

A bill for an act

relating to government finance; modifying provisions for general legislative and administrative expenses of state government; regulating state and local government operations; establishing technology development lease-purchase financing; establishing state appropriation bonds; establishing a statewide electronic licensing system; requiring local units of government to utilize state cooperative purchasing; transferring the Environmental Quality Board to the Pollution Control Agency; requiring a report; appropriating money; amending Minnesota Statutes 2008, sections 13.7411, subdivision 8; 103A.204; 103B.151, subdivision 1; 103B.315, subdivision 5; 103F.751; 103G.222, subdivision 1; 103H.151, subdivision 4; 103H.175, subdivision 3; 115A.072, subdivision 1; 115A.32; 116C.02, by adding a subdivision; 116C.04, subdivisions 1, 7; 116C.71, by adding a subdivision; 116F.06, subdivision 2; 116G.03, by adding a subdivision; 116G.15; 116G.151; 129D.13, subdivisions 1, 3; 129D.14, subdivisions 4, 5, 6; 137.56; 471.345, subdivision 15; Laws 2007, chapter 148, article 1, sections 10; 12, subdivision 2; 16, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 16A; 16E; 270C; repealing Minnesota Statutes 2008, sections 13.7411, subdivision 9; 116C.02, subdivision 2; 116C.03, subdivisions 1, 2, 2a, 3a, 4, 5, 6; 116C.24, subdivision 2; 116C.71, subdivisions 1c, 2a; 116C.91, subdivision 2; 116F.06, subdivision 2; 116G.03, subdivision 2; 240A.08.

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

ARTICLE 1

STATE GOVERNMENT APPROPRIATIONS

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2010</u>		<u>2011</u>		<u>Total</u>
<u>General</u>	\$ <u>320,366,000</u>	\$	<u>313,054,000</u>	\$	<u>633,420,000</u>
<u>Health Care Access</u>	<u>1,939,000</u>		<u>1,927,000</u>		<u>3,866,000</u>

S.F. No. 1395, as introduced - 86th Legislative Session (2009-2010) [09-1648]

2.1	<u>State Government Special</u>			
2.2	<u>Revenue</u>	<u>2,227,000</u>	<u>2,227,000</u>	<u>4,454,000</u>
2.3	<u>Environmental</u>	<u>448,000</u>	<u>448,000</u>	<u>896,000</u>
2.4	<u>Remediation</u>	<u>250,000</u>	<u>250,000</u>	<u>500,000</u>
2.5	<u>Special Revenue</u>	<u>3,839,000</u>	<u>3,839,000</u>	<u>7,678,000</u>
2.6	<u>Highway User Tax</u>			
2.7	<u>Distribution</u>	<u>2,183,000</u>	<u>2,183,000</u>	<u>4,366,000</u>
2.8	<u>Workers' Compensation</u>	<u>7,350,000</u>	<u>7,350,000</u>	<u>14,700,000</u>
2.9	<u>Total</u>	<u>\$ 338,602,000</u>	<u>\$ 331,278,000</u>	<u>\$ 669,880,000</u>

2.10 **Sec. 2. STATE GOVERNMENT APPROPRIATIONS.**

2.11 The sums shown in the columns marked "appropriations" are appropriated to the
 2.12 agencies and for the purposes specified in this article. The appropriations are from the
 2.13 general fund, or another named fund, and are available for the fiscal years indicated
 2.14 for each purpose. The figures "2010" and "2011" used in this article mean that the
 2.15 appropriations listed under them are available for the fiscal year ending June 30, 2010, or
 2.16 June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal
 2.17 year 2011. "The biennium" is fiscal years 2010 and 2011.

2.18 **APPROPRIATIONS**
 2.19 **Available for the Year**
 2.20 **Ending June 30**
 2.21 **2010** **2011**

2.22 **Sec. 3. LEGISLATURE** **\$ 65,951,000** **\$ 65,951,000**

2.23	<u>Appropriations by Fund</u>		
2.24		<u>2010</u>	<u>2011</u>
2.25	<u>General</u>	<u>65,773,000</u>	<u>65,773,000</u>
2.26	<u>Health Care Access</u>	<u>178,000</u>	<u>178,000</u>

2.27 **Sec. 4. GOVERNOR AND LIEUTENANT**
 2.28 **GOVERNOR** **\$ 3,484,000** **\$ 3,484,000**

2.29 **Sec. 5. STATE AUDITOR** **\$ 9,106,000** **\$ 9,106,000**

2.30 **Sec. 6. ATTORNEY GENERAL** **\$ 25,235,000** **\$ 25,235,000**

2.31	<u>Appropriations by Fund</u>		
2.32		<u>2010</u>	<u>2011</u>
2.33	<u>General</u>	<u>23,013,000</u>	<u>23,013,000</u>
2.34	<u>State Government</u>		
2.35	<u>Special Revenue</u>	<u>1,827,000</u>	<u>1,827,000</u>

S.F. No. 1395, as introduced - 86th Legislative Session (2009-2010) [09-1648]

