect Key Forest Habitat Lands in Cass County - Phase II

$604,000 the first year is to the commissioner of natural resources for an agreement with Cass County to acquire land in fee for forest wildlife habitat. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(g) State Forest Acquisition

$1,429,000 the first year is to the commissioner of natural resources to acquire land in fee and permanent management access easements for state forests under Minnesota Statutes, section 86A.05, subdivision 7. Of this amount, $224,000 is for transfer to the outdoor heritage land management account in the special revenue fund for the purposes specified in Minnesota Statutes, section 97A.056, subdivision 1a. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

Subd. 4. **Wetlands**	15,934,000	-0-

(a) Reinvest in Minnesota Wetlands Reserve Acquisition and Restoration Program Partnership - Phase III

$13,000,000 the first year is to the Board of Water and Soil Resources to acquire permanent conservation easements and restore wetlands and associated upland habitat in cooperation with the United States Department of Agriculture Wetlands Reserve Program. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement monitoring and enforcement plan. Money appropriated from the outdoor heritage fund for easement acquisition may be used to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to subdivision 15. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund and a description of monitoring and enforcement activities.

(b) Accelerated Shallow Lakes and Wetlands Restoration and Enhancement - Phase III

$936,000 the first year is to the commissioner of natural resources to develop engineering designs for shallow lakes and wetlands and restore and enhance shallow lakes.

(c) Shallow Lake Shoreland Protection: Wild Rice Lakes

$1,998,000 the first year is to the commissioner of natural resources for an agreement with Ducks Unlimited and the Board of Water and Soil Resources to acquire wild rice lake shoreland habitat in fee and as permanent conservation easements as follows: $500,000 to the Department of Natural Resources; $1,100,000 to the Board of Water and Soil Resources; $291,000 to Ducks Unlimited; and $107,000 for transfer to the outdoor heritage land management account in the special revenue fund for the purposes specified in Minnesota Statutes, section 97A.056, subdivision 1a. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement monitoring and enforcement plan. Money appropriated from the outdoor heritage fund for easement acquisition may be used to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to subdivision 15. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund.

Subd. 5. **Habitat**	24,086,000	-0-

(a) Accelerated Aquatic Management Area Habitat Program - Phase III

$7,061,000 the first year is to the commissioner of natural resources to acquire interests in land in fee or permanent conservation easements for aquatic management areas under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02, to restore and enhance aquatic habitat. Of this amount, $561,000 is for transfer to the outdoor heritage land management account in the special revenue fund for the purposes specified in Minnesota Statutes, section 97A.056, subdivision 1a. A list of proposed acquisitions and stream and lake habitat restorations and enhancements must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement monitoring and enforcement plan. Money appropriated from the outdoor heritage fund for easement acquisition may be used to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to subdivision 15. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund.

(b) Coldwater Fish Habitat Enhancement Program - Phase III

$1,533,000 the first year is to the commissioner of natural resources for an agreement with Minnesota Trout Unlimited to restore, enhance, and protect cold water river and stream habitats in Minnesota. A list of proposed projects, describing types and locations of restorations and enhancements, must be provided as part of the required accomplishment plan.

(c) Land Addition to the Janet Johnson Memorial Wildlife Management Area

$707,000 the first year is to the commissioner of natural resources for an agreement with Chisago County to acquire land in fee to be added to the Janet Johnson Memorial Wildlife Management Area under Minnesota Statutes, section 86A.05, subdivision 8. Of this amount, $130,000 is for transfer to the outdoor heritage land management account in the special revenue fund for the purposes specified in Minnesota Statutes, section 97A.056, subdivision 1a. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(d) Metro Big Rivers Habitat - Phase II

$5,481,000 the first year is to the commissioner of natural resources for agreements to acquire interests in land in fee or permanent conservation easements and to restore and enhance natural systems associated with the Mississippi, Minnesota, and St. Croix Rivers as follows: $960,000 to the Minnesota Valley National Wildlife Refuge Trust, Inc.; $150,000 to Great River Greening; $840,000 to Minnesota Land

Trust; $150,000 to Friends of the Mississippi River; $2,900,000 to The Trust for Public Land; and $481,000 for transfer to the outdoor heritage land management account in the special revenue fund for the purposes specified in Minnesota Statutes, section 97A.056, subdivision 1a. A list of proposed projects, describing types and locations of acquisitions, restorations, and enhancements, must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement monitoring and enforcement plan. Money appropriated from the outdoor heritage fund for easement acquisition may be used to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to subdivision 15. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund.

(e) Protecting Sensitive Shorelands in North Central Minnesota

$1,098,000 the first year is to the commissioner of natural resources for agreements with the Leech Lake Watershed Foundation and the Minnesota Land Trust as follows: $339,000 to the Leech Lake Watershed Foundation; $741,000 to the Minnesota Land Trust; and $18,000 to the Department of Natural Resources to pay for acquisition-related expenses and monitoring costs of donated permanent conservation easements on sensitive shorelands in north central Minnesota. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement monitoring and enforcement plan. Money appropriated from the outdoor heritage fund for easement acquisition may be used to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to subdivision 15. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund.

(f) Restoring Native Habitat and Water Quality to Shell Rock River - Phase II

$2,577,000 the first year is to the commissioner of natural resources for an agreement with the Shell Rock River Watershed District to acquire land in fee at the headwaters of the Shell Rock River for aquatic management area purposes under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02, to restore and enhance aquatic habitat. The leases for gravel mining existing at the time of acquisition may not be extended and all gross income generated from mining operations must be transferred to the commissioner of management and budget and credited to the outdoor heritage fund. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(g) Outdoor Heritage Conservation Partners Grant Program - Phase III

$5,629,000 the first year is to the commissioner of natural resources for a program to provide competitive, matching grants of up to $400,000 to local, regional, state, and national organizations for enhancement, restoration, or protection of forests, wetlands, prairies, and habitat for fish, game, or wildlife in Minnesota. Grants shall not be made for activities required to fulfill the duties of owners of lands subject to conservation easements. Grants shall not be made from appropriations in this paragraph for projects that have a total project cost exceeding $475,000. $319,000 of this appropriation may be spent for personnel costs and other administrative costs. Grantees may acquire land or interests in land. Easements must be permanent. Land acquired in fee must be open to hunting and fishing during the open season unless otherwise provided by state law. The program shall require a match of at least ten percent from nonstate sources for grants of $100,000 or less and a match of at least 15 percent from nonstate sources for grants over $100,000. Up to one-third of the match may be in-kind resources. For grant applications of $25,000 or less, the commissioner shall provide a separate, simplified application process. The criteria for evaluating grant applications over $25,000 must include the amount of habitat restored, enhanced, or protected; local support; encouragement of a local conservation culture; urgency; capacity to achieve multiple benefits; habitat benefits provided; consistency with current conservation science; adjacency to protected lands; full funding of the project; supplementing existing funding; public access for hunting and fishing during the open season; sustainability; degree of collaboration; and use of native plant materials. All projects must conform to the Minnesota statewide conservation and preservation plan. Wildlife habitat projects must also conform to the Minnesota wildlife action plan. Subject to the evaluation criteria and requirements of this paragraph and Minnesota Statutes, the commissioner of natural resources shall give priority to organizations that have a history of receiving or charter to receive private contributions for local conservation or habitat projects when evaluating projects of equal value. If acquiring land or a conservation easement, priority shall be given to projects associated with existing wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8; scientific and natural areas under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5; and aquatic management areas under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02. All restoration or enhancement projects must be on land permanently protected by a conservation easement or public ownership or in public waters as defined in Minnesota Statutes, section 103G.005, subdivision 15. Priority shall be given to restoration and enhancement projects on public lands. Subdivision 9 applies to grants awarded under this paragraph. This appropriation is available until June 30, 2015. No less than five percent of the amount of each grant must be held back from reimbursement until the grant recipient has completed a grant accomplishment report by the deadline and in the form prescribed by and satisfactory to the Lessard-Sams Outdoor Heritage Council. The commissioner shall provide notice of the grant program in the 2011 game and fish law summaries that are prepared under Minnesota Statutes, section 97A.051, subdivision 2.

Subd. 6. **Administration**	743,000	471,000

(a) Contract Management

$175,000 the first year is to the commissioner of natural resources for contract management duties assigned in this section. The commissioner shall provide documentation to the Legislative Coordinating Commission on the expenditure of these funds.

(b) Legislative Coordinating Commission

(1) $471,000 the first year and $471,000 the second year are to the Legislative Coordinating Commission for two years of administrative expenses of the Lessard-Sams Outdoor Heritage Council and for two years of compensation and expense reimbursement of council members.

(2) $13,000 the first year is to the Legislative Coordinating Commission for the Web site required under Minnesota Statutes, section 3.303, subdivision 10.

(c) Technical Assistance Panel

$84,000 the first year is to the commissioner of natural resources for a technical assistance panel to conduct up to ten restoration audits under Minnesota Statutes, section 97A.056, subdivision 10.

Subd. 7. **Availability of Appropriation**

Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific appropriation and are specified in the accomplishment plan. Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Unless otherwise provided, the amounts in this section are available until June 30, 2014, when projects must be completed and final accomplishments reported. Funds for restoration or enhancement are available until June 30, 2016, or four years after acquisition, whichever is later, in order to complete restoration or enhancement work. If a project receives federal funds, the time period of the appropriation is extended to equal the availability of federal funding. Funds appropriated for fee title acquisition of land may be used to restore, enhance, and provide for the public use of land acquired with the appropriation. Public use facilities must have a minimal impact on habitat on acquired lands.

Subd. 8. **Accomplishment Plans**

It is a condition of acceptance of the appropriations made under this section that the agency or entity using the appropriation submit to the Lessard-Sams Outdoor Heritage Council an accomplishment plan and periodic accomplishment reports in the form determined by the council. The accomplishment plan must identify the project manager responsible for expending the appropriation and the final product. The accomplishment plan must account for the use of the appropriation and outcomes of the expenditure in measures of wetlands, prairies, forests, and fish, game, and wildlife habitat restored, protected, and enhanced. The plan must include an evaluation of results. None of the money provided in this section may be expended unless the council has approved the pertinent accomplishment plan.

Subd. 9. **Project Requirements**

(a) As a condition of accepting an appropriation made under this section, an agency or entity receiving an appropriation must comply with this subdivision for any project funded in whole or in part with funds from the appropriation.

(b) All conservation easements acquired with money appropriated under this section must: (1) be permanent; (2) specify the parties to the easement; (3) specify all of the provisions of an agreement that are permanent; (4) specify the habitat types and location being protected; (5) where appropriate for conservation or water protection outcomes, require the grantor to employ practices retaining water on the eased land as long as practicable; (6) specify the responsibilities of the parties for habitat enhancement and restoration and the associated costs of these activities; (7) be sent to the office of the Lessard-Sams Outdoor Heritage Council; (8) include a long-term stewardship plan and identify the sources and amount of funding for monitoring and enforcing the easement agreement; and (9) identify the parties responsible for monitoring and enforcing the easement agreement.

(c) For all restorations, a recipient must prepare and retain an ecological restoration and management plan that, to the degree practicable, is consistent with current conservation science and ecological goals for the restoration site. Consideration should be given to soil, geology, topography, and other relevant factors that would provide the best chance for long-term success and durability of the restoration projects. The plan must include the proposed timetable for implementing the restoration, including, but not limited to, site preparation, establishment of diverse plant species, maintenance, and additional enhancement to establish the restoration; identify long-term maintenance and management needs of the restoration and how the maintenance, management, and enhancement will be financed; and use current conservation science to achieve the best restoration.

(d) For new lands acquired, a recipient must prepare a restoration and management plan in compliance with paragraph (c), including identification of sufficient funding for implementation.

(e) To ensure public accountability for the use of public funds, a recipient must provide to the Lessard-Sams Outdoor Heritage Council documentation of the process used to select parcels acquired in fee or as permanent conservation easements and must provide the council with documentation of all related transaction costs, including, but not limited to, appraisals, legal fees, recording fees, commissions, other similar costs, and donations. This information must be provided for all parties involved in the transaction. The recipient must also report to the Lessard-Sams Outdoor Heritage Council any difference between the acquisition amount paid to the seller and the state-certified or state-reviewed appraisal, if a state-certified or state-reviewed appraisal was conducted. Acquisition data such as appraisals may remain private during negotiations but must ultimately be made public according to Minnesota Statutes, chapter 13.

(f) Except as otherwise provided in this section, all restoration and enhancement projects funded with money appropriated under this section must be on land permanently protected by a conservation easement or public ownership or in public waters as defined in Minnesota Statutes, section 103G.005, subdivision 15.

(g) To the extent an appropriation is used to acquire an interest in real property, a recipient of an appropriation under this section must provide to the Lessard-Sams Outdoor Heritage Council and the commissioner of management and budget an analysis of increased operations and maintenance costs likely to be incurred by public entities as a result of the acquisition and of how these costs are to be paid.

(h) A recipient of money under this section must erect signage according to Laws 2009, chapter 172, article 5, section 10.

Subd. 10. **Payment Conditions and Capital Equipment Expenditures**

All agreements, grants, or contracts referred to in this section must be administered on a reimbursement basis unless otherwise provided in this section. Notwithstanding Minnesota Statutes, section 16A.41, expenditures directly related to each appropriation's purpose made on or after July 1, 2011, are eligible for reimbursement unless otherwise provided in this section. Periodic reimbursement must be made upon receiving documentation that the deliverable items articulated in the approved accomplishment plan have been achieved, including partial achievements as evidenced by approved progress reports. Reasonable amounts may be advanced to projects to accommodate cash flow needs, support future management of acquired lands, or match a federal share. The advances must be approved as part of the accomplishment plan. Capital equipment expenditures for specific items in excess of $10,000 must be itemized in and approved as part of the accomplishment plan.

