

A bill for an act

relating to environment; authorizing establishment of basin boards; authorizing taxing authority; appropriating money; amending Minnesota Statutes 2008, sections 103B.101, subdivision 9; 103B.102, subdivision 2; 103B.231, subdivision 4; 103B.245, subdivision 1; 103B.3369, subdivisions 2, 5; 103D.205, subdivision 3; 103D.401, subdivision 1; 275.066; proposing coding for new law in Minnesota Statutes, chapters 103A; 103B.

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

Section 1. **[103A.212] BASIN WATERSHED MANAGEMENT POLICY.**

The quality of life of every Minnesotan depends on water. Minnesota's rivers, lakes, streams, wetlands, and groundwater provide a foundation for the state's recreational, municipal, commercial, industrial, agricultural, environmental, aesthetic, and economic well-being. The legislature finds that it is in the public interest to manage water resources from the perspective of watersheds and river basins to achieve protection, preservation, enhancement, and restoration of the state's valuable water resources.

Sec. 2. Minnesota Statutes 2008, section 103B.101, subdivision 9, is amended to read:

Subd. 9. **Powers and duties.** In addition to the powers and duties prescribed elsewhere, the board shall:

(1) coordinate the water and soil resources planning activities of counties, soil and water conservation districts, watershed districts, watershed management organizations, and any other local units of government through its various authorities for approval of local plans, administration of state grants, and by other means as may be appropriate;

(2) facilitate communication and coordination among state agencies in cooperation with the Environmental Quality Board, and between state and local units of government,

H.F. No. 1734, as introduced - 86th Legislative Session (2009-2010) [09-2710]

in order to make the expertise and resources of state agencies involved in water and soil resources management available to the local units of government to the greatest extent possible;

(3) coordinate state and local interests with respect to the study in southwestern Minnesota under United States Code, title 16, section 1009;

(4) develop information and education programs designed to increase awareness of local water and soil resources problems and awareness of opportunities for local government involvement in preventing or solving them;

(5) provide a forum for the discussion of local issues and opportunities relating to water and soil resources management;

(6) adopt an annual budget and work program that integrate the various functions and responsibilities assigned to it by law; ~~and~~

(7) report to the governor and the legislature by October 15 of each even-numbered year with an assessment of board programs and recommendations for any program changes and board membership changes necessary to improve state and local efforts in water and soil resources management; and

(8) report to the legislature by January 15 of each even-numbered year on the progress being made to further the basin watershed management policy established under section 103A.212.

The board may accept grants, gifts, donations, or contributions in money, services, materials, or otherwise from the United States, a state agency, or other source to achieve an authorized purpose. The board may enter into a contract or agreement necessary or appropriate to accomplish the transfer. The board may receive and expend money to acquire conservation easements, as defined in chapter 84C, on behalf of the state and federal government consistent with the Camp Ripley's Army Compatible Use Buffer Project.

Any money received is hereby appropriated and dedicated for the purpose for which it is granted.

Sec. 3. Minnesota Statutes 2008, section 103B.102, subdivision 2, is amended to read:

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

Sec. 4. **[103B.176] DEFINITIONS.**

(a) For the purposes of sections 103B.176 to 103B.18, the following terms have the meanings given.

(b) "Basin board" means a basin board as described under section 103B.177, subdivision 2.

(c) "Local water management organizations" means watershed districts, soil and water conservation districts, metropolitan water management organizations, lake improvement districts, lake conservation districts, and counties under chapters 103B, 103C, 103D, and 114.

(d) "Watershed management entity" means: (i) a watershed district under chapter 103D; (ii) a watershed management organization under section 103B.211; or (iii) a formally organized joint powers organization of counties, cities, soil and water conservation districts, and watershed districts located outside the seven-county metropolitan area as defined under section 473.121, subdivision 4, encompassing one or more of the state's major watersheds as determined by the Board of Water and Soil Resources. A lake improvement district is not a watershed management entity.