3.1	<u>Environmental</u>	<u>145,000</u>	<u>145,000</u>		
3.2	<u>Remediation</u>	<u>250,000</u>	<u>250,000</u>		
3.3	Sec. 7. <u>SECRETARY OF STATE</u>			<u>\$ 5,818,000</u>	<u>\$ 5,990,000</u>
3.4	<u>Any funds available in the account</u>				
3.5	<u>established in Minnesota Statutes, section</u>				
3.6	<u>5.30, pursuant to the Help America Vote Act,</u>				
3.7	<u>are appropriated for the purposes and uses</u>				
3.8	<u>authorized by federal law.</u>				
3.9	Sec. 8. <u>CAMPAIGN FINANCE AND PUBLIC</u>				
3.10	<u>DISCLOSURE BOARD</u>			<u>\$ 698,000</u>	<u>\$ 698,000</u>
3.11	Sec. 9. <u>INVESTMENT BOARD</u>			<u>\$ 151,000</u>	<u>\$ 151,000</u>
3.12	Sec. 10. <u>OFFICE OF ENTERPRISE</u>				
3.13	<u>TECHNOLOGY</u>			<u>\$ 17,483,000</u>	<u>\$ 10,568,000</u>
3.14	<u>Of this amount, \$11,725,000 the first year</u>				
3.15	<u>and \$4,810,000 the second year are for</u>				
3.16	<u>consolidation of executive branch data center</u>				
3.17	<u>facilities. These amounts include funds for</u>				
3.18	<u>development of a detailed migration and</u>				
3.19	<u>operations plan, for tools to manage the</u>				
3.20	<u>consolidated data centers, for upgrades to</u>				
3.21	<u>certain existing facilities, for migration and</u>				
3.22	<u>consolidation of data center equipment, for</u>				
3.23	<u>the cost to lease and operate the consolidated</u>				
3.24	<u>facility during fiscal year 2010 and a portion</u>				
3.25	<u>of the cost to lease and operate the facility</u>				
3.26	<u>during fiscal year 2011, and other costs</u>				
3.27	<u>associated with consolidation of data centers.</u>				
3.28	<u>The amounts for data center consolidation</u>				
3.29	<u>are a onetime appropriation.</u>				
3.30	Sec. 11. <u>ADMINISTRATIVE HEARINGS</u>			<u>\$ 7,525,000</u>	<u>\$ 7,525,000</u>
3.31	<u>Appropriations by Fund</u>				
3.32		<u>2010</u>	<u>2011</u>		

4.1	<u>General</u>	<u>275,000</u>	<u>275,000</u>
4.2	<u>Workers'</u>		
4.3	<u>Compensation</u>	<u>7,250,000</u>	<u>7,250,000</u>

4.4 Sec. 12. ADMINISTRATION

4.5	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>21,376,000</u>	<u>\$</u>	<u>21,296,000</u>
-----	---	-----------	-------------------	-----------	-------------------

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

4.9	<u>Subd. 2. Government and Citizen Services</u>		<u>9,182,000</u>		<u>9,102,000</u>
-----	---	--	------------------	--	------------------

4.10 (a) \$844,000 the first year and \$844,000 the
 4.11 second year are for ongoing support of the
 4.12 enterprise-wide real property system.

4.13 (b) \$395,000 the first year and \$395,000
 4.14 the second year are for ongoing support
 4.15 of the small agency resource team which
 4.16 consolidates and streamlines the human
 4.17 resources and financial management
 4.18 activities for small state agencies, boards,
 4.19 and councils.

4.20 (c) \$802,000 the first year and \$802,000
 4.21 the second year are for the Land
 4.22 Management Information Center. Of the total
 4.23 appropriation, \$10,000 per year is intended
 4.24 for preparation of township acreage data in
 4.25 Laws 2008, chapter 366, article 17, section
 4.26 7, subdivision 3.

4.27 (d) \$74,000 the first year and \$74,000
 4.28 the second year are for the Council on
 4.29 Developmental Disabilities.

4.30 (e) \$134,000 the first year and \$134,000 the
 4.31 second year are for a grant to the Council on
 4.32 Developmental Disabilities for the purpose
 4.33 of establishing a statewide self-advocacy
 4.34 network for persons with intellectual and

5.1 developmental disabilities (ID/DD). The
5.2 self-advocacy network shall: (1) ensure
5.3 that persons with ID/DD are informed
5.4 of their rights in employment, housing,
5.5 transportation, voting, government policy,
5.6 and other issues pertinent to the ID/DD
5.7 community; (2) provide public education
5.8 and awareness of the civil and human
5.9 rights issues persons with ID/DD face; (3)
5.10 provide funds, technical assistance, and
5.11 other resources for self-advocacy groups
5.12 across the state; and (4) organize systems of
5.13 communications to facilitate an exchange of
5.14 information between self-advocacy groups.

5.15 (f) \$250,000 the first year and \$170,000 the
5.16 second year are to fund activities to prepare
5.17 for and promote the 2010 census.

5.18 (g) \$206,000 the first year and \$206,000 the
5.19 second year are for the Office of the State
5.20 Archaeologist.

5.21 **Subd. 3. Administrative Management Support** 1,851,000 1,851,000

5.22 \$125,000 the first year and \$125,000 the
5.23 second year are for ongoing support for
5.24 the Office of Grants Management which
5.25 facilitates the commissioner's duties under
5.26 Minnesota Statutes, sections 16B.97 and
5.27 16B.98.