Subd. 11. **Purchase of Recycled and Recyclable Materials**

A political subdivision, public or private corporation, or other entity that receives an appropriation under this section must use the appropriation in compliance with Minnesota Statutes, sections 16B.121, regarding purchase of recycled, repairable, and durable materials, and 16B.122, regarding purchase and use of paper stock and printing.

Subd. 12. **Accessibility**

Structural and nonstructural facilities must meet the design standards in the Americans with Disabilities Act (ADA) accessibility guidelines.

Subd. 13. **Land Acquisition Restrictions**

(a) An interest in real property, including, but not limited to, an easement or fee title that is acquired with money appropriated under this section must be used in perpetuity or for the specific term of an easement interest for the purpose for which the appropriation was made.

(b) A recipient of funding who acquires an interest in real property subject to this subdivision may not alter the intended use of the interest in real property or convey any interest in the real property acquired with the appropriation without the prior review and approval of the Lessard-Sams Outdoor Heritage Council or its successor. The council shall notify the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the outdoor heritage fund at least 15 business days before approval under this paragraph. The council shall establish procedures to review requests from recipients to alter the use of or convey an interest in real property. These procedures shall allow for the replacement of the interest in real property with another interest in real property meeting the following criteria: (1) the interest must be at least equal in fair market value, as certified by the commissioner of natural resources, to the interest being replaced; and (2) the interest must be in a reasonably equivalent location and have a reasonably equivalent useful conservation purpose compared to the interest being replaced, taking into consideration all effects from fragmentation of the whole habitat.

(c) A recipient of funding who acquires an interest in real property under paragraph (a) must separately record a notice of funding restrictions in the appropriate local government office where the conveyance of the interest in real property is filed. The notice of funding agreement must contain: (1) a legal description of the interest in real property covered by the funding agreement; (2) a reference to the underlying funding agreement; (3) a reference to this section; and (4) the following statement: "This interest in real property shall be administered in accordance with the terms, conditions, and purposes of the grant agreement controlling the acquisition of the property. The interest in real property, or any portion of the interest in real property, shall not be sold, transferred, pledged, or otherwise disposed of or further encumbered without obtaining the prior written approval of the Lessard-Sams

Outdoor Heritage Council or its successor. The ownership of the interest in real property shall transfer to the state if: (1) the holder of the interest in real property fails to comply with the terms and conditions of the grant agreement or accomplishment plan; or (2) restrictions are placed on the land that preclude its use for the intended purpose as specified in the appropriation."

Subd. 14. **Real Property Interest Report**

By December 1 each year, a recipient of money appropriated under this section that is used for the acquisition of an interest in real property, including, but not limited to, an easement or fee title, must submit annual reports on the status of the real property to the Lessard-Sams Outdoor Heritage Council or its successor in a form determined by the council. The responsibility for reporting under this section may be transferred by the recipient of the appropriation to another person or entity that holds the interest in the real property. To complete the transfer of reporting responsibility, the recipient of the appropriation must: (1) inform the person to whom the responsibility is transferred of that person's reporting responsibility; (2) inform the person to whom the responsibility is transferred of the property restrictions under subdivision 13; and (3) provide written notice to the council of the transfer of reporting responsibility, including contact information for the person to whom the responsibility is transferred. After the transfer, the person or entity that holds the interest in the real property is responsible for reporting requirements under this section.

Subd. 15. **Easement Monitoring and Enforcement Requirements**

Money appropriated under this section for easement monitoring and enforcement may be spent only on activities included in an easement monitoring and enforcement plan contained within the accomplishment plan. Money received for monitoring and enforcement, including earnings on the money received, shall be kept in a monitoring and enforcement fund held by the organization and dedicated to monitoring and enforcing conservation easements within Minnesota. Within 120 days after the close of the entity's fiscal year, an entity receiving appropriations for easement monitoring and enforcement must provide an annual financial report to the Lessard-Sams Outdoor Heritage Council on the easement monitoring and enforcement fund as specified in the accomplishment plan. Money appropriated under this section for monitoring and enforcement of easements and earnings on the money appropriated shall revert to the state if: (1) the easement transfers to the state under subdivision 13; (2) the holder of the easement fails to file an annual report and then fails to cure that default within 30 days of notification of the default by the state; or (3) the holder of the easement fails to comply with the terms of the monitoring and enforcement plan contained within the accomplishment plan and fails to cure that default within 90 days of notification of the default by the state.

Subd. 16. **Successor Organizations**

The Lessard-Sams Outdoor Heritage Council may approve the continuation of a project with an organization that has adopted a new name. Continuation of a project with an organization that has undergone a significant change in mission, structure, or purpose requires: (1) notice to the chairs of the legislative committees with relevant jurisdiction; and (2) presentation by the council of proposed legislation either ratifying or rejecting continued involvement with the new organization.

Subd. 17. **Appropriations Adjustment**

(a) Mississippi River Bluffland Prairie Protection Initiative

Of the amount appropriated in Laws 2009, chapter 172, article 1, section 2, subdivision 2, paragraph (f), $65,000 is for deposit in a monitoring and enforcement account as authorized in subdivision 15.

(b) Critical Shoreline Habitat Protection Program

Of the amount appropriated in Laws 2010, chapter 361, article 1, section 2, subdivision 3, paragraph (a), $187,000 is for deposit in a monitoring and enforcement account as authorized in subdivision 15.

(c) Riparian and Lakeshore Protection in Dakota County

Of the amount appropriated in Laws 2010, chapter 361, article 1, section 2, subdivision

5, paragraph (d), $80,000 is for deposit in a monitoring and enforcement account as authorized in subdivision 15.

(d) Valley Creek Protection Partnership

Of the amount appropriated in Laws 2010, chapter 361, article 1, section 2, subdivision 5, paragraph (e), $12,000 is for deposit in a monitoring and enforcement account as authorized in subdivision 15.

Sec. 3. **[84.68] FORESTS FOR THE FUTURE CONSERVATION EASEMENT ACCOUNT.**

Subdivision 1. **Account established; sources.** The forests for the future conservation easement account is created in the natural resources fund in the state treasury. The following revenue shall be deposited in the account:

(1) contributions to the account or specified for any purposes of the account;

(2) financial contributions required under section 84.66, subdivision 11, or other applicable law; and

(3) money appropriated or transferred for the purposes described in subdivision 2.

Interest earned on money in the account accrues to the account.

Subd. 2. **Appropriation; purposes of account.** Money in the forests for the future conservation easement account is appropriated annually to the commissioner of natural resources and may be spent only to cover the costs of managing forests for the future conservation easements held by the Department of Natural Resources, including costs incurred from monitoring, landowner contracts, record keeping, processing landowner notices, requests for approval or amendments, and enforcement.

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

Sec. 4. Minnesota Statutes 2010, section 97A.056, is amended by adding a subdivision to read:

Subd. 1a. **Outdoor heritage land management account.** An outdoor heritage land management account is created as an account in the special revenue fund. The State Board of Investment shall ensure the account is invested under section 11A.24. The commissioner of management and budget shall credit to the account all money appropriated to the account and all money earned by the account. The principal of the account and any unexpended earnings must be invested and reinvested by the State Board of Investment. Nothing in this section limits the source of contributions to the account. No more than five and one-half percent of the market value of the account as of June 30 of the prior fiscal year is appropriated to the commissioner of natural resources to pay for future restoration and enhancement of lands purchased in fee with monies from the outdoor heritage fund and held by the state.

Sec. 5. Minnesota Statutes 2010, section 97A.056, is amended by adding a subdivision to read:

Subd. 1b. **Definitions.** For the purpose of appropriations from the outdoor heritage fund, "recipient" means the entity responsible for deliverables financed by the outdoor heritage fund.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2009.

Sec. 6. Minnesota Statutes 2010, section 97A.056, subdivision 2, is amended to read:

Subd. 2. **Lessard-Sams Outdoor Heritage Council.** (a) The Lessard-Sams Outdoor Heritage Council of 12 members is created in the legislative branch, consisting of:

(1) two public members appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration;

(2) two public members appointed by the speaker of the house;

(3) four public members appointed by the governor;

(4) two members of the senate appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration; and

(5) two members of the house of representatives appointed by the speaker of the house.

(b) Members appointed under paragraph (a) must not be registered lobbyists. In making appointments, the governor, senate Subcommittee on Committees of the Committee on Rules and Administration, and the speaker of the house shall consider geographic balance, gender, age, ethnicity, and varying interests including hunting and fishing. The governor's appointments to the council are subject to the advice and consent of the senate.

(c) Public members appointed under paragraph (a) shall have practical experience or expertise or demonstrated knowledge in the science, policy, or practice of restoring, protecting, and enhancing wetlands, prairies, forests, and habitat for fish, game, and wildlife.

(d) Legislative members appointed under paragraph (a) shall include the chairs of the legislative committees with jurisdiction over environment and natural resources finance or their designee, one member from the minority party of the senate, and one member from the minority party of the house of representatives.

(e) Public members serve four-year terms ~~and~~. Appointed legislative members serve at the pleasure of the appointing authority. Public and legislative members continue to serve until their successors are appointed. Public members shall be initially appointed according to the following schedule of terms:

(1) two public members appointed by the governor for a term ending the first Monday in January 2011;

(2) one public member appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration for a term ending the first Monday in January 2011;

(3) one public member appointed by the speaker of the house for a term ending the first Monday in January 2011;

(4) two public members appointed by the governor for a term ending the first Monday in January 2013;

(5) one public member appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration for a term ending the first Monday in January 2013; and

(6) one public member appointed by the speaker of the house for a term ending the first Monday in January 2013~~; and~~.

~~(7) two members of the senate appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration for a term ending the first Monday in January 2013, and two members of the house of representatives appointed by the speaker of the house for a term ending the first Monday in January 2013.~~

(f) Compensation and removal of public members are as provided in section 15.0575. A vacancy on the council may be filled by the appointing authority for the remainder of the unexpired term.

(g) The first meeting of the council shall be convened by the chair of the Legislative Coordinating Commission no later than December 1, 2008. Members shall elect a chair, vice-chair, secretary, and other officers as determined by the council. The chair may convene meetings as necessary to conduct the duties prescribed by this section.

(h) Upon coordination with and approval by the Legislative Coordinating Commission, the council may appoint nonpartisan staff and contract with consultants as necessary to carry out the functions of the council. Up to one percent of the money appropriated from the fund may be used to pay for administrative expenses of the council and for compensation and expense reimbursement of council members.

Sec. 7. Minnesota Statutes 2010, section 97A.056, is amended by adding a subdivision to read:

Subd. 11. **Commissioner approval; acquisitions.** The commissioner must agree in writing to each proposed acquisition of land or interest in land purchased with an appropriation from the outdoor heritage fund that is intended to be transferred to the commissioner. Prior to signing the written agreement, the commissioner must determine that the acquisition meets the Department of Natural Resources' precision acquisition goals.

Sec. 8. Laws 2009, chapter 172, article 1, section 2, subdivision 3, is amended to read:

Subd. 3. **Forests**	18,000,000	18,000,000

$18,000,000 in fiscal year 2010 and $18,000,000 in fiscal year 2011 are to the commissioner of natural resources to acquire land or permanent working forest easements on private forests in areas identified through the Minnesota forests for the future program under Minnesota Statutes, section 84.66. Up to $750,000 in fiscal year 2011 may be transferred to the forests for the future conservation easement account and used for the purposes specified under Minnesota Statutes, section 84.68, subdivision 2. Priority must be given to acquiring land or interests in private lands within existing Minnesota state forest boundaries. Any easements acquired must have a forest management plan as defined in Minnesota Statutes, section 290C.02, subdivision 7. A list of proposed fee title and easement acquisitions must be provided as part of the required accomplishment plan. ~~The fiscal~~

~~year 2011 appropriation is available only for acquisitions that, by August 15, 2009, are:~~

~~(1) subject to a binding agreement with the commissioner; and~~

~~(2) matched by at least $9,000,000 in private donations.~~

Sec. 9. Laws 2009, chapter 172, article 1, section 2, subdivision 15, is amended to read:

Subd. 15. **Real Property Interest Report**

By December 1 each year, a recipient of money appropriated under this section that is used for the acquisition of an interest in real property, including but not limited to an easement or fee title, must submit annual reports on the status of the real property to the Lessard Outdoor Heritage Council or its successor in a form determined by the council. The responsibility for reporting under this section may be transferred by the recipient of the appropriation to another person or entity that holds the interest in the real property. To complete the transfer of reporting responsibility, the recipient of the appropriation must:

(1) inform the person to whom the responsibility is transferred of that person's reporting responsibility;

(2) inform the person to whom the responsibility is transferred of the property restrictions under subdivision 14; and

(3) provide written notice to the council of the transfer of reporting responsibility, including contact information for the person to whom the responsibility is transferred.

~~Before the transfer, the entity receiving the transfer of property must certify to the Lessard Outdoor Heritage Council, or its successor, acceptance of all obligations and responsibilities held by the prior owner.~~

After the transfer, the person or entity that holds the interest in the real property is responsible for reporting requirements under this section.