Sec. 5. **[103B.177] BASIN WATERSHED MANAGEMENT.**

Subdivision 1. **Basin management purposes.** The purposes of the basin watershed management approach are to:

(1) protect, preserve, and use natural surface water and groundwater storage and retention systems;

(2) maximize benefits of public capital expenditures needed to correct flooding and water quality problems;

(3) identify and plan for means to effectively protect and improve surface water and groundwater quality;

(4) establish more uniform policies, goals, and objectives for surface water and groundwater management;

(5) prevent erosion of soil and associated pollutants into surface water systems;

(6) promote groundwater recharge;

(7) protect and enhance fish and wildlife habitat;

(8) secure other benefits associated with the sustainable use and management of surface water and groundwater resources;

(9) promote coordination and cooperation among local water management organizations;

(10) work with other public agencies and citizen volunteers collecting scientific data used to identify and restore impaired waters; and

(11) facilitate resolution of water resources conflicts.

Subd. 2. **Basin boards.** (a) Basin boards shall be established in each of the state's major river basins. Basin boards shall be established by petition under section 103B.178, in the following major river basins:

(1) Rainy River Basin;

(2) Great Lakes Basin;

(3) St. Croix River Basin;

(4) Middle Mississippi River Basin;

(5) Lower Mississippi-Cedar Rivers Basin;

(6) Missouri-Des Moines Rivers Basin;

(7) Upper Mississippi River Basin; and

(8) Minnesota River Basin.

(b) The board for the Red River of the North Basin shall be the Red River Watershed Management Board established by a joint powers agreement in accordance with section 471.59. The Red River Watershed Management Board may be modified under the petition for amendment process under section 103B.179.

Subd. 3. **Membership; organization.** (a) Membership of the basin boards under subdivision 2, paragraph (a), consists of one member from each of the existing watershed management entities within the basin and one member from each of the major watershed units where there is no watershed management entity. The governing body for each watershed management entity shall appoint one member. If no watershed management entity exists, the counties and soil and water conservation districts located wholly or partially within, or any watershed district located partially within, each major watershed unit shall jointly appoint one member that resides in the major watershed unit. A member of a basin board must be a county commissioner, soil and water conservation district supervisor, a watershed district manager, or an elected city official.

(b) Each basin board established by petition under section 103B.178, shall annually elect from among its members a chair, vice-chair, and secretary-treasurer who shall serve for concurrent three-year terms. The chair shall preside over all meetings of the basin board and may call special meetings at reasonable times and with adequate notice, when necessary. The vice-chair shall preside over the meetings of the basin board in the absence of the chair. The secretary-treasurer or the designee of the secretary-treasurer shall keep a record of all proceedings of the basin board. The secretary-treasurer shall provide for the proper receipt and disbursement of funds.

5.1 Subd. 4. **Advisory committee.** (a) A basin board established by petition under
5.2 section 103B.178, must appoint an advisory committee to advise and assist the basin board
5.3 on all matters affecting the interests of the basin and make recommendations to the basin
5.4 board on all projects and improvements proposed by the basin board.

5.5 (b) The advisory committee consists of at least six members. The members of the
5.6 advisory committee shall be from the advisory committees of the watershed management
5.7 entities within the basin. The members must be residents of the basin and shall serve
5.8 two-year terms.

5.9 Subd. 5. **Basin management plans.** Within 24 months of establishment under
5.10 section 103B.178, a basin board shall adopt a basin management plan as approved by
5.11 the Board of Water and Soil Resources.

5.12 Subd. 6. **Watershed management organization plans.** Within 120 days of basin
5.13 board establishment under section 103B.178, all watershed management entity plans and
5.14 local water plans developed under sections 103B.178, 103B.231, 103B.235, 103B.255,
5.15 103B.311, 103B.501, 103B.601, 103B.651, 103C.331, subdivision 11, and 103D.401,
5.16 shall be submitted to the basin board for review and comment on the consistency of the
5.17 proposed plan with the basin management plan. A county or soil and water conservation
5.18 district may use this plan to meet the local water management plan requirements of
5.19 sections 103B.311 and 103C.331, subdivision 11.

