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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 735

01/23/2023 Authored by Reyer, Torkelson, Clardy, Her, Davids and others
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; establishing an aid program for soil and water conservation
1.3 districts; appropriating money; proposing coding for new law in Minnesota Statutes,
1.4 chapter 477A.

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

1.6 Section 1. 477A.23 SOIL AND WATER CONSERVATION DISTRICT AID.

1.7 Subdivision 1. Definitions. For purposes of this section, the following terms have the
1.8 meanings given:

1.9 (1) "joint powers entity" means a joint powers entity created by section 471.59;

1.10 (2) "nonpublic lands" means "real property" as defined by section 272.03 that is not
1.11 owned by the federal government, the state, or a local government unit; and

1.12 (3) "soil and water conservation district" means a district created by chapter 103C, and
1.13 that is implementing the duties under that chapter as determined by the Board of Water and
1.14 Soil Resources as of the board's certification to the commissioner of revenue required by
1.15 subdivision 4.

1.16 Subd. 2. Purpose. The purpose of this section is to provide ongoing financial support
1.17 to soil and water conservation districts to aid in the execution of chapter 103C and other
1.18 duties and services prescribed by statute.

1.19 Subd. 3. Distribution. The Board of Water and Soil Resources must calculate the amount
1.20 of aid to be distributed to the certified soil and water conservation districts from the
1.21 appropriation in subdivision 7 as follows:

1.22 (1) 70 percent of the appropriation must be distributed equally among the districts;

2.1 (2) 20 percent of the appropriation must be distributed proportionally among the districts  
2.2 according to the amount of nonpublic land located in a district as compared to the amount  
2.3 of nonpublic land in the state; and

2.4 (3) ten percent of the appropriation must be distributed proportionally among the districts  
2.5 on a tiered basis according to the population in the district as compared to the total state  
2.6 population included in the latest United States Census data.

2.7 Subd. 4. **Certification to commissioner.** On or before June 1 each year, the Board of  
2.8 Water and Soil Resources must certify to the commissioner of revenue the soil and water  
2.9 conservation districts that will receive a payment under this section and the amount of each  
2.10 payment.

2.11 Subd. 5. **Use of proceeds.** (a) Notwithstanding section 103C.401, subdivision 2, a soil  
2.12 and water conservation district that receives a distribution under this section must use the  
2.13 proceeds to implement chapter 103C and other duties and services as prescribed by statute.

2.14 (b) The board of each soil and water conservation district must establish, by resolution,  
2.15 annual guidelines for using payments received under this section. Current year guidelines  
2.16 and guidelines from the year immediately prior must be posted on the district's website.

2.17 (c) A soil and water conservation district that receives a payment under this section may  
2.18 use the proceeds directly or may appropriate any portion of the payment to a governmental  
2.19 unit with which the district has a cooperative agreement under section 103C.231. Any  
2.20 payment received under this section and appropriated by the district must be used as required  
2.21 under this subdivision.

2.22 Subd. 6. **Payments.** The commissioner of revenue must distribute soil and water  
2.23 conservation district aid in the same manner and at the same times as aid payments provided  
2.24 under section 477A.015.

2.25 Subd. 7. **Appropriation.** \$22,000,000 is annually appropriated from the general fund  
2.26 to the commissioner of revenue to make the payments required under this section.

2.27 Subd. 8. **Aid amount corrections.** If there is a clerical error made in calculating an aid  
2.28 payment under this section, the Board of Water and Soil Resources shall recertify the correct  
2.29 amounts to the commissioner of revenue and communicate the error and the corrected  
2.30 amount to the affected soil and water conservation district as soon as practical after the error  
2.31 is discovered. The commissioner of revenue shall then distribute additional aid payments  
2.32 in the same manner as additional aid payments are made under section 477A.014. The

3.1 additional aid payments shall be made from the general fund and shall not diminish the  
3.2 distributions made to other soil and water conservation districts under this section.

3.3 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2023 and  
3.4 thereafter.