Sec. 10. Laws 2010, chapter 361, article 1, section 2, subdivision 14, is amended to read:

Subd. 14. **Real Property Interest Report**

By December 1 each year, a recipient of money appropriated under this section that is used for the acquisition of an interest in real property, including, but not limited to, an easement or fee title, must submit annual reports on the status of the real property to the Lessard-Sams Outdoor Heritage Council or its successor in a form determined by the council. The responsibility for reporting under this section may be transferred by the recipient of the appropriation to another person or entity that holds the interest in the real property. To complete the transfer of reporting responsibility, the recipient of the appropriation must: (1) inform the person to whom the responsibility is transferred of that person's reporting responsibility; (2) inform the person to whom the responsibility is transferred of the property restrictions under subdivision 13; and (3) provide written notice to the council of the transfer of reporting responsibility, including contact information for the person to whom the responsibility is transferred~~; and (4) provide the Lessard-Sams Outdoor Heritage Council or its successor written documentation from the person or entity holding the interest in real property certifying its acceptance of all reporting obligations and responsibilities previously held by the recipient of the appropriation~~. After the transfer, the person or entity that holds the interest in the real property is responsible for reporting requirements under this section.

Sec. 11. **REPEALER.**

Minnesota Statutes 2010, section 84.02, subdivisions 1, 2, 3, 4, 6, 7, and 8, are repealed.

ARTICLE 2

CLEAN WATER FUND

Section 1. **CLEAN WATER FUND 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 clean water fund, and are available for the fiscal years indicated for allowable activities under the Minnesota Constitution, article XI, section 15. "The first year" is fiscal year 2012. "The second year" is fiscal year 2013. "The biennium" is fiscal years 2012 and 2013. The appropriations in this article are onetime.

		APPROPRIATIONS Available for the Year Ending June 30		
		2012		**2013**
Sec. 2. **CLEAN WATER**				
Subdivision 1. **Total Appropriation**	**$**	**89,906,000**	**$**	**88,454,000**

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

Subd. 2. **Availability of Appropriation**

Money appropriated in this article may not be spent on activities unless they are directly related to and necessary for a specific appropriation. Money appropriated in this article must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Notwithstanding Minnesota Statutes, section 16A.28, and unless otherwise specified in this article, fiscal year 2012 appropriations are available until June 30, 2013, and fiscal year 2013 appropriations are available until June 30, 2014. If a project receives federal funds, the time period of the appropriation is extended to equal the availability of federal funding.

Sec. 3. **DEPARTMENT OF AGRICULTURE**	**$**	**8,200,000**	**$**	**8,200,000**

(a) $350,000 the first year and $350,000 the second year are to increase monitoring for pesticides and pesticide degradates in surface water and groundwater and to use data collected to assess pesticide use practices.

(b) $850,000 the first year and $850,000 the second year are to increase monitoring and evaluate trends in the concentration of nitrates in groundwater in high-risk areas and regionally and to promote and evaluate regional and crop-specific nutrient best management practices. This appropriation is available until spent.

(c) $5,000,000 the first year and $5,000,000 the second year are for the agriculture best management practices loan program. At least $4,000,000 the first year and at least $4,400,000 the second year are for transfer to the clean water agricultural best management practices loan account and are available for pass-through to local governments and lenders for low-interest loans. Any unencumbered balance that is not used for pass-through to local governments does not cancel at the end of the first year and is available for the second year.

(d) $700,000 the first year and $700,000 the second year are for pilot projects and technical assistance on proper implementation of best management practices for nonpoint contributions to impaired waters. This appropriation is available until spent.

(e) $1,050,000 the first year and $1,050,000 the second year are for research to quantify agricultural contributions to impaired waters and for development and evaluation of best management practices to protect and restore water resources while maintaining productivity. This appropriation is available until spent.

(f) $250,000 the first year and $250,000 the second year are for a research inventory database containing water-related research activities that have been publicly funded.

Sec. 4. **PUBLIC FACILITIES AUTHORITY** **$ 16,710,000** **$ 16,710,000**

(a) $11,185,000 the first year and $11,185,000 the second year are for the total maximum daily load (TMDL) grant program under

Minnesota Statutes, section 446A.073. This appropriation is available until spent.

(b) $4,275,000 the first year and $4,275,000 the second year are for the clean water legacy phosphorus reduction grant program under Minnesota Statutes, section 446A.074. This appropriation is available until spent.

(c) $1,250,000 the first year and $1,250,000 the second year are for small community wastewater treatment grants and loans under Minnesota Statutes, section 446A.075. This appropriation is available until spent.

(d) If there are any uncommitted funds at the end of each fiscal year under paragraph (a), (b), or (c), the Public Facilities Authority may transfer the remaining funds to eligible projects under any of the programs listed under this section, based on their priority rank on the Pollution Control Agency's project priority list.

Sec. 5. **POLLUTION CONTROL AGENCY** **$ 23,100,000** **$ 22,600,000**

(a) $7,500,000 the first year and $7,500,000 the second year are for completion of 20 percent of the needed statewide assessments of surface water quality and trends. Of this amount, $100,000 the first year and $100,000 the second year are for grants to the Red River Watershed Management Board to enhance and expand the existing water quality and watershed monitoring river watch activities in the schools in the Red River of the North. The Red River Watershed Management Board shall provide a report to the commissioner of the Pollution Control

Agency and the legislative committees and divisions with jurisdiction over environment and natural resources finance and policy and the clean water fund by February 15, 2013, on the expenditure of these funds.

(b) $9,400,000 the first year and $9,400,000 the second year are to develop total maximum daily load (TMDL) studies and TMDL implementation plans for waters listed on the United States Environmental Protection Agency approved impaired waters list in accordance with Minnesota Statutes, chapter 114D. The agency shall complete an average of ten percent of the TMDL's each year over the biennium.

(c) $1,125,000 the first year and $1,125,000 the second year are for groundwater assessment, including enhancing the ambient monitoring network, modeling, and continuing to monitor for and assess contaminants of emerging concern.

(d) $750,000 the first year and $750,000 the second year are for water quality improvement in the lower St. Louis River and Duluth harbor. This appropriation must be matched by a rate of 65 percent nonstate funds to 35 percent state funds.

(e) $1,250,000 the first year and $1,250,000 the second year are for the clean water partnership program to provide grants to protect and improve the basins and watersheds of the state and provide financial and technical assistance to study waters with nonpoint source pollution problems. Priority shall be given to projects preventing impairments and degradation of lakes, rivers, streams, and groundwater in accordance with Minnesota Statutes, section 114D.20, subdivision 2, clause (4). Any balance remaining in the first year does not cancel and is available for the second year.

(f) $400,000 the first year and $400,000 the second year are for storm water research and guidance.

(g) $1,150,000 the first year and $1,150,000 the second year are for TMDL research and database development.

(h) $800,000 the first year and $800,000 the second year are for national pollutant discharge elimination system wastewater and storm water TMDL implementation efforts.

(i) $225,000 the first year and $225,000 the second year are transferred to the commissioner of administration for the Environmental Quality Board in cooperation with the United States Geological Survey to characterize groundwater flow and aquifer properties in the I-94 corridor in cooperation with local units of government. This appropriation is available until June 30, 2014.

(j) $500,000 the first year is for a wild rice standards study.

Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2013, as grants or contracts in this section are available until June 30, 2016.

Sec. 6. **DEPARTMENT OF NATURAL RESOURCES**	**$**	**11,160,000**	**$**	**10,160,000**

(a) $1,825,000 the first year and $1,825,000 the second year are for the continuation and expansion of stream flow monitoring.

(b) $1,150,000 the first year and $1,150,000 the second year are for lake Index of Biological Integrity (IBI) assessments, including assessment of 400 additional lakes and technical analysis to develop an aquatic plant IBI analysis. The commissioner shall work with the commissioner of the Pollution Control Agency on the development of an assessment tool.

(c) $130,000 the first year and $130,000 the second year are for assessing mercury contamination of fish, including monitoring to track the status of waters impaired by mercury and mercury reduction efforts over time.

(d) $1,730,000 the first year and $1,730,000 the second year are for TMDL development and TMDL implementation plans for waters listed on the United States Environmental Protection Agency approved impaired waters list in accordance with Minnesota Statutes, chapter 114D, and for development of a watershed assessment tool.

(e) $1,500,000 the first year and $1,500,000 the second year are for water supply planning, aquifer protection, and monitoring activities.

(f) $450,000 the first year and $450,000 the second year are for establishing a Web-based electronic permitting system to capture water appropriation use information.

(g) $1,725,000 the first year and $1,725,000 the second year are for shoreland stewardship, TMDL implementation coordination, providing technical assistance to the Drainage Work Group and Drainage Management Team, and maintaining and updating data. Of this amount, $235,000 each year is for maintaining and updating watershed boundaries and integrating high-resolution digital elevation data with watershed modeling and $40,000 each year is for a biomonitoring database. TMDL implementation coordination efforts shall be focused on major watersheds with TMDL implementation plans, including forested watersheds.

(h) $1,350,000 the first year and $1,350,000 the second year are to acquire and distribute high-resolution digital elevation data using light detection and ranging to aid with impaired waters modeling and TMDL implementation under Minnesota Statutes, chapter 114D. The money shall be used to collect data for areas of the state that have not acquired such data prior to January 1, 2007, or to complete acquisition and distribution of the data for those areas of the state that have not previously received state funds for acquiring and distributing the data. The distribution of data acquired under this paragraph must be conducted under the auspices of the Minnesota Geospatial Information Office, which shall receive up to 2.5 percent of the appropriation in this paragraph to support coordination of data acquisition and distribution. Mapping and data set distribution under this paragraph must be completed within three years of funds availability. The commissioner shall utilize department staff whenever possible. The commissioner may contract for services only if the services cannot otherwise be provided by the department.

(i) $300,000 the first year and $300,000 the second year are for delivery of decision support tools through outreach, education, and citizen engagement.

(j) $1,000,000 the first year is for implementation of the metropolitan groundwater monitoring and protection activities under Minnesota Laws 2010, chapter 361, article 2, section 4, subdivision 2.

Sec. 7. **BOARD OF WATER AND SOIL RESOURCES**	**$**	**27,234,000**	**$**	**27,234,000**

(a) $13,750,000 the first year and $13,750,000 the second year are for pollution reduction and restoration grants to local government units and joint powers organizations of local government units to protect surface water and drinking water; to keep water on the land; to protect, enhance, and restore water quality in lakes, rivers, and streams; and to protect groundwater and drinking water, including feedlot water quality and subsurface sewage treatment system (SSTS) projects and stream bank, stream channel, and shoreline restoration projects. The projects must be of long-lasting public benefit, include a match, and be consistent with TMDL implementation plans or local water management plans.

(b) $3,000,000 the first year and $3,000,000 the second year are for targeted local resource protection and enhancement grants. The board shall give priority consideration to projects and practices that complement, supplement, or exceed current state standards for protection, enhancement, and restoration of water quality in lakes, rivers, and streams or that protect groundwater from degradation. Of this amount, at least $1,500,000 each year is for SSTS county implementation.

(c) $900,000 the first year and $900,000 the second year are to provide state oversight and accountability, evaluate results, and measure the value of conservation program implementation by local governments, including submission to the legislature by March 1 each year an annual report prepared by the board, in consultation with the commissioners of natural resources, health, agriculture, and the Pollution Control Agency, detailing the recipients and projects funded under this section. The board shall require grantees to specify the outcomes that will be achieved by the grants prior to any grant awards.

(d) $1,000,000 the first year and $1,000,000 the second year are for technical assistance and grants for the conservation drainage program in consultation with the Drainage Work Group that consists of projects to retrofit existing drainage systems with water quality improvement practices, evaluate outcomes, and provide outreach to landowners, public drainage authorities, drainage engineers and contractors, and others.

(e) $6,000,000 the first year and $6,000,000 the second year are to purchase and restore permanent conservation easements on riparian buffers adjacent to public waters, excluding wetlands, to keep water on the land in order to decrease sediment, pollutant, and nutrient transport; reduce hydrologic impacts to surface waters; and increase infiltration for groundwater recharge. The riparian buffers must be at least 50 feet unless there is a natural impediment, a road, or other impediment beyond the control of the landowner. This appropriation may be used for restoration of riparian buffers protected by easements purchased with this appropriation and for stream bank restorations when the riparian buffers have been restored.

(f) $1,000,000 the first year and $1,000,000 the second year are for permanent conservation easements on wellhead protection areas under Minnesota Statutes, section 103F.515, subdivision 2, paragraph (d). Priority must be placed on land that is located where the vulnerability of the drinking water supply is designated as high or very high by the commissioner of health.

(g) $1,500,000 the first year and $1,500,000 the second year are for community partners grants to local units of government for: (1) structural or vegetative management practices that reduce storm water runoff from developed or disturbed lands to reduce the movement of sediment, nutrients, and pollutants for restoration, protection, or enhancement of water quality in lakes, rivers, and streams and to protect groundwater and drinking water; and (2) installation of proven and effective water retention practices including, but not limited to, rain gardens and other vegetated infiltration basins and sediment control basins in order to keep water on the land. The projects must be of long-lasting public benefit, include a local match, and be consistent with TMDL implementation plans or local water management plans. Local government unit staff and administration costs may be used as a match.

(h) $84,000 the first year and $84,000 the second year are for a technical assistance panel to conduct up to ten restoration audits under Minnesota Statutes, section 114D.50, subdivision 6.

(i) The board shall contract for services with Conservation Corps Minnesota for restoration, maintenance, and other activities under this section for $500,000 the first year and $500,000 the second year.

(j) The board may shift grant or cost-share funds in this section and may adjust the technical and administrative assistance portion of the funds to leverage federal or other nonstate funds or to address oversight responsibilities or high-priority needs identified in local water management plans.