5.20 Subd. 7. **Taxing and other authority.** (a) For taxes levied in 2010, payable in 2011
5.21 and thereafter, a basin board with taxing authority under paragraph (b) or a county with
5.22 taxing authority under paragraph (c) may levy an ad valorem tax not to exceed 0.048
5.23 percent of the taxable market value of all property within the basin, or \$1,000,000,
5.24 whichever is less. A levy under this subdivision is in addition to any other levy authorized
5.25 by statute. The levy shall be allocated as follows:

5.26 (1) one-half of the levy shall be credited to the general fund of the basin board and
5.27 shall be used: (i) to develop and implement the basin board's management plan; and (ii)
5.28 for water resource projects and programs of benefit to the basin. The basin board must
5.29 adopt criteria for application and allocation of these funds by the basin board; and

5.30 (2) the remaining one-half of the levy shall be credited to the watershed management
5.31 fund of the watershed management entity for development, construction, maintenance,
5.32 implementation, and operation of projects and programs of benefit to the watershed and
5.33 basin for the restoration, enhancement, preservation, and protection of water and related
5.34 land resources. If no watershed management entity exists for a major watershed unit,
5.35 the levy under this clause shall be credited to the county and held by the county until a

watershed management entity is established, at which time the funds shall be transferred for use by the watershed management entity.

(b) A basin board established by petition under section 103B.178 may establish taxing authority under this section if the majority of the members of the basin board are elected officials at the time the levy is established. A basin board with taxing authority under this section is a special taxing district under section 275.066.

(c) A county may levy a tax under paragraph (a) on behalf of a basin board when a basin board does not have taxing authority under paragraph (b). A county levying under this section is a special taxing district under section 275.066.

(d) A basin board may hire or contract for goods and services to carry out its responsibilities under this section.

(e) A basin board may submit an evaluation of its basin management plan, including its budget and proposed projects, that demonstrates the inadequacy of the amount raised by the levy under this section in meeting the needs of the basin to the Board of Water and Soil Resources. The Board of Water and Soil Resources shall determine whether the board agrees with the evaluation of the basin board and submit its determination, in writing, to the members of the basin board.

(f) A basin board has the authority to and must participate in interstate and international river basin organizations that are geographically and hydrologically connected with the river basin.

Sec. 6. [103B.178] ESTABLISHMENT PETITION.

Subdivision 1. Filing. To establish a basin board as required under section 103B.177, an establishment petition must be filed with the Board of Water and Soil Resources.

Subd. 2. Requirements. The establishment petition must state:

(1) the name of the proposed basin board;

(2) the major river basin under section 103B.177 to be represented by the board, including a map and description of the property to be included;

(3) the membership structure of the board meeting the requirements under section 103B.177, subdivision 3; and

(4) whether the board intends to meet the elected official requirements for establishing taxing authority under section 103B.177, subdivision 7.

Subd. 3. Signatures. The establishment petition must be signed by one or more of the following groups:

(1) one-half or more of the counties, soil and water conservation districts, or watershed districts located wholly or partially within the basin;

(2) one or more counties, soil and water conservation districts, or watershed districts having 50 percent or more of the area within the basin;

(3) a majority of the cities within the basin; or

(4) 50 or more resident owners residing in the basin, excluding resident owners within the corporate limits of a city if the city has signed the petition.

Subd. 4. **Filing establishment petitions.** (a) The petitioners must file a copy of the original establishment petition with a signed statement of delivery or receipt with the auditors of affected counties and with the Board of Water and Soil Resources.

(b) An auditor that receives a copy of an establishment petition must determine if the petitioners are resident owners from the tax records. The tax records are prima facie evidence of ownership. The auditor must certify the number of petitioners that are resident owners and file the certification with the Board of Water and Soil Resources.