5.28 **Subd. 4. Fiscal Agent** 10,343,000 10,343,000

5.29 (a) \$8,388,000 the first year and \$8,388,000
5.30 the second year are for office space costs of
5.31 the legislature and veterans organizations,
5.32 for ceremonial space, and for statutorily free
5.33 space.

6.1 (b) \$1,161,000 the first year and \$1,161,000
6.2 the second year are for matching grants for
6.3 public television.

6.4 (c) \$200,000 the first year and \$200,000
6.5 the second year are for public television
6.6 equipment grants. Equipment or matching
6.7 grant allocations shall be made after
6.8 considering the recommendations of the
6.9 Minnesota Public Television Association.

6.10 (d) \$17,000 the first year and \$17,000 the
6.11 second year are for grants to the Twin Cities
6.12 regional cable channel.

6.13 (e) \$287,000 the first year and \$287,000 the
6.14 second year are for community service grants
6.15 to public educational radio stations.

6.16 (f) \$100,000 the first year and \$100,000
6.17 the second year are for equipment grants to
6.18 public educational radio stations.

6.19 (g) The grants in paragraphs (e) and (f)
6.20 must be allocated after considering the
6.21 recommendations of the Association of
6.22 Minnesota Public Educational Radio Stations
6.23 under Minnesota Statutes, section 129D.14.

6.24 (h) \$190,000 the first year and \$190,000
6.25 the second year are for equipment grants to
6.26 Minnesota Public Radio, Inc.

6.27 (i) Any unencumbered balance remaining the
6.28 first year for grants to public television or
6.29 radio stations does not cancel and is available
6.30 for the second year.

6.31 **Sec. 13. CAPITOL AREA**
6.32 **ARCHITECTURAL AND PLANNING**
6.33 **BOARD**

\$ 354,000 \$ 354,000

7.1 Sec. 14. **MINNESOTA MANAGEMENT AND**
 7.2 **BUDGET** \$ 20,218,000 \$ 20,218,000

7.3 \$700,000 the first year and \$700,000 the
 7.4 second year are to establish an internal
 7.5 controls unit and increase oversight of
 7.6 bonding authorizations.

7.7 Sec. 15. **REVENUE**

7.8 **Subdivision 1. Total Appropriation** \$ 125,289,000 \$ 125,277,000

7.9	<u>Appropriations by Fund</u>		
7.10		<u>2010</u>	<u>2011</u>
7.11	<u>General</u>	<u>121,042,000</u>	<u>121,042,000</u>
7.12	<u>Health Care Access</u>	<u>1,761,000</u>	<u>1,749,000</u>
7.13	<u>Highway User Tax</u>		
7.14	<u>Distribution</u>	<u>2,183,000</u>	<u>2,183,000</u>
7.15	<u>Environmental</u>	<u>303,000</u>	<u>303,000</u>

7.16 The amounts that may be spent for each
 7.17 purpose are specified in subdivisions 2 and 3.

7.18 **Subd. 2. Tax System Management** 101,603,000 101,591,000

7.19	<u>Appropriations by Fund</u>		
7.20	<u>General</u>	<u>97,356,000</u>	<u>97,356,000</u>
7.21	<u>Health Care Access</u>	<u>1,761,000</u>	<u>1,749,000</u>
7.22	<u>Highway User Tax</u>		
7.23	<u>Distribution</u>	<u>2,183,000</u>	<u>2,183,000</u>
7.24	<u>Environmental</u>	<u>303,000</u>	<u>303,000</u>

7.25 **Subd. 3. Accounts Receivable Management** 23,686,000 23,686,000

7.26 Sec. 16. **GAMBLING CONTROL** \$ 2,940,000 \$ 2,940,000

7.27 These appropriations are from the lawful
 7.28 gambling regulation account in the special
 7.29 revenue fund.

7.30 Sec. 17. **RACING COMMISSION** \$ 899,000 \$ 899,000

7.31 These appropriations are from the racing
 7.32 and card playing regulation accounts in the
 7.33 special revenue fund.

10.1	Sec. 26. <u>COUNCIL ON BLACK</u>			
10.2	<u>MINNESOTANS</u>	\$	<u>316,000</u>	\$ <u>316,000</u>
10.3	Sec. 27. <u>COUNCIL ON CHICANO/LATINO</u>			
10.4	<u>AFFAIRS</u>	\$	<u>298,000</u>	\$ <u>298,000</u>
10.5	Sec. 28. <u>COUNCIL ON ASIAN-PACIFIC</u>			
10.6	<u>MINNESOTANS</u>	\$	<u>275,000</u>	\$ <u>275,000</u>
10.7	Sec. 29. <u>INDIAN AFFAIRS COUNCIL</u>	\$	<u>468,000</u>	\$ <u>468,000</u>
10.8	Sec. 30. <u>GENERAL CONTINGENT</u>			
10.9	<u>ACCOUNTS</u>	\$	<u>1,000,000</u>	\$ <u>500,000</u>

10.10	<u>Appropriations by Fund</u>		
10.11		<u>2010</u>	<u>2011</u>
10.12	<u>General</u>	<u>500,000</u>	<u>0</u>
10.13	<u>State Government</u>		
10.14	<u>Special Revenue</u>	<u>400,000</u>	<u>400,000</u>
10.15	<u>Workers'</u>		
10.16	<u>Compensation</u>	<u>100,000</u>	<u>100,000</u>

10.17 (a) The appropriations in this section
 10.18 may only be spent with the approval of
 10.19 the governor after consultation with the
 10.20 Legislative Advisory Commission pursuant
 10.21 to Minnesota Statutes, section 3.30.