(k) The appropriations in this section are available until spent.

Sec. 8. **DEPARTMENT OF HEALTH**	$	2,988,000	$	3,050,000

(a) $1,020,000 the first year and $1,020,000 the second year are for addressing public health concerns related to contaminants found in Minnesota drinking water for which no health-based drinking water standard exists.

(b) $1,415,000 the first year and $1,415,000 the second year are for protection of drinking water sources.

(c) $250,000 the first year and $250,000 the second year are for cost-share assistance to public and private well owners for up to 50 percent of the cost of sealing unused wells.

(d) $303,000 the first year and $365,000 the second year are to expand the county well index.

Sec. 9. **METROPOLITAN COUNCIL**	$	500,000	$	500,000

$500,000 the first year and $500,000 the second year are for implementation of the master water supply plan developed under Minnesota Statutes, section 473.1565.

Sec. 10. **LEGISLATURE**	$	14,000	$	-0-

$14,000 the first year is for the Legislative Coordinating Commission for the costs of developing and implementing a Web site to contain information on projects receiving appropriations from the clean water fund and other constitutionally dedicated funds.

Sec. 11. **CARRYFORWARD**

(a) The appropriations in Laws 2009, chapter 172, article 2, section 4, paragraph (g), as amended by Laws 2010, chapter 361, article 2, section 2, are available until June 30, 2013, and may be spent to continue research and testing on the potential for coal tar contamination of waters, on the study of treatment and disposal options, and for grants to local units of government.

(b) The appropriation in Laws 2010, chapter 361, article 2, section 4, subdivision 1, for nitrogen and nitrate water quality standards rulemaking is available until June 30, 2012.

(c) The appropriations in Laws 2009, chapter 172, article 2, section 4, paragraph (a), as amended by Laws 2010, chapter 361, article 2, section 2, for total maximum daily load (TMDL) study development and implementation are available until June 30, 2014.

(d) The appropriations in Laws 2009, chapter 172, article 2, section 2, paragraph (d), for research and pilot projects related to ways agricultural practices contribute to restoring impaired waters and assist with the development of TMDL plans, are available until spent.

Sec. 12. Minnesota Statutes 2010, section 114D.10, is amended to read:

114D.10 LEGISLATIVE PURPOSE AND FINDINGS.

Subdivision 1. **Purpose.** The purpose of the Clean Water Legacy Act is to protect, enhance, and restore~~, and preserve the~~ water quality ~~of Minnesota's surface waters~~ in lakes, rivers, and streams and to protect groundwater from degradation, by providing authority, direction, and resources to achieve and maintain water quality standards for groundwater and surface waters ~~as~~, including the standards required by section 303(d) of the federal Clean Water Act, United States Code, title 33, section 1313(d), and other applicable state and federal regulations.

Subd. 2. **Findings.** The legislature finds that:

(1) there is a close link between protecting, enhancing, and restoring~~, and preserving~~ the quality of Minnesota's groundwater and surface waters and the ability to develop the state's economy, enhance its quality of life, and protect its human and natural resources;

(2) achieving the state's water quality goals will require long-term commitment and cooperation by all state and local agencies, and other public and private organizations and individuals, with responsibility and authority for water management, planning, and protection; and

(3) all persons and organizations whose activities affect the quality of waters, including point and nonpoint sources of pollution, have a responsibility to participate in and support efforts to achieve the state's water quality goals.

Sec. 13. Minnesota Statutes 2010, section 114D.20, subdivision 1, is amended to read:

Subdivision 1. **Coordination and cooperation.** In implementing this chapter, public agencies and private entities shall take into consideration the relevant provisions of local and other applicable water management, conservation, land use, land management, and development plans and programs. Public agencies with authority for local water management, conservation, land use, land management, and development plans shall take into consideration the manner in which their plans affect the implementation of this chapter. Public agencies shall identify opportunities to participate and assist in the successful implementation of this chapter, including the funding or technical assistance needs, if any, that may be necessary. In implementing this chapter, public agencies shall endeavor to engage the cooperation of organizations and individuals whose activities affect the quality of groundwater or surface waters, including point and nonpoint sources of pollution, and who have authority and responsibility for water management, planning, and protection. To the extent practicable, public agencies shall endeavor to enter into formal and informal agreements and arrangements with federal agencies and departments to jointly utilize staff and educational, technical, and financial resources to deliver programs or conduct activities to achieve the intent of this chapter, including efforts under the federal Clean Water Act and other federal farm and soil and water conservation programs. Nothing in this chapter affects the application of silvicultural exemptions under any federal, state, or local law or requires silvicultural practices more stringent than those recommended in the timber harvesting and forest management guidelines adopted by the Minnesota Forest Resources Council under section 89A.05.

Sec. 14. Minnesota Statutes 2010, section 114D.20, subdivision 2, is amended to read:

Subd. 2. **Goals for implementation.** The following goals must guide the implementation of this chapter:

(1) to identify impaired waters in accordance with federal TMDL requirements within ten years after the effective date of this section and thereafter to ensure continuing evaluation of surface waters for impairments;

(2) to submit TMDL's to the United States Environmental Protection Agency for all impaired waters in a timely manner in accordance with federal TMDL requirements;

(3) to set a reasonable time for implementing restoration of each identified impaired water;

(4) to provide assistance and incentives to prevent waters from becoming impaired and to improve the quality of waters that are listed as impaired but do not have an approved TMDL addressing the impairment;

(5) to promptly seek the delisting of waters from the impaired waters list when those waters are shown to achieve the designated uses applicable to the waters; ~~and~~

(6) to achieve compliance with federal Clean Water Act requirements in Minnesota~~.~~;

(7) to support effective measures to prevent the degradation of groundwater according to the groundwater degradation prevention goal under section 103H.001; and

(8) to support effective measures to restore degraded groundwater.

Sec. 15. Minnesota Statutes 2010, section 114D.20, subdivision 3, is amended to read:

Subd. 3. **Implementation policies.** The following policies must guide the implementation of this chapter:

(1) develop regional and watershed TMDL's and TMDL implementation plans, and TMDL's and TMDL implementation plans for multiple pollutants, where reasonable and feasible;

(2) maximize use of available organizational, technical, and financial resources to perform sampling, monitoring, and other activities to identify degraded groundwater and impaired waters, including use of citizen monitoring and citizen monitoring data used by the Pollution Control Agency in assessing water quality ~~must meet~~ that meets the requirements in Appendix D of the Volunteer Surface Water Monitoring Guide, Minnesota Pollution Control Agency (2003);

(3) maximize opportunities for restoration of degraded groundwater and impaired waters, by prioritizing and targeting of available programmatic, financial, and technical resources and by providing additional state resources to complement and leverage available resources;

(4) use existing regulatory authorities to achieve restoration for point and nonpoint sources of pollution where applicable, and promote the development and use of effective nonregulatory measures to address pollution sources for which regulations are not applicable;

(5) use restoration methods that have a demonstrated effectiveness in reducing impairments and provide the greatest long-term positive impact on water quality protection and improvement and related conservation benefits while incorporating innovative approaches on a case-by-case basis;

(6) identify for the legislature any innovative approaches that may strengthen or complement existing programs;

(7) identify and encourage implementation of measures to prevent surface waters from becoming impaired and to improve the quality of waters that are listed as impaired but have no approved TMDL addressing the impairment using the best available data and technology, and establish and report outcome-based performance measures that monitor the progress and effectiveness of protection and restoration measures; ~~and~~

(8) monitor and enforce cost-sharing contracts and impose monetary damages in an amount up to 150 percent of the financial assistance received for failure to comply~~.~~; and

(9) identify and encourage implementation of measures to prevent groundwater from becoming degraded and measures that restore groundwater resources.

Sec. 16. Minnesota Statutes 2010, section 114D.20, subdivision 6, is amended to read:

Subd. 6. **Priorities for restoration of impaired waters.** In implementing restoration of impaired waters, in addition to the priority considerations in subdivision 5, the Clean Water Council shall give priority in its recommendations for restoration funding from the clean water ~~legacy account~~ fund to restoration projects that:

(1) coordinate with and utilize existing local authorities and infrastructure for implementation;

(2) can be implemented in whole or in part by providing support for existing or ongoing restoration efforts;

(3) most effectively leverage other sources of restoration funding, including federal, state, local, and private sources of funds;

(4) show a high potential for early restoration and delisting based upon scientific data developed through public agency or citizen monitoring or other means; and

(5) show a high potential for long-term water quality and related conservation benefits.

Sec. 17. Minnesota Statutes 2010, section 114D.20, subdivision 7, is amended to read:

Subd. 7. **Priorities for funding prevention actions.** The Clean Water Council shall apply the priorities applicable under subdivision 6, as far as practicable, when recommending priorities for funding actions to prevent groundwater and surface waters from becoming degraded or impaired and to improve the quality of surface waters that are listed as impaired but do not have an approved TMDL.

Sec. 18. Minnesota Statutes 2010, section 114D.30, is amended to read:

114D.30 CLEAN WATER COUNCIL.

Subdivision 1. **Creation; duties.** A Clean Water Council is created to advise on the administration and implementation of this chapter, and foster coordination and cooperation as described in section 114D.20, subdivision 1. The council may also advise on the development of appropriate processes for expert scientific review as described in section 114D.35, subdivision 2. The Pollution Control Agency shall provide administrative support for the council with the support of other member agencies. The members of the council shall elect a chair from the ~~nonagency~~ voting members of the council.

Subd. 2. **Membership; appointment.** (a) The commissioners of natural resources, agriculture, health, and the Pollution Control Agency, and the executive director of the Board of Water and Soil Resources shall each appoint one person from their respective agency to serve as a nonvoting member of the council. ~~Agency members serve as nonvoting members of the council.~~ Two members of the house of representatives, including one member from the majority party and one member from the minority party, appointed by the speaker and two senators, including one member from the majority party and one member from the minority party, appointed according to the rules of the senate shall serve at the pleasure of the appointing authority as nonvoting members of the council. Agency and legislative members appointed under this paragraph serve as nonvoting members of the council.

(b) Nineteen ~~additional nonagency~~ voting members of the council shall be appointed by the governor as follows:

(1) two members representing statewide farm organizations;

(2) two members representing business organizations;

(3) two members representing environmental organizations;

(4) one member representing soil and water conservation districts;

(5) one member representing watershed districts;

(6) one member representing nonprofit organizations focused on improvement of Minnesota lakes or streams;

(7) two members representing organizations of county governments, one member representing the interests of rural counties and one member representing the interests of counties in the seven-county metropolitan area;

(8) two members representing organizations of city governments;

(9) one member representing the Metropolitan Council established under section 473.123;

(10) one member representing township ~~officer~~ officers;

(11) one member representing the interests of tribal governments;

(12) one member representing statewide hunting organizations;

(13) one member representing the University of Minnesota or a Minnesota state university; and

(14) one member representing statewide fishing organizations.

Members appointed under ~~clauses (1) to (14)~~ this paragraph must not be registered lobbyists or legislators. In making appointments, the governor must attempt to provide for geographic balance. The members of the council appointed by the governor are subject to the advice and consent of the senate.

Subd. 3. **Conflict of interest.** A Clean Water Council member may not participate in or vote on a decision of the council relating to an organization in which the member has either a direct or indirect personal financial interest. While serving on the Clean Water Council, a member shall avoid any potential conflict of interest.

Subd. 4. **Terms; compensation; removal.** ~~The initial terms of members representing state agencies and the Metropolitan Council expire on the first Monday in January 2007. Thereafter,~~ The terms of members representing the state agencies and the Metropolitan Council are four years and are coterminous with the governor. The terms of other nonlegislative members of the council shall be as provided in section 15.059, subdivision 2. Members may serve until their successors are appointed and qualify. Compensation and removal of nonlegislative council members is as provided in section 15.059, subdivisions 3 and 4. Compensation of legislative members is as determined by the appointing authority. A vacancy on the council may be filled by the appointing authority provided in subdivision 1 for the remainder of the unexpired term.

Subd. 5. **Implementation plan.** The Clean Water Council shall recommend a plan for implementation of this chapter and the provisions of article XI, section 15, of the Minnesota Constitution relating to clean water. The recommended plan shall address general procedures and time frames for implementing this chapter, and shall include a more specific implementation work plan for the next fiscal biennium and a framework for setting priorities to address impaired waters consistent with section 114D.20, subdivisions 2 to 7. The council shall issue ~~the first recommended plan under this subdivision by December 1, 2005, and shall issue~~ a revised plan by December 1 of each even-numbered year ~~thereafter~~.

Subd. 6. **Recommendations on appropriation of funds.** (a) The Clean Water Council shall recommend to the governor and the legislature the manner in which money from the clean water ~~legacy account~~ fund should be appropriated for the purposes ~~identified in section 114D.45, subdivision 3~~ stated in article XI, section 15, of the Minnesota Constitution and section 114D.50.

(b) The council's recommendations must:

(1) be to protect, enhance, and restore water quality in lakes, rivers, and streams and to protect groundwater from degradation and ensure that at least five percent of the clean water fund is spent only to protect drinking water sources;

(2) be consistent with the purposes, policies, goals, and priorities in ~~sections 114D.05 to 114D.35,~~ this chapter; and ~~shall~~

(3) allocate adequate support and resources to identify degraded groundwater and impaired waters, develop TMDL's, implement restoration of groundwater and impaired waters, and provide assistance and incentives to prevent groundwater and surface waters from becoming degraded or impaired and improve the quality of surface waters which are listed as impaired but have no approved TMDL.