(c) After receiving a copy of the establishment petition, the Board of Water and Soil Resources shall acknowledge that an establishment petition has been received and prepare a preliminary river basin map and a preliminary report about the basin.

Subd. 5. **Similar and duplicate establishment petitions.** Similar and duplicate establishment petitions for the same proposed basin board may be filed and regarded as one establishment petition. All establishment petitions filed before the establishment hearing must be considered by the Board of Water and Soil Resources as part of the original petition.

Subd. 6. **Defective establishment petition.** An establishment petition that has the requisite number of petitioner signatures may not be dismissed because of defects in the establishment petition. The Board of Water and Soil Resources must allow petitioners to amend a defective establishment petition at any time before the end of the establishment hearing.

Subd. 7. **Withdrawal of petitioners.** After an establishment petition has been filed, a petitioner may not withdraw from the establishment petition unless the withdrawing petitioner obtains the written consent of all other petitioners and files the written consent with the Board of Water and Soil Resources.

Subd. 8. **Hearing; notice.** (a) After receiving an establishment petition, the Board of Water and Soil Resources must determine whether the establishment petition has the requisite number of petitioner signatures. If the establishment petition does not have the requisite number of petitioners, the board must dismiss the establishment petition and return it to the petitioners with an explanation of why the petition was dismissed. If the board determines that an establishment petition has the requisite number of petitioner signatures, the board must, by order, set a time and location for a hearing on the

establishment petition within 35 days after its determination. The hearing must be held within the limits of the basin to be represented for an establishment hearing unless the board determines a suitable place is not located within the basin and selects a place within the limits of a county that would be affected by the proposed basin board.

(b) The Board of Water and Soil Resources must give notice of the establishment hearing by publication in a legal newspaper that is published in counties affected by the proposed basin board. The last publication must occur at least ten days before the establishment hearing. The board must give notice of the establishment hearing to the commissioners of natural resources, agriculture, health, and the Pollution Control Agency, the auditors of counties, and the chief executive officials of municipalities affected by the proposed basin board. The notice must include:

(1) a statement that an establishment petition has been filed with the board and auditors of counties affected by the proposed basin board;

(2) a general description of the need for the basin board;

(3) a general description of the property to be included in the basin represented by the proposed board;

(4) the date, time, and location of the hearing; and

(5) a statement that all persons affected or interested in the establishment of the basin board may attend and give statements at the establishment hearing.

(c) The Board of Water and Soil Resources must allow all persons interested in or affected by the proposed basin board an opportunity to make oral and written statements at the establishment hearing. The board may continue the establishment hearing.

Subd. 9. **Establishment order.** (a) If the Board of Water and Soil Resources determines after the establishment hearing that the establishment of the proposed basin board would benefit the public welfare and public interest, the board must, by order, establish the basin board. The order of the board establishing the basin board must include:

(1) the findings of the board supporting its determination to establish the basin board;

(2) the official name of the basin board;

(3) the location of the principal place of business of the basin board;

(4) the boundaries of the basin to be represented by the basin board;

(5) the membership of the basin board; and

(6) whether the basin board will establish taxing authority under section 103B.177, subdivision 7.

(b) The Board of Water and Soil Resources must file a certified copy of the findings and order establishing a basin board with the secretary of state and, at the same time:

(1) mail a copy of the findings and order to the auditor of each county affected by the basin board and to the commissioners of natural resources, agriculture, health, and the Pollution Control Agency; and

(2) have each basin board member personally served with a copy of the order.

(c) A basin board established under this section exists from the time the order establishing the basin board is filed with the secretary of state until the basin board is terminated under section 103B.179.

Sec. 7. [103B.179] AMENDMENTS AND TERMINATION.

Subdivision 1. **Amendment process.** An establishment order for a basin board may be amended as provided in this section. A proceeding to amend an establishment order must be initiated by a petition to the Board of Water and Soil Resources requesting the amendment. Amendments may include changes to the boundaries of the area represented by the basin board, withdrawal of a portion of the area represented, additions to the area represented, or consolidation of areas represented.