10.22 (b) If an appropriation in this section for
 10.23 either year is insufficient, the appropriation
 10.24 for the other year is available for it.

10.25 (c) If a contingent account appropriation
 10.26 is made in one fiscal year, it should be
 10.27 considered a biennial appropriation.

10.28 Sec. 31. BUDGET RESERVE.

10.29 On July 1, 2009, the commissioner of Minnesota Management and Budget shall
 10.30 transfer \$250,000,000 to the budget reserve account in the general fund. The amount
 10.31 necessary for this purpose is appropriated from the general fund.

10.32 Sec. 32. BALANCE CARRIED FORWARD.

11.1 Notwithstanding Minnesota Statutes, section 16A.152, subdivision 2, any positive
11.2 unrestricted fund balance on June 30, 2009, is carried forward in the general fund into
11.3 fiscal year 2010.

11.4 **ARTICLE 2**

11.5 **STATE GOVERNMENT OPERATIONS**

11.6 Section 1. **[16A.81] TECHNOLOGY DEVELOPMENT LEASE-PURCHASE**
11.7 **FINANCING.**

11.8 Subdivision 1. **Definitions.** The following definitions apply to this section.

11.9 (a) "Technology system project" means the development, acquisition, installation,
11.10 and implementation of a technology system that is essential to state operations and is
11.11 expected to have a long useful life.

11.12 (b) "Lease-purchase agreement" means an agreement for the lease and installment
11.13 purchase of a technology system project, or a portion of the project, between the
11.14 commissioner, on behalf of the state, and a vendor or a third-party financing source.

11.15 (c) "Technology development lease-purchase guidelines" means policies, procedures,
11.16 and requirements established by the commissioner for technology system projects that are
11.17 financed pursuant to a lease-purchase agreement.

11.18 Subd. 2. **Lease-purchase financing.** The commissioner may enter into a
11.19 lease-purchase agreement in an amount sufficient to fund a technology system project and
11.20 authorize the public or private sale and issuance of certificates of participation, provided
11.21 that:

11.22 (1) the technology system project has been authorized by law to be funded pursuant
11.23 to a lease-purchase agreement;

11.24 (2) the term of the lease-purchase agreement and the related certificates of
11.25 participation shall not exceed the lesser of the expected useful life of the technology
11.26 system project financed by the lease-purchase agreement and the certificates or ten years
11.27 from the date of issuance of the lease-purchase agreement and the certificates;

11.28 (3) the principal amount of the lease-purchase agreement and the certificates is
11.29 sufficient to provide for the costs of issuance, capitalized interest, credit enhancement, or
11.30 reserves, if any, as required under the lease-purchase agreement;

11.31 (4) funds sufficient for payment of lease obligations have been committed in the
11.32 authorizing legislation for the technology system project for the fiscal year during which
11.33 the lease-purchase agreement is entered into; provided that no lease-purchase agreement
11.34 shall obligate the state to appropriate funds sufficient to make lease payments due under
11.35 such agreement in any future fiscal year; and

12.1 (5) planned expenditures for the technology system project are permitted within the
12.2 technology development lease-purchase guidelines.

12.3 Subd. 3. **Covenants.** The commissioner may covenant in a lease-purchase
12.4 agreement that the state will abide by the terms and provisions that are customary in
12.5 lease-purchase financing transactions, including but not limited to, covenants providing
12.6 that the state:

12.7 (1) will maintain insurance as required under the terms of the lease-purchase
12.8 agreement;

12.9 (2) is responsible to the lessor for any public liability or property damage claims or
12.10 costs related to the selection, use, or maintenance of the technology system project, to the
12.11 extent of insurance or self-insurance maintained by the state, and for costs and expenses
12.12 incurred by the lessor as a result of any default by the state; or

12.13 (3) authorizes the lessor to exercise the rights of a secured party with respect to
12.14 the technology system project or any portion of the project in the event of default or
12.15 nonappropriation of funds by the state, and for the present recovery of lease payments
12.16 due during the current term of the lease-purchase agreement as liquidated damages in
12.17 the event of default.

12.18 Subd. 4. **Credit and appropriation of proceeds.** Proceeds of the lease-purchase
12.19 agreement and certificates of participation must be credited to a technology lease project
12.20 fund in the state treasury. Net income from investment of the proceeds, as estimated by
12.21 the commissioner, must be credited to the appropriate accounts in the technology lease
12.22 project fund. Funds in the technology lease project fund are appropriated for the purposes
12.23 described in the authorizing law for each technology development project and this section.

12.24 Subd. 5. **Transfer of funds.** Before the lease-purchase proceeds are received in the
12.25 technology lease project fund, the commissioner may transfer to that fund from the general
12.26 fund amounts not exceeding the expected proceeds from the lease-purchase agreement
12.27 and certificates of participation. The commissioner shall return these amounts to the
12.28 general fund by transferring proceeds when received. The amounts of these transfers are
12.29 appropriated from the general fund and from the technology lease project fund.