(c) The council must recommend methods of ensuring that awards of grants, loans, or other funds from the clean water ~~legacy account~~ fund specify the outcomes to be achieved as a result of the funding and specify standards to hold the recipient accountable for achieving the desired outcomes. Expenditures from the ~~account~~ fund must be appropriated by law.

Subd. 7. **Biennial report to legislature.** By December 1 of each even-numbered year, the council shall submit a report to the legislature on the activities for which money has been or will be spent for the current biennium, the activities for which money is recommended to be spent in the next biennium, and the impact on economic development of the implementation of efforts to protect and restore groundwater and the impaired waters program. The report due on December 1, 2014, must include an evaluation of the progress made through June 30, 2014, in implementing this chapter and the provisions of article XI, section 15, of the Minnesota Constitution relating to clean water, the need for funding of future implementation ~~of those sections~~, and recommendations for the sources of funding.

Sec. 19. Minnesota Statutes 2010, section 114D.35, is amended to read:

114D.35 PUBLIC AND STAKEHOLDER PARTICIPATION; SCIENTIFIC REVIEW; EDUCATION.

Subdivision 1. **Public and stakeholder participation.** Public agencies and private entities involved in the implementation of this chapter shall encourage participation by the public and stakeholders, including local citizens, landowners and managers, and public and private organizations, in ~~the identification of~~ identifying impaired waters, in developing TMDL's, ~~and~~ in planning, priority setting, and implementing restoration of impaired waters, in identifying degraded groundwater, and in protecting and restoring groundwater resources. In particular, the Pollution Control Agency shall make reasonable efforts to provide timely information to the public and to stakeholders about impaired waters that have been identified by the agency. The agency shall seek broad and early public and stakeholder participation in scoping the activities necessary to develop a TMDL, including the scientific models, methods, and approaches to be used in TMDL development, and to implement restoration pursuant to section 114D.15, subdivision 7.

Subd. 2. **Expert scientific advice.** The Clean Water Council and public agencies and private entities shall make use of available public and private expertise from educational, research, and technical organizations, including the University of Minnesota and other higher education institutions, to provide appropriate independent expert advice on models, methods, and approaches used in identifying degraded ground water and impaired waters, developing TMDL's, and implementing prevention and restoration.

Subd. 3. **Education.** The Clean Water Council shall develop strategies for informing, educating, and encouraging the participation of citizens, stakeholders, and others regarding the identification of impaired waters, development of TMDL's, development of TMDL implementation plans, ~~and~~ implementation of restoration for impaired waters, identification of degraded groundwater, and protection and restoration of groundwater resources. Public agencies shall be responsible for implementing the strategies.

Sec. 20. Minnesota Statutes 2010, section 116.195, is amended to read:

116.195 BENEFICIAL USE OF WASTEWATER AND STORM WATER; CAPITAL GRANTS FOR DEMONSTRATION PROJECTS.

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given them.

(b) "Agency" means the Pollution Control Agency.

(c) "Beneficial use of wastewater<u> or storm water</u>" means<u>:</u>

<u>(1)</u> use of the effluent from a wastewater treatment plant that replaces use of groundwater<u>; or</u>

<u>(2) use of storm water that replaces the use of groundwater</u>.

(d) "Capital project" means the acquisition or betterment of public land, buildings, and other public improvements of a capital nature for the treatment of wastewater intended for beneficial use<u> or for the use of storm water to replace groundwater use</u>. Capital project includes projects to retrofit, expand, or construct new treatment facilities.

Subd. 2. **Grants for capital project design.** The agency shall make grant awards to political subdivisions for up to 50 percent of the costs to predesign and design capital projects that demonstrate the beneficial use of wastewater<u> or storm water</u>. ~~The maximum amount for a grant under this subdivision is $500,000.~~ The grant agreement must provide that the predesign and design work being funded is public information and available to anyone without charge. The agency must make the predesign and design work available on its Web site.

Subd. 3. **Grants for capital project implementation.** The agency shall make grant awards to political subdivisions for up to 50 percent of the costs to acquire, construct, install, furnish, and equip capital projects that demonstrate the beneficial use of wastewater <u>or storm water</u>. The political subdivision must submit design plans and specifications to the agency as part of the application.

The agency must consult with the Public Facilities Authority and the commissioner of natural resources in reviewing and ranking applications for grants under this section.

The application must identify the uses of the treated wastewater <u>or storm water</u> and greater weight will be given to applications that include a binding commitment to participate by the user or users.

The agency must give preference to projects that will reduce use of the greatest volume of groundwater from aquifers with the slowest rate of recharge.

Subd. 4. **Application form; procedures.** The agency shall develop an application form and procedures.

Subd. 5. **Reports.** The agency shall report by February 1 of each year to the chairs of the house of representatives and senate committees with jurisdiction over environment policy and finance and capital investment on the grants made and projects funded under this section. For each demonstration project funded, the report must include information on the scale of water constraints for the area, the volume of treated wastewater ~~supply~~ supplied or storm water available, the quality of the storm water or treated wastewater supplied and treatment implications for the industrial user, impacts to stream flow and downstream users, and any considerations related to water appropriation and discharge permits.

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

Sec. 21. Laws 2009, chapter 172, article 2, section 4, as amended by Laws 2010, chapter 361, article 2, section 2, is amended to read:

Sec. 4. **POLLUTION CONTROL AGENCY**	**$**	**24,076,000**	**$**	**27,630,000**

(a) $9,000,000 the first year and $9,000,000 the second year are to develop total maximum daily load (TMDL) studies and TMDL implementation plans for waters listed on the United States Environmental Protection Agency approved impaired waters list in accordance with Minnesota Statutes, chapter 114D. The agency shall complete an average of ten percent of the TMDLs each year over the biennium. Of this amount, $348,000 the first year is to retest the comprehensive assessment of the biological conditions of the lower Minnesota River and its tributaries within the Lower Minnesota River Major Watershed, as previously assessed from 1976 to 1992 under the Minnesota River Assessment Project (MRAP). The assessment must include the same fish species sampling at the same 116 locations and the same macroinvertebrate sampling at the same 41 locations as the MRAP assessment. The assessment must:

(1) include an analysis of the findings; and

(2) identify factors that limit aquatic life in the Minnesota River.

Of this amount, $250,000 the first year is for a pilot project for the development of total maximum daily load (TMDL) studies conducted on a watershed basis within the Buffalo River watershed in order to protect, enhance, and restore water quality in lakes, rivers, and streams. The pilot project shall include all necessary field work to develop TMDL studies for all impaired subwatersheds within the Buffalo River watershed and provide information necessary to complete reports for most of the remaining watersheds, including analysis of water quality data, identification of sources of water quality degradation and stressors, load allocation development, development of reports that provide protection plans for subwatersheds that meet water quality standards, and development of reports that provide information necessary to complete TMDL studies for subwatersheds that do not meet water quality standards, but are not listed as impaired.

(b) $500,000 the first year is for development of an enhanced TMDL database to manage and track progress. Of this amount, $63,000 the first year is to promulgate rules. By November 1, 2010, the commissioner shall submit a report to the chairs of the house of representatives and senate committees with jurisdiction over environment and natural resources finance on the outcomes achieved with this appropriation.

(c) $1,500,000 the first year and $3,169,000 the second year are for grants under Minnesota Statutes, section 116.195, to political subdivisions for up to 50 percent of the costs to predesign, design, and implement capital projects that use storm water or treated municipal wastewater instead of groundwater from drinking water aquifers, in order to demonstrate the beneficial use of wastewater or storm water, including the conservation and protection of water resources. Of this amount, $1,000,000 the first year is for grants to ethanol plants that are within one and one-half miles of a city for improvements that use storm water or reuse greater than 300,000 gallons of wastewater per day. This appropriation is available until spent.

(d) $1,125,000 the first year and $1,125,000 the second year are for groundwater assessment and drinking water protection to include:

(1) the installation and sampling of at least 30 new monitoring wells;

(2) the analysis of samples from at least 40 shallow monitoring wells each year for the presence of endocrine disrupting compounds; and

(3) the completion of at least four to five groundwater models for TMDL and watershed plans.

(e) $2,500,000 the first year is for the clean water partnership program. Priority shall be given to projects preventing impairments and degradation of lakes, rivers, streams, and groundwater in accordance with Minnesota Statutes, section 114D.20, subdivision 2, clause (4). Any balance remaining in the first year does not cancel and is available for the second year.

(f) $896,000 the first year is to establish a network of water monitoring sites, to include at least 20 additional sites, in public waters adjacent to wastewater treatment facilities across the state to assess levels of endocrine-disrupting compounds, antibiotic compounds, and pharmaceuticals as required in this article. The data must be placed on the agency's Web site.

(g) $155,000 the first year is to provide notification of the potential for coal tar contamination, establish a storm water pond inventory schedule, and develop best management practices for treating and cleaning up contaminated sediments as required in this article. $490,000 the second year is to provide grants to local units of government for up to 50 percent of the costs to implement best management practices to treat or clean up contaminated sediments in storm water ponds and other waters as defined under this article. Local governments must have adopted an ordinance for the restricted use of undiluted coal tar sealants in order to be eligible for a grant, unless a statewide restriction has been implemented. A grant awarded under this paragraph must not exceed $100,000. Up to $145,000 of the appropriation in the second year may be used to complete work required under section 28, paragraph (c).

(h) $350,000 the first year and $600,000 the second year are for a restoration project in the lower St. Louis River and Duluth harbor in order to improve water quality. This appropriation must be matched by nonstate money at a rate of at least $2 for every $1 of state money.

(i) $150,000 the first year and $196,000 the second year are for grants to the Red River Watershed Management Board to enhance and expand existing river watch activities in the Red River of the North. The Red River Watershed Management Board shall provide a report that includes formal evaluation results from the river watch program to the commissioners of education and the Pollution Control Agency and to the legislative natural resources finance and policy committees and K-12 finance and policy committees by February 15, 2011.

(j) $200,000 the first year and $300,000 the second year are for coordination with the state of Wisconsin and the National Park Service on comprehensive water monitoring and phosphorus reduction activities in the Lake St. Croix portion of the St. Croix River. The Pollution Control Agency shall work with the St. Croix Basin Water Resources Planning Team and the St. Croix River Association in implementing the water monitoring and phosphorus reduction activities. This appropriation is available to the extent matched by nonstate sources. Money not matched by November 15, 2010, cancels for this purpose and is available for the purposes of paragraph (a).

(k) $7,500,000 the first year and $7,500,000 the second year are for completion of 20 percent of the needed statewide assessments of surface water quality and trends. Of this amount, $175,000 the first year and $200,000 the second year are for monitoring and analyzing endocrine disruptors in surface waters.

(l) $100,000 the first year and $150,000 the second year are for civic engagement in TMDL development. The agency shall develop a plan for expenditures under this paragraph. The agency shall give consideration to civic engagement proposals from basin or sub-basin organizations, including the Mississippi Headwaters Board, the Minnesota River Joint Powers Board, Area II Minnesota River Basin Projects, and the Red River Basin Commission. By November 15, 2009, the plan shall be submitted to the house and senate chairs and ranking minority members of the environmental finance divisions.

(m) $5,000,000 the second year is for groundwater protection or prevention of groundwater degradation activities. By January 15, 2010, the commissioner, in consultation with the commissioner of natural resources, the Board of Water and Soil Resources, and other agencies, shall submit a report to the chairs of the house of representatives and senate committees with jurisdiction over the clean water fund on the intended use of these funds. The legislature must approve expenditure of these funds by law.

Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2011, as grants or contracts in this section are available until June 30, 2013.

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

Sec. 22. Laws 2010, chapter 361, article 2, section 3, is amended to read:

Sec. 3. **CLEAN WATER FUND; 2009 APPROPRIATION ADJUSTMENTS.**

The appropriations in fiscal years ~~2011~~ 2010 and ~~2012~~ 2011 to the Department of Natural Resources for high-resolution digital elevation data in Laws 2009, chapter 172, article 2, section 5, paragraph (d), are available until June 30, 2012.

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

Sec. 23. **CIVIC ENGAGEMENT AND PUBLIC EDUCATION.**

A recipient of funds appropriated in this article shall incorporate civic engagement and public education when implementing projects and programs funded under this article.

Sec. 24. **REPEALER.**

Minnesota Statutes 2010, section 114D.45, is repealed.

ARTICLE 3

PARKS AND TRAILS FUND

Section 1. **PARKS AND TRAILS FUND 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 parks and trails fund, or another named fund, and are available for the fiscal years indicated for each purpose. "The first year" is fiscal year 2012. "The second year" is fiscal year 2013. "The biennium" is fiscal years 2012 and 2013. Appropriations for the fiscal year ending June 30, 2012, are effective the day following final enactment. All appropriations in this article are onetime.

	APPROPRIATIONS Available for the Year Ending June 30	
	2012	**2013**

Sec. 2. **PARKS AND TRAILS**

Subdivision 1. **Total Appropriation**	**$**	**38,637,000**	**$**	**38,630,000**

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

Subd. 2. **Availability of Appropriation**

Money appropriated in this article may not be spent on activities unless they are directly related to and necessary for a specific appropriation. Money appropriated in this article must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Notwithstanding Minnesota Statutes, section 16A.28, and unless otherwise specified in this article, fiscal year 2012 appropriations are available until June 30, 2014, and fiscal year 2013 appropriations are available until June 30, 2015. If a project receives federal funds, the time period of the appropriation is extended to equal the availability of federal funding.