Subd. 2. **Petition.** (a) A petition for an amendment to an establishment order for a basin board must include:

(1) the name of the basin boards affected by any of the proposed changes;

(2) a description, in general terms, of the property affected by the proposed changes;

(3) reasons for the proposed changes;

(4) by illustration in a map, the proposed changes; and

(5) a request for the Board of Water and Soil Resources to establish the proposed changes.

(b) A petition for an amendment must be signed by:

(1) one-half or more of the counties, soil and water conservation districts, or watershed districts located wholly or partially within the basin;

(2) one or more counties, soil and water conservation districts, or watershed districts having 50 percent or more of the area within the basin;

(3) a majority of the cities within the basin;

(4) 50 or more resident owners residing in the basin, excluding resident owners within the corporate limits of a city if the city has signed the petition; or

(5) the members of the basin board affected by the proposed change.

(c) The members of the basin board must pass a resolution authorizing the change before the members sign a petition for an amendment.

Subd. 3. **Hearing.** The Board of Water and Soil Resources must set a time and location for a hearing and give notice of the hearing in the same manner as an

establishment hearing. If a petition for an amendment involves a common boundary of two or more areas represented by established basin boards, the Board of Water and Soil Resources must determine the basin where the hearing will be held.

Subd. 4. **Establishment of amendment.** (a) After the hearing on the petition for an amendment, the Board of Water and Soil Resources must establish the proposed amendment, by order, if the board determines that establishment of the proposed amendment would benefit the public welfare and public interest and the proposed amendment would advance the purpose of this chapter.

(b) In the order establishing the amendment, the board must include:

(1) the findings of the board supporting its determination to establish the amendment; and

(2) the boundaries of the areas represented by the basin boards affected by the amendment.

(c) The board must file a certified copy of the findings and order establishing the amendment with the secretary of state and, at the same time, mail a copy of the order to the auditors of counties affected by the change, the commissioners of natural resources, agriculture, health, and the Pollution Control Agency, and the members of basin boards affected by the change. The amendment is effective the day the certified order establishing the amendment is filed with the secretary of state.

Subd. 5. **Termination process.** A basin board may be terminated under this section. Proceedings for the termination of a basin board may only be initiated by filing a termination petition with the Board of Water and Soil Resources. The board may not accept a termination petition within five years from the date of a basin board's establishment. The board may not make determinations or accept termination petitions for basin boards more than once in five years.

Subd. 6. **Termination petition; certification.** (a) A termination petition must be signed by at least 25 percent of the resident owners residing in the area represented by the basin board. The termination petition must state that the existence of the basin board does not benefit the public welfare and public interest and the basin board is not needed to accomplish the purposes of this chapter. The petitioners must file a copy of the termination petition with the auditors of the counties affected by the basin board. The original termination petition with a statement signed for delivery or receipt of each of the termination petitions submitted to the auditors of counties affected by the basin board must be filed with the Board of Water and Soil Resources.

(b) An auditor who receives a termination petition must determine from the tax records whether the petitioners are resident owners within the area represented by the

basin board. The auditor must certify the number of petitioners that are resident owners and file the certification with the Board of Water and Soil Resources.

Subd. 7. Termination hearing; notice. (a) When the Board of Water and Soil Resources determines a termination petition has been filed that meets the requirements of this section, the board must, by order, set a time within 35 days after its determination and a location within the area represented by the basin board for a termination hearing.

(b) The board must give notice of the termination hearing by publication in a legal newspaper that is published in counties affected by the basin board. The last publication must occur at least ten days before the termination hearing.

(c) The board must give notice of the termination hearing by mail to the auditors of counties and to the chief executive officials of municipalities affected by the basin board.