12.30 Subd. 6. **Administrative expenses.** Actual and necessary travel and subsistence
12.31 expenses of employees and all other nonsalary expenses incidental to the sale, printing,
12.32 execution, and delivery of the lease-purchase agreement and certificates of participation
12.33 may be paid from the lease-purchase proceeds. The lease-purchase proceeds are
12.34 appropriated for this purpose.

12.35 Subd. 7. **Treatment of technology lease project fund.** Lease-purchase proceeds
12.36 remaining in the technology lease project fund after the purposes for which the

13.1 lease-purchase agreement was undertaken are accomplished or abandoned, as determined
13.2 by the commissioner, must be transferred to the general fund.

13.3 Subd. 8. **Lease-purchase not public debt.** A lease-purchase agreement does not
13.4 constitute or create a general or moral obligation or indebtedness of the state in excess
13.5 of the money from time to time appropriated or otherwise available for payments or
13.6 obligations under such agreement. Payments due under a lease-purchase agreement during
13.7 a current lease term for which money has been appropriated is a current expense of the
13.8 state.

13.9 Subd. 9. **Tax exemption.** Property purchased subject to a lease-purchase agreement
13.10 is not subject to personal property taxes. Purchases made by a lessor for lease to the state
13.11 under a valid lease-purchase agreement and payments due under such agreement are
13.12 not subject to sales tax.

13.13 Subd. 10. **Refunding certificates.** The commissioner from time to time may enter
13.14 into a new lease-purchase agreement and issue and sell certificates of participation for the
13.15 purpose of refunding any lease-purchase agreement and related certificates of participation
13.16 then outstanding, including the payment of any redemption premiums, any interest accrued
13.17 or that is to accrue to the redemption date, and costs related to the issuance and sale of such
13.18 refunding certificates. The proceeds of any refunding certificates may, in the discretion of
13.19 the commissioner, be applied to the purchase or payment at maturity of the certificates to
13.20 be refunded, to the redemption of outstanding lease-purchase agreements and certificates
13.21 on any redemption date, or to pay interest on the refunding lease-purchase agreements
13.22 and certificates and may, pending such application, be placed in escrow to be applied to
13.23 such purchase, payment, retirement, or redemption. Any escrowed proceeds, pending such
13.24 use, may be invested and reinvested in obligations that are authorized investments under
13.25 section 11A.24. The income earned or realized on any authorized investment may also be
13.26 applied to the payment of the lease-purchase agreements and certificates to be refunded,
13.27 interest or premiums on the refunded certificates, or to pay interest on the refunding
13.28 lease-purchase agreements and certificates. After the terms of the escrow have been fully
13.29 satisfied, any balance of proceeds and any investment income may be returned to the
13.30 general fund, or if applicable, the technology lease project fund, for use in a lawful manner.
13.31 All refunding lease-purchase agreements and certificates issued under the provisions of
13.32 this subdivision must be prepared, executed, delivered, and secured by appropriations in
13.33 the same manner as the lease-purchase agreements and certificates to be refunded.

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

13.35 Sec. 2. **[16A.82] TECHNOLOGY LEASE-PURCHASE APPROPRIATION.**

14.1 \$8,975,000 is appropriated annually from the general fund to the commissioner
14.2 to make payments under a lease-purchase agreement as defined in section 16A.81 for
14.3 replacement of the state's accounting and procurement systems, provided that the state is
14.4 not obligated to continue such appropriation of funds or to make lease payments in any
14.5 future fiscal year. Any unexpended portions of this appropriation cancel to the general
14.6 fund at the close of each biennium. This section expires June 30, 2019.

14.7 Sec. 3. [16A.823] STATE APPROPRIATION BONDS.

14.8 Subdivision 1. Definitions. (a) The definitions in this subdivision apply to this
14.9 section.

14.10 (b) "Appropriation bond" means a bond, note, or other evidence of obligation of the
14.11 state payable during a biennium from one or more of the following sources:

14.12 (1) money appropriated by law in any biennium for debt service due with respect
14.13 to obligations described in subdivision 2, paragraph (b);

14.14 (2) proceeds of the sale of obligations described in subdivision 2, paragraph (b);

14.15 (3) payments received for that purpose under agreements and ancillary arrangements
14.16 described in subdivision 2, paragraph (d); and

14.17 (4) investment earnings on amounts in clauses (1) to (3).

14.18 (c) "Debt service" means the amount payable in any biennium of principal, premium,
14.19 if any, and interest on appropriation bonds.

14.20 Subd. 2. Authority. (a) Subject to the limitations of this subdivision, the
14.21 commissioner of Minnesota Management and Budget may sell and issue appropriation
14.22 bonds of the state under this section for public purposes as authorized by law. The
14.23 proceeds of such bonds must be credited to a special appropriation bonds proceeds account
14.24 in the state treasury. Net income from investment of the proceeds, as estimated by the
14.25 commissioner, must be credited to the special appropriation bonds proceeds account.

14.26 (b) Appropriation bonds may be sold and issued in amounts that, in the opinion of
14.27 the commissioner, are necessary to provide sufficient funds for achieving the purposes
14.28 authorized as provided under paragraph (a), and pay debt service, pay costs of issuance,
14.29 make deposits to reserve funds, pay accrued interest, pay the costs of credit enhancement,
14.30 or make payments under other agreements entered into under paragraph (d); provided,
14.31 however, that bonds issued and unpaid shall not exceed \$1,085,000,000 in principal
14.32 amount, excluding refunding bonds sold and issued under subdivision 4.