Sec. 3. **DEPARTMENT OF NATURAL RESOURCES**	**$**	**23,668,000**	**$**	**23,193,000**

(a) $14,962,000 the first year and $15,437,000 the second year are for state parks, recreation areas, and trails to:

(1) connect people to the outdoors;

(2) acquire land and create opportunities;

(3) maintain existing holdings, including developing and redeveloping facilities, and improving accessibility and energy efficiency; and

(4) improve cooperation by coordinating with partners to implement the 25-year long-range parks and trails legacy plan.

(b) $2,100,000 the first year is for acquisition of land adjacent to LaSalle Lake in Hubbard County for a state recreation area. If the acquisition is not completed by July 15, 2012, or if a balance remains after the acquisition of the land, the money under this paragraph is available for acquisitions under paragraph (a), clause (2).

(c) $6,568,000 the first year and $7,718,000 the second year are for parks and trails of regional or statewide significance as follows:

(1) $6,393,000 the first year and $7,718,000 the second year are for grants under Minnesota Statutes, section 85.535, to acquire, develop, improve, and restore parks and trails of regional or statewide significance; and

(2) $175,000 the first year is for a grant to the Greater Minnesota Regional Park and Trail Coalition to: define and develop information, including the number of users and potential users of greater Minnesota regional parks and trails; collect and compile details on the facilities within the greater Minnesota regional park system; and develop a plan for high priority park and trail acquisition and development opportunities. No local match is required for this grant.

Up to 2.5 percent of the total appropriation may be used for administering the grants.

(d) $38,000 the first year and $38,000 the second year are for a technical assistance

<u>panel to conduct up to ten restoration audits under Minnesota Statutes, section 85.53, subdivision 5.</u>

<u>(e) The commissioner shall contract for services with Conservation Corps Minnesota for restoration, maintenance, and other activities under this section for at least $1,000,000 the first year and $1,000,000 the second year.</u>

<u>(f) The commissioner of natural resources shall convene and facilitate a working group of nine members to develop recommendations for the allocation of the parks and trails fund. The working group shall have representatives from metropolitan parks and trails, greater Minnesota parks and trails, and the Department of Natural Resources Parks and Trails Division. The recommendations shall be submitted no later than November 15, 2012, and presented to the governor for consideration in the budget for fiscal years 2014 and 2015.</u>

Sec. 4. **<u>METROPOLITAN COUNCIL</u>**	<u>$</u>	<u>14,962,000</u>	<u>$</u>	<u>15,437,000</u>

<u>(a) $14,962,000 the first year and $15,437,000 the second year are to be distributed as required under Minnesota Statutes, section 85.53, subdivision 3.</u>

<u>(b) Grant agreements entered into by the Metropolitan Council and recipients of money appropriated under this section shall ensure that the funds are used to supplement and not substitute for traditional sources of funding.</u>

Sec. 5. **<u>LEGISLATURE</u>**	<u>$</u>	<u>7,000</u>	<u>$</u>	<u>-0-</u>

$7,000 the first year is for the Legislative Coordinating Commission for the costs of developing and implementing a Web site to contain information on projects receiving appropriations from the parks and trails fund and other constitutionally dedicated funds.

Sec. 6. Minnesota Statutes 2010, section 85.013, is amended by adding a subdivision to read:

Subd. 15a. LaSalle Lake State Recreation Area, Hubbard County.

Sec. 7. **LASALLE LAKE STATE RECREATION AREA.**

Subdivision 1. **LaSalle Lake State Recreation Area, Hubbard County.** The LaSalle Lake State Recreation Area is established in Hubbard County.

Subd. 2. **Boundaries.** The following described lands are located within the boundaries of the LaSalle Lake State Recreation Area, all in Hubbard County:

(1) the Southwest Quarter of the Southwest Quarter and the Northwest Quarter of the Southwest Quarter, except the East 10 acres thereof, of Section 29; the Northeast Quarter of the Northeast Quarter, the Northwest Quarter of the Northeast Quarter, the Southwest Quarter of the Northeast Quarter, the Northeast Quarter of the Southwest Quarter, the Southeast Quarter of the Northwest Quarter, the Southeast Quarter of the Northeast Quarter, and Government Lots 2, 3, 4, 5, 6, 7, 8, and 9, of Section 30; Government Lots 1, 2, 5, 6, 7, 8, 9, and 10, of Section 31; and Government Lots 1 and 4 of Section 32; all in Township 145 North, Range 35 West; and

(2) Government Lot 12, Section 19, Township 145 North, Range 35.

Subd. 3. **Administration.** The commissioner of natural resources shall administer the area according to Minnesota Statutes, section 86A.05, subdivision 3, subject to existing rules and regulations for state recreation areas. LaSalle Lake State Recreation Area shall be administered as a satellite unit of Itasca State Park.

Sec. 8. **LASALLE LAKE STATE RECREATION AREA MANAGEMENT OPTIONS.**

By March 1, 2012, the commissioner of natural resources shall submit a report to the senate and house of representatives committees and divisions with jurisdiction over natural resources policy and finance evaluating options for the management of the resort within the LaSalle Lake State Recreation Area, including an evaluation of the option to lease the resort to a nonstate entity. The evaluation shall include potential financial arrangements or mechanisms that would make the equivalent of local taxes or payments in lieu of taxes the responsibility of the nonstate entity.

ARTICLE 4

ARTS AND CULTURAL HERITAGE FUND

Section 1. **ARTS AND CULTURAL HERITAGE FUND APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the entities and for the purposes specified in this article. The appropriations are from the arts and cultural heritage fund, and are available for the fiscal years indicated for allowable activities under the Minnesota Constitution, article XI, section 15. "The first year" is fiscal year 2012. "The second year" is fiscal year 2013. "The biennium" is fiscal years 2012 and 2013. All appropriations in this article are onetime.

		APPROPRIATIONS Available for the Year Ending June 30		
		2012		**2013**
Sec. 2. **ARTS AND CULTURAL HERITAGE**				
Subdivision 1. **Total Appropriation**	**$**	**51,137,000**	**$**	**50,129,000**

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

Subd. 2. **Availability of Appropriation**

Money appropriated in this article may not be spent on activities unless they are directly related to and necessary for a specific appropriation. Money appropriated in this article must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Notwithstanding Minnesota Statutes, section 16A.28, and unless otherwise specified in this article, fiscal year 2012 appropriations are available until June 30, 2013, and fiscal year 2013 appropriations are available until June 30, 2014. If a project receives federal funds, the time period of the appropriation is extended to equal the availability of federal funding.

Subd. 3. **Minnesota State Arts Board**	21,824,000	21,824,000

These amounts are appropriated to the Minnesota State Arts Board for arts, arts education, and arts access. Grant agreements entered into by the Minnesota State Arts Board and other recipients of appropriations in this subdivision shall ensure that these funds are used to supplement and not substitute for traditional sources of funding. Appropriations made directly to the Minnesota State Arts Board shall supplement, and shall not substitute for, traditional sources of funding. Each grant program established within this appropriation shall be separately administered from other state appropriations for program planning and outcome measurements, but may take into consideration other state resources awarded in the selection of applicants and grant award size.

Arts and Arts Access Initiatives. $16,660,000 the first year and $16,660,000 the second year are to support Minnesota artists and arts organizations in creating, producing, and presenting high-quality arts activities; to overcome barriers to accessing high-quality arts activities; and to instill the arts into the community and public life in this state.

A portion of these funds may be used to:

(1) pay attendance fees and travel costs for youth to visit art museums, arts performances, or other arts activities; or

(2) bring artists to schools, libraries, or other community centers or organizations for teaching, training, or performance purposes.

Arts Education. $3,450,000 the first year and $3,450,000 the second year are for high-quality, age-appropriate arts education for Minnesotans of all ages to develop knowledge, skills, and understanding of the arts.

A portion of this appropriation may be used for grants to school districts to provide materials or resources to teachers, students, and parents to promote achievement of K-12 academic standards in the arts.

Arts and Cultural Heritage. $1,080,000 the first year and $1,080,000 the second year are for events and activities that represent the diverse cultural arts traditions, including folk and traditional artists and art organizations, represented in this state.

Administration, Fiscal Oversight, and Accountability. $634,000 the first year and $634,000 the second year are for administration of grant programs, delivering technical services, providing fiscal oversight for the statewide system, and ensuring accountability for these state resources.

Census. The Minnesota State Arts Board, in partnership with regional arts councils, shall maintain a census of Minnesota artists and artistic organizations.

Thirty percent of the total appropriated to each of the categories established in this subdivision is for grants to the regional arts councils. This percentage does not apply to administrative costs.

Subd. 4. **Department of Education**	3,455,000	3,455,000

These amounts are appropriated to the commissioner of education for grants allocated using existing formulas under Minnesota Statutes, section 134.355, to the 12 Minnesota regional library systems, to provide educational opportunities in the arts, history, literary arts, and cultural heritage of Minnesota. These funds may be used to sponsor programs provided by regional libraries or to provide grants to local arts and cultural heritage programs for programs in partnership with regional libraries.

Subd. 5. **Minnesota Historical Society**	12,250,000	12,250,000

These amounts are appropriated to the governing board of the Minnesota Historical Society to preserve and enhance access to Minnesota's history and its cultural and historical resources. Grant agreements entered into by the Minnesota Historical Society and other recipients of appropriations in this subdivision shall ensure that these funds are used to supplement and not substitute for traditional sources of funding. Funds directly appropriated to the Minnesota Historical Society shall be used to supplement, and not substitute for, traditional sources of funding. Notwithstanding Minnesota Statutes, section 16A.28, for historic preservation projects that improve historic structures, the amounts are available until June 30, 2015.

Statewide Historic and Cultural Grants. $5,250,000 the first year and $5,250,000 the second year are for history programs and projects operated or conducted by or through local, county, regional, or other historical or cultural organizations; or for activities to preserve significant historic and cultural resources. Funds are to be distributed through a competitive grants process. The Minnesota Historical Society shall administer these funds using established grants mechanisms, with assistance from the advisory committee created under Laws 2009, chapter 172, article 4, section 2, subdivision 4, paragraph (b), item (ii).

Programs. $5,000,000 the first year and $5,000,000 the second year are for programs and purposes related to the historical and cultural heritage of the state of Minnesota, conducted by the Minnesota Historical Society.

History Partnerships. $1,500,000 the first year and $1,500,000 the second year are for partnerships involving multiple organizations, which may include the Minnesota Historical Society, to preserve and enhance access to Minnesota's history and cultural heritage in all regions of the state.

Statewide Survey of Historical and Archaeological Sites. $250,000 the first year and $250,000 the second year are for a contract or contracts to be let on a competitive basis to conduct statewide surveys of Minnesota's sites of historical, archaeological, and cultural significance. Results of this survey must be published in a searchable form, available to the public on a cost-free basis. The Minnesota Historical Society, the Office of the State Archaeologist, and the Indian Affairs Council shall each appoint a representative to an oversight board to select contractors and direct the conduct of these surveys. The oversight board shall consult with the Departments of Transportation and Natural Resources.

Digital Library. $250,000 the first year and $250,000 the second year are for a digital library project to preserve, digitize, and share Minnesota images, documents, and historical materials. The Minnesota Historical Society shall cooperate with the Minitex interlibrary loan system and shall jointly share this appropriation for these purposes.

Subd. 6. **Department of Administration**	7,400,000	6,400,000

These amounts are appropriated to the commissioner of administration for grants to the named organizations for the purposes specified in this subdivision. Up to one percent of funds may be used by the commissioner for grants administration.

Grant agreements entered into by the commissioner and recipients of appropriations in this subdivision must ensure that money appropriated in this subdivision is used to supplement and not substitute for traditional sources of funding.

Public Broadcasting Grants. $6,400,000 the first year and $6,400,000 the second year are for a competitive Arts and Cultural Heritage Grants Program-Public Broadcasting.

The commissioner shall solicit proposals and award grants to entities that create, produce, acquire, or distribute programs that educate, enhance, or promote local, regional, or statewide items of artistic, cultural, or historic significance. The commissioner shall give preference to projects that expand Minnesotans' access to knowledge, information, arts, state history, or cultural heritage.

Veterans Camps. $450,000 the first year is for grants of $400,000 to the Disabled Veterans Rest Camp located on Big Marine Lake in Washington County and $50,000 to the Veterans on the Lake Resort located on Fall Lake in St. Louis County.

State Capitol Preservation Commission. $550,000 the first year is for the purposes of Minnesota Statutes, section 16B.2405. This appropriation is available until spent.

Subd. 7. **Department of Natural Resources**	1,100,000	1,100,000

These amounts are appropriated to the commissioner of natural resources for a competitive Arts and Cultural Heritage Grants Program-Zoos.

The commissioner shall solicit proposals and award grants to zoos for projects and programs that promote the arts or preserve Minnesota's history and cultural heritage. The commissioner shall give preference to projects and programs that incorporate arts, culture, and history into zoo programming or that increase knowledge and awareness of the way that history and culture affect people's lives and that illustrate how that knowledge can help Minnesotans make informed decisions for the future.

Subd. 8. **Minnesota Humanities Center**	3,700,000	3,700,000

These amounts are appropriated to the board of directors of the Minnesota Humanities Center for the purposes specified in this subdivision.

Programs and Purposes. $325,000 the first year and $325,000 the second year are for programs and purposes of the Minnesota Humanities Center.

The Minnesota Humanities Center may consider museums and organizations celebrating the identities of Minnesotans for grants from these funds. The Minnesota Humanities Center may develop a written plan for the competitive issuance of these grants and, if developed, shall submit that plan for review and approval by the Department of Administration.