(d) The notice must include:

(1) a statement that a termination petition has been filed with the board and auditors of the counties affected by the basin board;

(2) a general description of why the basin board is to be terminated;

(3) a general description of the property within the area represented by the basin board;

(4) the date, time, and location of the hearing; and

(5) a statement that all persons affected by or interested in the basin board may attend and give statements at the termination hearing.

(e) The Board of Water and Soil Resources must allow all persons affected by or interested in the basin board to make oral and written statements at the termination hearing. The board may continue the termination hearing.

Subd. 8. Termination order. If, after the termination hearing, the Board of Water and Soil Resources determines that the existence of the basin board does not benefit the public welfare and public interest and the basin board is not needed to accomplish the purpose of this chapter, the board must issue a termination order. The termination order must include findings that support termination of the basin board and a statement that the basin board is terminated. The board must file a certified copy of the termination order with the secretary of state. A basin board ceases to be a political subdivision and ceases to exist when a termination order for the basin board is filed with the secretary of state.

Sec. 8. [103B.18] STANDARDS AND OVERSIGHT.

Subdivision 1. Standards. A basin board may, in its basin management plan, adopt additional performance and operational standards for its member watershed management entities. A basin board, water management entity, or other local water management

organization is not eligible for funds from the clean water legacy account under section 114D.45 or from the clean water fund under section 114D.50 unless:

(1) it is formally organized;

(2) has a water plan approved by the Board of Water and Soil Resources;

(3) there is cooperation, coordination, and implementation on a watershed basis; and

(4) nonstate matching funds are available.

Subd. 2. **Corrective actions.** (a) In addition to any other powers granted to the Board of Water and Soil Resources, the Board of Water and Soil Resources has the authority to intervene for the purpose of resolving disputes between a basin board and its member watershed management entities and between watershed management entities.

(b) A basin board may petition the Board of Water and Soil Resources to establish a watershed district if deficiencies identified by the Board of Water and Soil Resources are not corrected within two years. The Board of Water and Soil Resources may, after public notice and hearing, declare a watershed management organization nonimplementing and initiate proceedings for establishment of a watershed district.

Sec. 9. Minnesota Statutes 2008, section 103B.231, subdivision 4, is amended to read:

Subd. 4. **General standards.** (a) The watershed management plan must specify the period covered by the plan and must extend at least five years but no more than ten years from the date the board approves the plan. Plans that contain revision dates inconsistent with this section must comply with that date, provided it is not more than ten years beyond the date of board approval.

(b) The plan must be reviewed for consistency with an adopted county groundwater plan, and revised to the degree necessary to become compliant with the groundwater plan no later than two years after adoption by the county. A one-year extension may be granted by the board. Upon the request of a watershed management organization, the county shall provide a written statement that:

(1) identifies any substantial inconsistencies between the watershed plan and the groundwater plan and any substantial adverse effects of the watershed plan on the groundwater plan; and

(2) evaluates, estimates the cost of, and recommends alternatives for amending the watershed plan to rectify any substantial inconsistencies and adverse effects.

(c) The plan shall contain the elements required by subdivision 6. Each element shall be set out in the degree of detail and prescription necessary to accomplish the purposes of sections 103B.205 to 103B.255, considering the character of existing and anticipated

13.1 physical and hydrogeologic conditions, land use, and development and the severity of
13.2 existing and anticipated water management problems in the watershed.

13.3 (d) Existing plans of a watershed management organization shall remain in force and
13.4 effect until amended or superseded by plans adopted under sections 103B.205 to 103B.255.

13.5 (e) Watershed management organizations shall coordinate their planning activities
13.6 with basin boards, contiguous watershed management organizations and counties
13.7 conducting water planning and implementation under sections 103B.101 and 103B.301
13.8 to 103B.355.

13.9 (f) The plan must be consistent with the basin watershed management policy
13.10 established in section 103A.212.