14.33 (c) Appropriation bonds may be issued in one or more series on the terms and
14.34 conditions the commissioner determines to be in the best interests of the state, but the term
14.35 on any series of bonds may not exceed 20 years.

15.1 (d) At the time of, or in anticipation of, issuing the appropriation bonds, and at any
15.2 time thereafter, so long as the appropriation bonds are outstanding, the commissioner
15.3 may enter into agreements and ancillary arrangements relating to the appropriation
15.4 bonds, including trust indentures, liquidity facilities, remarketing or dealer agreements,
15.5 letter of credit agreements, insurance policies, guaranty agreements, reimbursement
15.6 agreements, indexing agreements, or interest exchange agreements. Any payments made
15.7 or received according to such agreement or ancillary arrangement shall be made from or
15.8 deposited as provided in the agreement or ancillary arrangement. The determination of the
15.9 commissioner included in an interest exchange agreement that such agreement relates to
15.10 an appropriation bond shall be conclusive.

15.11 Subd. 3. **Form; procedure.** (a) Appropriation bonds may be issued in the form
15.12 of bonds, notes, or other evidences of obligation, and in the manner provided in section
15.13 16A.672. In the event that any provision of section 16A.672 conflicts with this section,
15.14 this section shall control.

15.15 (b) Every appropriation bond shall include a conspicuous statement of the limitation
15.16 established in subdivision 6.

15.17 (c) Appropriation bonds may be sold at either public or private sale and may be sold
15.18 at any price or percentage of par value. Any bid received at public sale may be rejected.

15.19 (d) Appropriation bonds may bear interest at a fixed or variable rate.

15.20 Subd. 4. **Refunding bonds.** The commissioner from time to time may issue
15.21 appropriation bonds for the purpose of refunding any appropriation bonds then
15.22 outstanding, including the payment of any redemption premiums on the bonds, any
15.23 interest accrued or to accrue to the redemption date, and costs related to the issuance
15.24 and sale of the refunding bonds. The proceeds of any refunding bonds may, in the
15.25 discretion of the commissioner, be applied to the purchase or payment at maturity of the
15.26 appropriation bonds to be refunded, to the redemption of the outstanding bonds on any
15.27 redemption date, or to pay interest on the refunding bonds and may, pending application,
15.28 be placed in escrow to be applied to the purchase, payment, retirement, or redemption.
15.29 Any escrowed proceeds, pending such use, may be invested and reinvested in obligations
15.30 that are authorized investments under section 11A.24. The income earned or realized on
15.31 the investment may also be applied to the payment of the bonds to be refunded, interest
15.32 or premiums on the refunded bonds, or to pay interest on the refunding bonds. After
15.33 the terms of the escrow have been fully satisfied, any balance of such proceeds and any
15.34 investment income may be returned to the general fund or, if applicable, the appropriation
15.35 bonds proceeds account, for use in any lawful manner. All refunding bonds issued under

16.1 the provisions of this subdivision must be prepared, executed, delivered, and secured by
16.2 appropriations in the same manner as the bonds to be refunded.

16.3 Subd. 5. **Appropriation bonds as legal investments.** Any of the following entities
16.4 may legally invest any sinking funds, money, or other funds belonging to them or under
16.5 their control in any appropriation bonds issued under this section:

16.6 (1) the state, the investment board, public officers, municipal corporations, political
16.7 subdivisions, and public bodies;

16.8 (2) banks and bankers, savings and loan associations, credit unions, trust companies,
16.9 savings banks and institutions, investment companies, insurance companies, insurance
16.10 associations, and other persons carrying on a banking or insurance business; and

16.11 (3) personal representatives, guardians, trustees, and other fiduciaries.

16.12 Subd. 6. **No full faith and credit; state not required to make appropriations.**

16.13 The appropriation bonds are not public debt of the state, and the full faith, credit, and
16.14 taxing powers of the state are not pledged to the payment of the appropriation bonds or to
16.15 any payment that the state agrees to make under this section. Appropriation bonds shall
16.16 not be obligations paid directly, in whole or in part, from a tax of statewide application
16.17 on any class of property, income, transaction, or privilege. Appropriation bonds shall be
16.18 payable in each fiscal year only from amounts that the legislature may appropriate for debt
16.19 service for any fiscal year, provided that nothing in this section shall be construed to
16.20 require the state to appropriate funds sufficient to make debt service payments with respect
16.21 to the bonds in any fiscal year.

16.22 Subd. 7. **Appropriation of proceeds.** The proceeds of appropriation bonds and
16.23 interest credited to the special appropriation bonds proceeds account are appropriated to
16.24 the commissioner for payment of nonoperating, capital expenses as permitted by state
16.25 and federal law, and nonsalary expenses incurred in conjunction with the sale of the
16.26 appropriation bonds.

16.27 Subd. 8. **Appropriation for debt service.** The amount needed to pay principal and
16.28 interest on appropriation bonds issued under this section is appropriated each year to the
16.29 commissioner from the general fund subject to the repeal, unallotment under section
16.30 16A.152, or cancellation otherwise pursuant to subdivision 6.