Humanities Grants. $3,375,000 the first year and $3,375,000 the second year are for a competitive Arts and Cultural Heritage Grants Program-Humanities.

The board of directors shall solicit proposals and award grants to entities for projects and programs that maintain or promote our cultural heritage. The board shall fund programs and projects that collectively preserve both our tangible and intangible cultural heritage as well as those that recognize museums as venues for arts and cultural experiences.

Subd. 9. **Perpich Center For Arts Education**	....	....

These amounts are appropriated to the board of directors of the Perpich Center for Arts Education for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage.

Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2013, as grants or contracts in this subdivision are available until June 30, 2015.

Subd. 10. **Department of Agriculture**	1,400,000	1,400,000

These amounts are appropriated to the commissioner of agriculture for a competitive Arts and Cultural Heritage Grants Program-County Arts, Education, History, and Cultural Preservation.

The commissioner shall solicit proposals and award grants to counties for programs and projects that promote the arts, arts education, history, or cultural heritage. The commissioner shall give preference to programs and projects that: provide lifelong educational activities meant to impart knowledge, teach a new creative skill, or further develop an existing skill in any arts discipline; preserve both tangible and intangible cultural heritage; or ensure that culturally significant structures and resources will be preserved for future generations.

Subd. 11. **Legislature**	8,000	0

These amounts are appropriated to the Legislative Coordinating Commission to operate the Web site for dedicated funds required under Minnesota Statutes, section 3.303, subdivision 10.

Sec. 3. **[15B.32] STATE CAPITOL PRESERVATION COMMISSION.**

Subdivision 1. **Definitions.** (a) As used in this section, the terms defined in this subdivision have the following meanings.

(b) "Commission" means the State Capitol Preservation Commission created under this section.

(c) "Capitol Area" means the geographic area defined in section 15B.02.

(d) "Board" means the Capitol Area Architectural and Planning Board created under section 15B.03.

(e) "Predesign" has the meaning given in section 16B.335, subdivision 3, paragraph (a).

Subd. 2. **Membership.** The State Capitol Preservation Commission consists of 22 members, appointed as follows:

(1) the governor;

(2) the lieutenant governor;

(3) the attorney general;

(4) the chief justice of the Supreme Court, or the chief justice's designee, who shall be a member of the Supreme Court;

(5) the majority leader of the senate or the majority leader's designee, who shall be a member of the senate;

(6) the speaker of the house or the speaker's designee, who shall be a member of the house of representatives;

(7) two members of the senate, including one member from the majority party appointed by the majority leader and one member from the minority party appointed by the minority leader;

(8) two members of the house of representatives, including one member appointed by the speaker of the house and one member from the minority party appointed by the minority leader;

(9) the chair and ranking minority member of the house of representatives committee with jurisdiction over capital investment and the chair and ranking minority member of the senate committee with jurisdiction over capital investment;

(10) the commissioner of administration or the commissioner's designee;

(11) the commissioner of public safety or the commissioner's designee;

(12) the executive director of the Minnesota Historical Society or the executive director's designee;

(13) the executive secretary of the Capitol Area Architectural and Planning Board; and

(14) four public members appointed by the governor.

Subd. 3. **Terms and compensation.** (a) A member serving on the commission because the member or the appointing authority for the member holds an elected or appointed office shall serve on the commission as long as the member or the appointing authority holds the office.

(b) Public members of the commission shall serve two-year terms. The public members may not serve for more than three consecutive terms.

(c) The removal of members and filling of vacancies on the commission are as provided in section 15.059. Public members may receive compensation and expenses as provided under section 15.059, subdivision 3.

Subd. 4. **Officers and meetings.** (a) The governor is the chair of the commission. The lieutenant governor is the vice-chair of the commission and may act as the chair of the commission in the absence of the governor. The governor may designate a staff member to attend commission meetings and vote on the governor's behalf in the absence of the governor.

(b) The commission shall meet at least quarterly and at other times at the call of the chair. Meetings of the commission are subject to chapter 13D.

Subd. 5. **Administrative support.** The commission may designate an executive secretary and obtain administrative support through a contract with a state agency or other means.

Subd. 6. **Duties.** (a) The commission:

(1) shall exercise ongoing coordination of the restoration, protection, risk management, and preservation of the Capitol building;

(2) shall consult with and advise the commissioner of administration, the board, and the Minnesota Historical Society regarding their applicable statutory responsibilities for and in the Capitol building;

(3) may assist in the selection of an architectural firm to assist in the preparation of the predesign plan for the restoration of the Capitol building;

(4) shall develop a comprehensive, multiyear, predesign plan for the restoration of the Capitol building, review the plan periodically, and, as appropriate, amend and

modify the plan. The predesign plan shall identify appropriate and required functions of the Capitol building; identify and address space requirements for legislative, executive, and judicial branch functions; and identify and address the long-term maintenance and preservation requirements of the Capitol building. In developing the predesign plan, the commission shall take into account the comprehensive plan for the Minnesota State Capitol Area, as amended in 2010, the rules governing zoning and design for the Capitol Area, parking, mass transit, citizen access including public access to the Capitol balcony, the tunnel system, information technology needs, energy efficiency, security, educational programs including public and school tours, and any additional space needs for the efficient operation of state government;

(5) shall develop and implement a comprehensive financial plan to fund the preservation and restoration of the Capitol building;

(6) shall provide annual reports about the condition of the Capitol building and its needs, as well as all activities related to the restoration of the Capitol building;

(7) shall for all capital infrastructure projects taking place in close proximity to the Capitol building and prior to commencement of actual construction work:

(i) review the preliminary and final design plans and construction practices of the project;

(ii) identify whether the actual construction work of the project or subsequent operations resulting from the project pose:

(A) risk to the structural integrity of the Capitol building; or

(B) a reasonable likelihood of other adverse physical impacts to the Capitol building, including but not limited to increased costs for building maintenance and preservation; and

(iii) submit a recommendation to the commissioner of administration identifying whether or not the commissioner should approve the project for commencement of construction as provided under section 16B.2405; and

(8) may solicit gifts, grants, or donations of any kind from any private or public source to carry out the purposes of this section. All gifts, grants, or donations received by the commission shall be deposited in a State Capitol preservation account established in the special revenue fund. Money in the account is appropriated to the commissioner of administration for the activities of the commission and implementation of the predesign plan under this section.

(b) By January 15 of each year, the commission shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over the commission regarding the activities and efforts of the commission in the preceding calendar year, including recommendations adopted by the commission, the comprehensive financial plan required under paragraph (a), clause (5), and any proposed draft legislation necessary to implement the recommendations of the commission.

Subd. 7. **Expiration.** Notwithstanding section 15.059, subdivision 5, the State Capitol Preservation Commission does not expire.

Sec. 4. **[15B.34] CAPITOL BUILDING POWERS AND DUTIES.**

The board shall:

(1) jointly, with the commissioner of administration and the Minnesota Historical Society, establish standards and policies for the repair, furnishing, appearance, and cleanliness of and change to the public and ceremonial areas of the Capitol building;

(2) review and approve plans and specifications and any changes to approved plans and specifications involving the alteration of the public and ceremonial areas and the exterior of the Capitol building;

(3) jointly, with the Minnesota Historical Society, review and approve the design, structural composition, and location of all monuments, memorials, or works of art presently located in the public and ceremonial areas of the State Capitol, or that will be placed in the public or ceremonial areas, according to section 138.68; and

(4) assist the State Capitol Preservation Commission with performance of its duties as needed.

Sec. 5. **[16B.2405] CAPITOL BUILDING POWERS AND DUTIES.**

The commissioner, upon receipt of funding for these purposes, shall:

(1) maintain and operate the Capitol building and grounds according to section 16B.24 and other applicable law;

(2) designate a project manager to oversee and manage predesign, design, and construction contracts and funding for all modifications to the Capitol building;

(3) manage design and construction projects and funding for the Capitol building according to section 16B.31 and other applicable law;

(4) lease space in the Capitol building, as provided in section 16B.24, to state agencies, constitutional officers, and the court administrator on behalf of the judicial branch and allocate space in the Capitol building to the legislative branch as determined by the commission;

(5) provide information about the Capitol building to the commission, legislative bodies, and others as needed regarding maintenance, operation, leasing, condition assessments, design, and construction projects;

(6) for each project for which a recommendation by the State Capitol Preservation Commission is submitted under section 15B.32, subdivision 6, paragraph (a), clause (7), evaluate the recommendation and, notwithstanding any other law to the contrary, either (i) approve the project where such approval is a prerequisite for commencement of actual construction work or (ii) identify specific remediation requirements necessary to approve the project upon subsequent review by the commissioner; and

(7) assist the State Capitol Preservation Commission with performance of its duties as needed.

Sec. 6. Minnesota Statutes 2010, section 129D.18, subdivision 3, is amended to read:

Subd. 3. **Conditions.** (a) A public station receiving funds appropriated under this section must:

(1) make programs produced with these funds available for broadcast to all other public stations eligible to receive grants under this section;

(2) offer free ~~public performance rights for~~ classroom use of programs produced with these funds to public educational institutions, excluding those materials for which public television stations do not have rights to distribute;

(3) archive programs produced with these funds and make the programs available for future use through encore broadcast or other distribution, including online; and

(4) ensure that underwriting credit is given to the Minnesota arts and cultural heritage fund.

(b) Programs produced in partnership with other mission-centered nonprofit organizations may be used by the partnering organization for their own educational or promotional purposes.

Sec. 7. Minnesota Statutes 2010, section 129D.18, subdivision 4, is amended to read:

Subd. 4. **Reporting.** A public station receiving funds appropriated under this section must report annually by January 15 to the commissioner, the Legislative Coordinating Commission, and the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over arts and cultural heritage policy and finance regarding how the previous year's grant funds were expended. ~~This~~ In addition to all information required of each recipient of money from the arts and cultural heritage fund under section 3.303, subdivision 10, the report must contain specific information for each program produced and broadcast, including the cost of production, the number of stations broadcasting the program, estimated viewership, the number of hours of legacy program content available for streaming on Web ~~site downloads~~ sites, and other related measures. If the programs produced include educational material, the public station must report on these efforts.

Sec. 8. Minnesota Statutes 2010, section 129D.19, subdivision 5, is amended to read:

Subd. 5. **Reporting.** A noncommercial radio station receiving funds appropriated under this section must report annually by January 15 to the commissioner<u>, the Legislative Coordinating Commission,</u> and the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over arts and cultural heritage policy and finance regarding how the previous year's grant funds were expended. ~~This~~ <u>In addition to all information required of each recipient of money from the arts and cultural heritage fund under section 3.303, subdivision 10, the</u> report must contain specific information for each program produced and broadcast, including the cost of production, the number of stations broadcasting the program, estimated number of listeners, and other related measures. If the programs produced include educational material, the noncommercial radio station must report on these efforts.

Sec. 9. <u>**[138.70] CAPITOL BUILDING POWERS AND DUTIES.**</u>

<u>The Minnesota Historical Society shall:</u>

<u>(1) assist and advise in research and preservation of historical features of the Capitol building, appropriate custodial policies, and maintaining and repairing works of art according to section 138.69;</u>

<u>(2) jointly, with the Capitol Area Architectural and Planning Board, review and approve the design, structural composition, and location of all monuments, memorials, or works of art presently located in the public and ceremonial areas of the Capitol building, or proposed for placement in the public or ceremonial areas, according to section 138.68;</u>

<u>(3) assist with planning and design of restoration and renovations of the Capitol building in order to provide public access and education through public interpretive programs according to the society's statutory responsibilities under section 138.69; and</u>

<u>(4) assist the State Capitol Preservation Commission with performance of its duties as needed.</u>

Sec. 10. Laws 2009, chapter 172, article 4, section 9, subdivision 5, is amended to read:

Subd. 5. **Report.** The working group must report its findings and recommendations, including draft legislation, if necessary, to the Indian Affairs Council and the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over early childhood through grade 12 education ~~and~~<u>,</u> higher education<u>, and arts and</u>

cultural heritage policy or finance by February 15, 2011, and again by February 15, 2012. The ~~committee~~ working group expires on February 16, ~~2011~~ 2013.

Sec. 11. **STATE CAPITOL PRESERVATION COMMISSION APPOINTMENTS AND FIRST MEETING.**

The appointing authorities designated in Minnesota Statutes, section 15B.32, subdivision 2, must complete their initial appointments to the commission no later than August 1, 2011. The governor, or the governor's designee, shall convene the first meeting of the commission within 30 days after the appointments required under this section have been completed.