13.11 Sec. 10. Minnesota Statutes 2008, section 103B.245, subdivision 1, is amended to read:

13.12 Subdivision 1. **Watershed management tax district.** (a) Any local government
13.13 unit planning for water management under sections 103B.177, 103B.178, 103B.231 and,
13.14 or 103B.235 may establish a watershed management tax district in the territory within
13.15 the watershed, for the purpose of paying the costs of the planning required under sections
13.16 103B.177, 103B.231 and, or 103B.235.

13.17 (b) Any local government unit which has part of its territory within a watershed
13.18 for which a plan has been adopted in accordance with section 103B.177, 103B.178, or
13.19 103B.231 and which has a local water management plan adopted in accordance with
13.20 section 103B.177, 103B.178, or 103B.235 may establish a watershed management tax
13.21 district in the territory within the watershed or a subwatershed unit in the watershed,
13.22 for the purpose of paying capital costs of the water management facilities described in
13.23 the capital improvement program of the plans and for the purpose of paying for normal
13.24 and routine maintenance of the facilities.

13.25 (c) A county or counties required by section 103B.231, subdivision 3, to prepare,
13.26 adopt, and implement a watershed plan shall apportion the costs of planning, capital
13.27 improvements, and maintenance proportionate to benefits. The county may apportion the
13.28 costs among the subwatershed units in the watershed, or among the statutory and home
13.29 rule charter cities and towns having territory in the watershed, and for this purpose may
13.30 establish more than one watershed management tax district in the watershed.

13.31 (d) Notification of new watershed management tax districts established under this
13.32 subdivision must be made to the county auditor by July 1 in order to be effective for
13.33 taxes payable in the following year.

14.1 Sec. 11. Minnesota Statutes 2008, section 103B.3369, subdivision 2, is amended to
14.2 read:

14.3 Subd. 2. **Establishment.** A local water resources protection and management
14.4 program is established. The board may provide financial assistance to local units of
14.5 government or to basin boards established under section 103B.178 for activities that
14.6 protect or manage water and related land quality. The activities include planning, zoning,
14.7 official controls, and other activities to implement local water management plans.

14.8 Sec. 12. Minnesota Statutes 2008, section 103B.3369, subdivision 5, is amended to
14.9 read:

14.10 Subd. 5. **Financial assistance.** (a) A base grant may be awarded to a county that
14.11 levies a water implementation tax at a rate, which shall be determined by the board. The
14.12 minimum amount of the water implementation tax shall be a tax rate times the adjusted
14.13 net tax capacity of the county for the preceding year. The rate shall be the rate, rounded to
14.14 the nearest .001 of a percent, that, when applied to the adjusted net tax capacity for all
14.15 counties, raises the amount of \$1,500,000. The base grant will be in an amount equal to
14.16 \$37,500 less the amount raised by that levy. If the amount necessary to implement the
14.17 local water plan for the county is less than \$37,500, the amount of the base grant shall be
14.18 the amount that, when added to the levy amount, equals the amount required to implement
14.19 the plan. For counties where the tax rate generates an amount equal to or greater than
14.20 \$18,750, the base grant shall be in an amount equal to \$18,750.

14.21 (b) A base grant may be awarded to a basin board established under section
14.22 103B.177 for the development and implementation of a basin management plan under
14.23 section 103B.177, subdivision 5.

14.24 Sec. 13. Minnesota Statutes 2008, section 103D.205, subdivision 3, is amended to read:

14.25 Subd. 3. **Signatures.** The establishment petition must be signed by one or more
14.26 of the following groups:

- 14.27 (1) one-half or more of the counties within the proposed watershed district;
14.28 (2) counties having 50 percent or more of the area within the proposed watershed
14.29 district;
14.30 (3) a majority of the cities within the proposed watershed district; ~~or~~
14.31 (4) 50 or more resident owners residing in the proposed watershed district, excluding
14.32 resident owners within the corporate limits of a city if the city has signed the petition; or
14.33 (5) a basin board under section 103B.179, subdivision 2.