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

16.32 Sec. 4. **[16E.22] STATEWIDE ELECTRONIC LICENSING SYSTEM.**

16.33 Subdivision 1. **Account established; appropriation.** The statewide electronic
16.34 licensing account is created in the special revenue fund. Receipts credited to the account
16.35 are appropriated to the state chief information officer for completion of the Minnesota

17.1 electronic licensing system, for migration of licensing agencies, and for operation and
17.2 maintenance of the system during the completion and migration period.

17.3 Subd. 2. **Temporary licensing surcharge.** Executive branch state agencies
17.4 shall collect a temporary surcharge of ten percent of the licensing fee, but no less than
17.5 \$10 on each license that will be migrated to the Minnesota electronic licensing system.
17.6 The surcharge applies to initial applications and renewals of all business, commercial,
17.7 professional, or occupational licenses that will be made available through the Minnesota
17.8 electronic licensing system, as determined by the state chief information officer. Each
17.9 agency shall collect the surcharge on its licenses for up to six years between July 1, 2009,
17.10 and June 30, 2017, as directed by the state chief information officer. Receipts from the
17.11 surcharge shall be deposited in the statewide licensing account established in subdivision 1.

17.12 Subd. 3. **Contract authority.** The state chief information officer may enter into
17.13 a risk-share or phased agreement with a vendor to complete the Minnesota electronic
17.14 licensing system and to migrate licensing agencies provided that the agreement commits
17.15 only revenue from the surcharge enacted under subdivision 2, after funds are set aside
17.16 for state operating and maintenance costs, as payment for the vendor's services. The
17.17 agreement must clearly indicate that the state chief information officer may only expend
17.18 amounts actually collected from the surcharge, after state operations and maintenance
17.19 costs have been paid, in payment for the vendor's services and that the vendor assumes
17.20 this risk when performing work under the contract. Nothing in this section should be
17.21 construed as requiring the state chief information officer to expend the entire amount
17.22 of the surcharge revenue, after state operations and maintenance costs have been set
17.23 aside, in payment for vendor services. Before entering into such a contract, the state chief
17.24 information officer must consult with the commissioner of Minnesota Management and
17.25 Budget about implementing the surcharge and the terms of the contract.

17.26 Subd. 4. **Unused funds.** Any funds remaining in the statewide electronic licensing
17.27 account after all costs of completing the Minnesota electronic licensing system, migrating
17.28 licensing agencies, and operating and maintaining the system during the completion and
17.29 migration period have been paid shall be used to defray future costs of operating and
17.30 maintaining the Minnesota electronic licensing system.

17.31 Subd. 5. **Expiration.** This section expires on June 30, 2019.

17.32 Sec. 5. Minnesota Statutes 2008, section 129D.13, subdivision 1, is amended to read:

17.33 Subdivision 1. **Distribution.** The commissioner shall distribute the money provided
17.34 by sections 129D.11 to 129D.13 according to state grant policies. ~~Twice~~ Annually the
17.35 commissioner shall make block grants which shall be distributed in equal amounts to

S.F. No. 1395, as introduced - 86th Legislative Session (2009-2010) [09-1648]

18.1 public stations for operational costs. The commissioner shall allocate money appropriated
18.2 for the purposes of sections 129D.11 to 129D.13 in such a manner that each eligible public
18.3 station receives a block grant. In addition, the commissioner shall make matching grants to
18.4 public stations. Matching grants shall be used for operational costs ~~and shall be allocated~~
18.5 ~~using the procedure developed for distribution of state money under this section for grants~~
18.6 ~~made in fiscal year 1979.~~ No station's matching grant in any fiscal year shall exceed the
18.7 amount of Minnesota-based contributions received by that station in the previous fiscal
18.8 year. Grants made pursuant to this subdivision may only be given to those federally
18.9 licensed stations that are certified as eligible for community service grants through the
18.10 Corporation for Public Broadcasting. Grant funds not expended by a station during the
18.11 first year of the biennium do not cancel and may be carried over into the second fiscal year.

18.12 Sec. 6. Minnesota Statutes 2008, section 129D.13, subdivision 3, is amended to read:

18.13 Subd. 3. **Report.** Each ~~educational~~ station receiving a grant shall ~~annually~~ report
18.14 ~~by July 1~~ annually by August 1 to the commissioner the purposes for which the money
18.15 was used in the past ~~fiscal~~ year and the anticipated use of the money in the next ~~fiscal~~ year.
18.16 ~~The report shall be certified by an independent auditor or a certified public accountant.~~
18.17 This report shall be submitted along with a new grant request submission. If the report
18.18 is not submitted by ~~September 1~~, the commissioner ~~may withhold from the educational~~
18.19 ~~station 45 percent of the amount to which it was entitled based upon the contribution of~~
18.20 ~~the previous fiscal year, and~~ may redistribute that money to other educational stations.