ARTICLE 5

GENERAL PROVISIONS; ALL LEGACY FUNDS

Section 1. Minnesota Statutes 2010, section 3.303, subdivision 10, is amended to read:

Subd. 10. **Constitutionally dedicated funding accountability.** (a) The Legislative Coordinating Commission shall develop and maintain a user-friendly, public-oriented Web site that informs, educates, and demonstrates to the public how the constitutionally dedicated funds in the arts and cultural heritage fund, outdoor heritage fund, clean water fund, parks and trails fund, and environment and natural resources trust fund are being expended to meet the requirements established for each fund in the state constitution. Information provided on the Web site must include, but is not limited to:

(1) information on all project proposals received by the Outdoor Heritage Council and the Legislative-Citizen Commission on Minnesota Resources;

(2) information on all projects receiving funding, including:

(i) the name of the project and a project description;

(ii) the name, telephone number, members of the board or equivalent governing body, and e-mail address of the funding recipient and, when applicable, the Web site address where the public can directly access detailed information on the recipient's receipt and use of money for the project;

(iii) the amount and source of funding, including the fiscal year of the appropriation;

(iv) the amount and source of any additional funding or leverage;

(v) the duration of the project;

(vi) the number of full-time equivalents funded under the project. For the purposes of this item, "full-time equivalent" means a position directly attributed to the receipt of money from one or more of the funds covered under this section, calculated as the total number of hours planned for the position divided by 2,088;

(vii) the direct expenses and administration costs of the project;

(viii) proposed measurable outcomes and the plan for measuring and evaluating the results;

(ix) for pass-through, noncompetitive grants, the entity acting as the fiscal agent or administering agency and a point of contact for additional information; and

(x) for competitive grants, the name and a brief description of the qualifications of all board members or members of an equivalent governing body ultimately responsible for awarding the grants, as well as any grantmaking advisory group. In addition, an entity that awards competitive grants, including but not limited to a state agency or any statewide, regional, or local organization, must report whether an employee, decision maker, advisory group member, or other person involved in the grant process disclosed a conflict of interest or potential conflict of interest. If the entity reports that a conflict of interest or potential conflict of interest was disclosed, the entity must provide the Legislative Coordinating Commission with a contact person for additional information and the Legislative Coordinating Commission must post this information on the Web site. An entity that awards competitive grants must obtain and apply the conflict of interest policies developed by the commissioner of administration under section 16B.98, subdivision 3, unless the entity maintains and applies its own documented conflict of interest policies which are substantially similar to the commissioner of administration's policies;

(3) actual measured outcomes and evaluation of projects as required under sections 85.53, subdivision 2; 114D.50, subdivision ~~2~~ 4; and 129D.17, subdivision 2;

(4) education about the areas and issues the projects address, including, when feasible, maps of where projects have been undertaken;

(5) all frameworks developed for future uses of each fund; and

(6) methods by which members of the public may apply for project funds under any of the constitutionally dedicated funds.

(b) As soon as practicable or by the deadline specified in the enabling law, whichever comes first, a state agency or other recipient of a direct appropriation from a fund covered under this section shall submit the information required under paragraph (a) and, when applicable, compile and submit the same information for any grant recipient or other subrecipient of funding. All information for proposed and funded projects, including the proposed measurable outcomes, must be made available on the Web site as soon as practicable. Information on the measured outcomes and evaluation must be posted as soon as it becomes available. The costs of these activities shall be paid out of the arts and cultural heritage fund, outdoor heritage fund, clean water fund, parks and trails fund, and the environment and natural resources trust fund proportionately. For purposes of this section, "measurable outcomes" means outcomes, indicators, or other performance measures that may be quantified or otherwise measured in order to measure the effectiveness of a project or program in meeting its intended goal or purpose.

(c) The Legislative Coordinating Commission shall be responsible for receiving all ten-year plans and 25-year frameworks for each of the constitutionally dedicated funds. To the extent practicable, staff for the commission shall provide assistance and oversight to these planning efforts and shall coordinate public access to hearings and public meetings for all planning efforts.

Sec. 2. Minnesota Statutes 2010, section 85.53, subdivision 2, is amended to read:

Subd. 2. **Expenditures; accountability.** (a) A project or program receiving funding from the parks and trails fund must meet or exceed the constitutional requirement to support parks and trails of regional or statewide significance. A project or program receiving funding from the parks and trails fund must include measurable outcomes, as defined in section 3.303, subdivision 10, and a plan for measuring and evaluating the results. A project or program must be consistent with current science and incorporate state-of-the-art technology, except when the project or program is a portrayal or restoration of historical significance.

(b) Money from the parks and trails fund shall be expended to balance the benefits across all regions and residents of the state.

(c) ~~All~~ A state agency or other recipient of a direct appropriation from the parks and trails fund must compile and submit all information for funded projects or programs, including the proposed measurable outcomes and all other items required under section 3.303, subdivision 10, ~~must be made available on~~ to the Legislative Coordinating Commission as soon as practicable or by the deadline specified in the enabling law, whichever comes first. The Legislative Coordinating Commission must post submitted information on the Web site required under section 3.303, subdivision 10, ~~as soon as practicable. Information on the measured outcomes and evaluation must be posted~~ as soon as it becomes available.

(d) Grants funded by the parks and trails fund must be implemented according to section 16B.98 and must account for all expenditures. Proposals must specify a process for any regranting envisioned. Priority for grant proposals must be given to proposals involving grants that will be competitively awarded.

(e) Money from the parks and trails fund may only be spent on projects located in Minnesota.

(f) A state agency or other recipient of money from the parks and trails fund shall prominently display on the state agency's or other recipient's Web site home page, when applicable, the legacy logo required under Laws 2009, chapter 172, article 5, section 10, as amended by Laws 2010, chapter 361, article 3, section 5, accompanied by the phrase "Click here for more information." When a person clicks on the legacy logo image, the Web site must direct the person to a dedicated legacy page on the state agency's or other recipient's Web site. The dedicated legacy page must prominently display both the contact information for the state agency or other recipient that a person may use to obtain additional information, as well as a link to the Legislative Coordinating Commission Web site required under section 3.303, subdivision 10.

(g) Future eligibility for money from the parks and trails fund is contingent upon a state agency or other recipient satisfying all applicable requirements in this section, as well as any additional requirements contained in applicable session law.

Sec. 3. Minnesota Statutes 2010, section 97A.056, is amended by adding a subdivision to read:

Subd. 12. **Recipient requirements.** (a) A state agency or other recipient of a direct appropriation from the outdoor heritage fund must compile and submit all information for funded projects or programs, including the proposed measurable outcomes and all other items required under section 3.303, subdivision 10, to the Legislative Coordinating Commission as soon as practicable or by the deadline specified in the enabling law, whichever comes first. The Legislative Coordinating Commission must post submitted information on the Web site required under section 3.303, subdivision 10, as soon as it becomes available.

(b) A state agency or other recipient of money from the outdoor heritage fund shall prominently display on the state agency's or other recipient's Web site home page, when applicable, the legacy logo required under Laws 2009, chapter 172, article 5, section 10, as amended by Laws 2010, chapter 361, article 3, section 5, accompanied by the phrase "Click here for more information." When a person clicks on the legacy logo image, the Web site must direct the person to a dedicated legacy page on the state agency's or other recipient's Web site. The dedicated legacy page must prominently display both the contact information for the state agency or other recipient that a person may use to obtain additional information, as well as a link to the Legislative Coordinating Commission Web site required under section 3.303, subdivision 10.

(c) Future eligibility for money from the outdoor heritage fund is contingent upon a state agency or other recipient satisfying all applicable requirements in this section, as well as any additional requirements contained in applicable session law.

Sec. 4. Minnesota Statutes 2010, section 114D.50, subdivision 4, is amended to read:

Subd. 4. **Expenditures; accountability.** (a) A project receiving funding from the clean water fund must meet or exceed the constitutional requirements to protect, enhance, and restore water quality in lakes, rivers, and streams and to protect groundwater and drinking water from degradation. Priority may be given to projects that meet more than one of these requirements. A project receiving funding from the clean water fund shall include measurable outcomes, as defined in section 3.303, subdivision 10, and a plan for measuring and evaluating the results. A project must be consistent with current science and incorporate state-of-the-art technology.

(b) Money from the clean water fund shall be expended to balance the benefits across all regions and residents of the state.

(c) ~~All~~ A state agency or other recipient of a direct appropriation from the clean water fund must compile and submit all information for proposed and funded projects or programs, including the proposed measurable outcomes~~, must be made available on the Web site~~ and all other items required under section 3.303, subdivision 10, to the Legislative Coordinating Commission as soon as practicable or by the deadline specified in the enabling law, whichever comes first. ~~Information on the measured outcomes and evaluation must be posted~~ The Legislative Coordinating Commission must post submitted information on the Web site required under section 3.303, subdivision 10, as soon as it becomes available. Information classified as not public under section 13D.05, subdivision 3, paragraph (d), is not required to be placed on the Web site.

(d) Grants funded by the clean water fund must be implemented according to section 16B.98 and must account for all expenditures. Proposals must specify a process for any regranting envisioned. Priority for grant proposals must be given to proposals involving grants that will be competitively awarded.

(e) Money from the clean water fund may only be spent on projects that benefit Minnesota waters.

(f) A state agency or other recipient of money from the clean water fund shall prominently display on the state agency's or other recipient's Web site home page, when applicable, the legacy logo required under Laws 2009, chapter 172, article 5, section 10, as amended by Laws 2010, chapter 361, article 3, section 5, accompanied by the phrase "Click here for more information." When a person clicks on the legacy logo image, the Web site must direct the person to a dedicated legacy page on the state agency's or other recipient's Web site. The dedicated legacy page must prominently display both the contact information for the state agency or other recipient that a person may use to obtain additional information, as well as a link to the Legislative Coordinating Commission Web site required under section 3.303, subdivision 10.

(g) Future eligibility for money from the clean water fund is contingent upon a state agency or other recipient satisfying all applicable requirements in this section, as well as any additional requirements contained in applicable session law.

Sec. 5. Minnesota Statutes 2010, section 129D.17, subdivision 2, is amended to read:

Subd. 2. **Expenditures; accountability.** (a) Funding from the arts and cultural heritage fund may be spent only for arts, arts education, and arts access, and to preserve Minnesota's history and cultural heritage. A project or program receiving funding from the arts and cultural heritage fund must include measurable outcomes, and a plan for measuring and evaluating the results. A project or program must be consistent with current scholarship, or best practices, when appropriate and must incorporate state-of-the-art technology when appropriate.

(b) Funding from the arts and cultural heritage fund may be granted for an entire project or for part of a project so long as the recipient provides a description and cost for the entire project and can demonstrate that it has adequate resources to ensure that the entire project will be completed.

(c) Money from the arts and cultural heritage fund shall be expended for benefits across all regions and residents of the state.

(d) ~~All~~ A state agency or other recipient of a direct appropriation from the arts and cultural heritage fund must compile and submit all information for funded projects or programs, including the proposed measurable outcomes and all other items required under section 3.303, subdivision 10, ~~must be made available on~~ to the Legislative Coordinating Commission ~~Web site,~~ as soon as practicable or by the deadline specified in the enabling law, whichever comes first. ~~Information on the measured outcomes and evaluation must be posted~~ The Legislative Coordinating Commission must post submitted information on the Web site required under section 3.303, subdivision 10, as soon as it becomes available.

(e) Grants funded by the arts and cultural heritage fund must be implemented according to section 16B.98 and must account for all expenditures of funds. Priority for grant proposals must be given to proposals involving grants that will be competitively awarded.

(f) All money from the arts and cultural heritage fund must be for projects located in Minnesota.

(g) A state agency or other recipient of money from the arts and cultural heritage fund shall prominently display on the state agency's or other recipient's Web site home page, when applicable, the legacy logo required under Laws 2009, chapter 172, article 5, section 10, as amended by Laws 2010, chapter 361, article 3, section 5, accompanied by the phrase "Click here for more information." When a person clicks on the legacy logo image, the Web site must direct the person to a dedicated legacy page on the state agency's or other recipient's Web site. The dedicated legacy page must prominently display both the contact information for the state agency or other recipient that a person may use to obtain additional information, as well as a link to the Legislative Coordinating Commission Web site required under section 3.303, subdivision 10.

(h) Future eligibility for money from the arts and cultural heritage fund is contingent upon a state agency or other recipient satisfying all applicable requirements in this section, as well as any additional requirements contained in applicable session law.

Sec. 6. **APPLICABILITY.**

Sections 7 to 10 apply to any appropriation for fiscal year 2012 or 2013 from a legacy fund. For the purposes of sections 7 to 10, "legacy fund" means the outdoor heritage fund, the clean water fund, the parks and trails fund, or the arts and cultural heritage fund

Sec. 7. **GENERAL PROVISIONS.**

Subdivision. 1. **Grants.** Grants funded by a legacy fund must be implemented according to Minnesota Statutes, section 16B.98, and the responsible entity must account for all expenditures of funds.

Subd. 2. **Constitution.** A recipient of money from a legacy fund must comply with the Minnesota Constitution, article XI, section 15, and may not substitute money received from a legacy fund for a traditional source of funding.

Sec. 8. **LEGACY FUNDS RECIPIENT REPORT.**

(a) A state agency or other recipient of a direct appropriation from a legacy fund shall submit a report to the Legislative Reference Library as provided under Minnesota Statutes, section 3.195, and to the Legislative Coordinating Commission that contains all of the information required under Minnesota Statutes, section 3.303, subdivision 10.

(b) A state agency or other recipient of a direct appropriation from a legacy fund must submit a report containing all available and required information by January 15, 2012, for appropriations in fiscal year 2012, and January 15, 2013, for appropriations in fiscal year 2013. If the nature of a funded project is such that all required information is not yet available by the applicable reporting deadline, a state agency or other recipient of a direct appropriation must submit any additional information required under Minnesota Statutes, section 3.303, subdivision 10, as soon as practicable.

Sec. 9. **IN THE EVENT OF A LAWSUIT.**

(a) An appropriation or portion of an appropriation from a legacy fund is canceled to the extent that a court determines that the appropriation unconstitutionally substitutes for a traditional source of funding.

(b) Any grant contract or similar agreement that awards money from a legacy fund must contain the information in paragraph (a).

Sec. 10. **LEGACY ACCOUNTING; TECHNICAL ASSISTANCE.**

No later than January 1, 2012, the commissioner of management and budget shall finalize guidance and best practices to assist state agencies in uniformly accounting for their expenditure of legacy funds. The commissioner shall make this information available to all state agencies identified in this act.

APPENDIX
Article locations in H1061-4