15.1 Sec. 14. Minnesota Statutes 2008, section 103D.401, subdivision 1, is amended to read:

15.2 Subdivision 1. **Contents.** (a) The managers must adopt a watershed management
15.3 plan for any or all of the purposes for which a watershed district may be established.
15.4 The watershed management plan must give a narrative description of existing water and
15.5 water-related problems within the watershed district, possible solutions to the problems,
15.6 and the general objectives of the watershed district. The watershed management plan
15.7 must also conform closely with watershed management plan guidelines as adopted and
15.8 amended from time to time by the Board of Water and Soil Resources and be consistent
15.9 with the basin watershed management policy established in section 103A.212.

15.10 (b) The watershed management plan may include a separate section on proposed
15.11 projects. If the watershed district is within the metropolitan area, the separate section of
15.12 proposed projects or petitions for projects to be undertaken according to the watershed
15.13 management plan is a comprehensive plan of the watershed district for purposes of review
15.14 by the Metropolitan Council under section 473.165.

15.15 Sec. 15. Minnesota Statutes 2008, section 275.066, is amended to read:

15.16 **275.066 SPECIAL TAXING DISTRICTS; DEFINITION.**

15.17 For the purposes of property taxation and property tax state aids, the term "special
15.18 taxing districts" includes the following entities:

- 15.19 (1) watershed districts under chapter 103D;
- 15.20 (2) sanitary districts under sections 115.18 to 115.37;
- 15.21 (3) regional sanitary sewer districts under sections 115.61 to 115.67;
- 15.22 (4) regional public library districts under section 134.201;
- 15.23 (5) park districts under chapter 398;
- 15.24 (6) regional railroad authorities under chapter 398A;
- 15.25 (7) hospital districts under sections 447.31 to 447.38;
- 15.26 (8) St. Cloud Metropolitan Transit Commission under sections 458A.01 to 458A.15;
- 15.27 (9) Duluth Transit Authority under sections 458A.21 to 458A.37;
- 15.28 (10) regional development commissions under sections 462.381 to 462.398;
- 15.29 (11) housing and redevelopment authorities under sections 469.001 to 469.047;
- 15.30 (12) port authorities under sections 469.048 to 469.068;
- 15.31 (13) economic development authorities under sections 469.090 to 469.1081;
- 15.32 (14) Metropolitan Council under sections 473.123 to 473.549;
- 15.33 (15) Metropolitan Airports Commission under sections 473.601 to 473.680;
- 15.34 (16) Metropolitan Mosquito Control Commission under sections 473.701 to 473.716;

(17) Morrison County Rural Development Financing Authority under Laws 1982, chapter 437, section 1;

(18) Croft Historical Park District under Laws 1984, chapter 502, article 13, section 6;

(19) East Lake County Medical Clinic District under Laws 1989, chapter 211, sections 1 to 6;

(20) Floodwood Area Ambulance District under Laws 1993, chapter 375, article 5, section 39;

(21) Middle Mississippi River Watershed Management Organization under sections 103B.211 and 103B.241;

(22) MS 2006 [Expired]

(23) a county levying under the authority of section 103B.241, 103B.245, or 103B.251;

(24) Southern St. Louis County Special Taxing District; Chris Jensen Nursing Home under Laws 2003, First Special Session chapter 21, article 4, section 12;

(25) an airport authority created under section 360.0426; ~~and~~

(26) a basin board or county under section 103B.177; and

(27) any other political subdivision of the state of Minnesota, excluding counties, school districts, cities, and towns, that has the power to adopt and certify a property tax levy to the county auditor, as determined by the commissioner of revenue.

Sec. 16. **APPROPRIATION.**

\$..... is appropriated from ... in fiscal years to as a onetime appropriation to the Board of Water and Soil Resources for grants to the basin boards to assist in development of the basin plan goals, objectives, priorities, and outcomes.

\$..... in fiscal year and \$..... in fiscal year are appropriated from ... to the Board of Water and Soil Resources for increased staffing and capacity to support the watershed management effort of this act.