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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 3947

03/03/2022 Authored by Hansen, R.; Becker-Finn; Jordan; Lee; Hollins and others
The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance and Policy

1.1 A bill for an act
1.2 relating to pollution control; requiring financial assurance for certain feedlot
1.3 permits; requiring inventories and reports; appropriating money; amending
1.4 Minnesota Statutes 2020, section 116.07, by adding subdivisions.

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

1.6 Section 1. Minnesota Statutes 2020, section 116.07, is amended by adding a subdivision
1.7 to read:

1.8 Subd. 7f. Financial assurance. (a) Before the commissioner issues or renews a permit
1.9 for a feedlot with a capacity of 1,000 or more animal units, the permit applicant must submit
1.10 to the commissioner proof of financial assurance that satisfies the requirements under this
1.11 subdivision. Financial assurance must be of an amount sufficient to pay the closure costs
1.12 determined under paragraph (c) for the feedlot and manure storage area, with all terms and
1.13 conditions of the financial assurance instrument approved by the commissioner. The
1.14 commissioner, in evaluating financial assurance, may consult individuals with documented
1.15 experience in the analysis. The applicant must pay all costs incurred by the commissioner
1.16 to obtain this analysis.

1.17 (b) A permittee must maintain sufficient financial assurance for the duration of the permit
1.18 and demonstrate to the commissioner's satisfaction that:

1.19 (1) the funds will be available and made payable to the commissioner if the commissioner
1.20 determines the permittee is not in full compliance with the closure requirements established
1.21 by the commissioner in rule for feedlots and manure storage areas;

1.22 (2) the financial assurance instrument is fully valid, binding, and enforceable under state
1.23 and federal law;

2.1 (3) the financial assurance instrument is not dischargeable through bankruptcy; and
 2.2 (4) the financial assurance provider will give the commissioner at least 120 days' notice
 2.3 before cancelling the financial assurance instrument.

2.4 (c) The permit applicant must submit to the commissioner a documented estimate of
 2.5 costs required to implement the closure requirements established by the commissioner in
 2.6 rule for feedlots and manure storage areas. Cost estimates must incorporate current dollar
 2.7 values at the time of estimate and any additional costs required by the commissioner to
 2.8 oversee and hire a third party to implement the closure requirements. The applicant must
 2.9 not incorporate the estimated salvage or market value of manure, animals, structures,
 2.10 equipment, land, or other assets. The commissioner must evaluate and may modify the
 2.11 applicant's cost estimates and may consult individuals with documented experience in feedlot
 2.12 or manure storage area closure or remediation. The applicant must pay all costs incurred
 2.13 by the commissioner to obtain this consultation.

2.14 Sec. 2. Minnesota Statutes 2020, section 116.07, is amended by adding a subdivision to
 2.15 read:

2.16 Subd. 7g. **Abandoned feedlots and manure storage areas.** At least annually, the
 2.17 commissioner must compile a list of abandoned feedlots and manure storage areas in this
 2.18 state. A list compiled under this subdivision is not a feedlot inventory for purposes of
 2.19 subdivision 7b. For purposes of this subdivision, "abandoned feedlots and manure storage
 2.20 areas" means feedlots and manure storage areas that have:

2.21 (1) permanently ceased operation and are subject to, but not in compliance with, the
 2.22 closure requirements established by the commissioner in rule for feedlots and manure storage
 2.23 areas; or

2.24 (2) been unused for at least two years.

2.25 Sec. 3. **REPORTS REQUIRED.**

2.26 (a) No later than January 15, 2023, each county must report to the commissioner of the
 2.27 Pollution Control Agency a list of abandoned feedlots and manure storage areas located in
 2.28 the county. The report must be submitted by the county feedlot officer for a delegated county
 2.29 or a comparable county officer or employee for a nondelegated county.

2.30 (b) No later than February 15, 2023, the commissioner of the Pollution Control Agency
 2.31 must submit a compilation report and list of abandoned feedlots and manure storage areas

3.1 to the legislative committees with jurisdiction over agriculture and environment. The report
3.2 must include recommendations, including existing and any proposed options for remediation.

3.3 (c) For purposes of this section, "abandoned feedlots and manure storage areas" has the
3.4 meaning given in Minnesota Statutes, section 116.07, subdivision 7g.

3.5 (d) Reports and lists required under this section are not feedlot inventories for purposes
3.6 of Minnesota Statutes, section 116.07, subdivision 7b.

3.7 Sec. 4. **APPROPRIATIONS.**

3.8 (a) \$250,000 in fiscal year 2023 is appropriated from the general fund to the commissioner
3.9 of the Pollution Control Agency for the purposes of this act.

3.10 (b) \$350,000 in fiscal year 2023 is appropriated from the general fund to the commissioner
3.11 of the Pollution Control Agency. Of this amount, \$100,000 is for distribution to counties
3.12 for the reports required under section 3, paragraph (a), and \$250,000 is for a grant to the
3.13 Minnesota Association of County Feedlot Officers to provide training concerning state
3.14 feedlot requirements, working efficiently and effectively with producers, and reducing the
3.15 incidence of manure or nutrients entering surface water or groundwater. The appropriation
3.16 in this paragraph is onetime.