18.21 Sec. 7. Minnesota Statutes 2008, section 129D.14, subdivision 4, is amended to read:

18.22 Subd. 4. **Application.** To be eligible for a grant under this section, a licensee
18.23 shall submit an application to the commissioner ~~within the deadline prescribed by the~~
18.24 ~~commissioner~~ according to state grant policies. Each noncommercial radio station
18.25 receiving a grant shall report annually ~~within the deadline prescribed by~~ August 1 to the
18.26 commissioner the purposes for which the money was used in the past ~~fiscal~~ year and the
18.27 anticipated use of the money for the next ~~fiscal~~ year. This report shall be submitted along
18.28 with a new grant request submission. If the application and report are not submitted within
18.29 the deadline prescribed by the commissioner, the grant may be redistributed to the other
18.30 noncommercial radio stations eligible for a grant under this section.

18.31 Sec. 8. Minnesota Statutes 2008, section 129D.14, subdivision 5, is amended to read:

18.32 Subd. 5. **State community service block grants.** (a) The commissioner shall
18.33 determine eligibility for block grants and the allocation of block grant money on the basis

S.F. No. 1395, as introduced - 86th Legislative Session (2009-2010) [09-1648]

19.1 of audited financial records of the station to receive the block grant funds for the station's
19.2 fiscal year preceding the year in which the grant is made, as well as on the basis of the
19.3 other requirements set forth in this section. The commissioner shall annually distribute
19.4 block grants equally to all stations that comply with the eligibility requirements and for
19.5 which a licensee applies for a block grant. Grant funds not expended by a station during
19.6 the first year of the biennium do not cancel and may be carried over into the second fiscal
19.7 year. The commissioner may promulgate rules to implement this section.

19.8 (b) A station may use grant money under this section for any radio station expenses.

19.9 Sec. 9. Minnesota Statutes 2008, section 129D.14, subdivision 6, is amended to read:

19.10 Subd. 6. **Audit.** A station that receives a grant under this section shall have an
19.11 audit of its financial records made by an independent auditor or Corporation for Public
19.12 Broadcasting accepted audit ~~at the end of~~ for the fiscal year for which it received the grant.
19.13 ~~The audit shall include a review of station promotion, operation, and management and an~~
19.14 ~~analysis of the station's use of the grant money.~~ A copy of the most recent audit shall be
19.15 filed with the commissioner. ~~If neither is available,~~ The commissioner may accept a letter
19.16 of negative assurance from an independent auditor or a certified public accountant.

19.17 Sec. 10. **[270C.145] TECHNOLOGY LEASE-PURCHASE APPROPRIATION.**

19.18 \$2,117,000 is appropriated annually from the general fund to the commissioner
19.19 to make payments under a lease-purchase agreement as defined in section 16A.81 for
19.20 completing the purchase and development of an integrated tax software package; provided
19.21 that the state is not obligated to continue the appropriation of funds or to make lease
19.22 payments in any future fiscal year. Any unexpended portions of this appropriation cancel
19.23 to the general fund at the close of each biennium. This section expires June 30, 2019.

19.24 Sec. 11. Minnesota Statutes 2008, section 471.345, subdivision 15, is amended to read:

19.25 Subd. 15. **Cooperative purchasing.** (a) Minnesota cities, counties, and townships
19.26 must contract for the purchase of supplies, materials, or equipment by utilizing contracts
19.27 that are available through the state's cooperative purchasing venture authorized by section
19.28 16C.11 whenever practicable and cost-effective.

19.29 (b) Unless required to utilize the state's cooperative purchasing venture under
19.30 paragraph (a), a municipality may contract for the purchase of supplies, materials, or
19.31 equipment without regard to the competitive bidding requirements of this section if the
19.32 purchase is through a national municipal association's purchasing alliance or cooperative

S.F. No. 1395, as introduced - 86th Legislative Session (2009-2010) [09-1648]

20.1 created by a joint powers agreement that purchases items from more than one source on
20.2 the basis of competitive bids or competitive quotations.

20.3 Sec. 12. Laws 2007, chapter 148, article 1, section 10, is amended to read:

20.4 **Sec. 10. OFFICE OF ENTERPRISE**
20.5 **TECHNOLOGY** **\$ 16,445,000 \$ 7,829,000**

20.6 (a) \$7,500,000 the first year is for the first
20.7 phase of an electronic licensing system.

20.8 This is a onetime appropriation. This
20.9 appropriation carries forward to the second
20.10 year.

20.11 (b) \$4,000,000 the first year and \$4,000,000
20.12 the second year are for information
20.13 technology security. The base appropriation
20.14 is \$2,500,000 in fiscal year 2010 and
20.15 \$2,500,000 in fiscal year 2011.

20.16 (c) \$1,000,000 the first year is for small
20.17 agency technology infrastructure projects.
20.18 During the biennium, these amounts are
20.19 intended to include hardware and software
20.20 improvements for the Asian-Pacific Council,
20.21 the Capitol Area Architectural and Planning
20.22 Board, the Minnesota Library for the
20.23 Blind, the Minnesota State Academies, and
20.24 the Ombudsman for Mental Health and
20.25 Disabilities.

20.26 (d) \$180,000 the first year is for grants to be
20.27 distributed to the counties participating in
20.28 the development of the integrated financial
20.29 system for enhancements to the system.

20.30 Enhancements include:

20.31 (1) systems to improve the tracking and
20.32 reporting of state and federal grants;

20.33 (2) electronic payments to vendors;

- 21.1 (3) electronic posting of state payments to
21.2 the financial system;
- 21.3 (4) automating revenue collection and
21.4 posting through check conversion, automatic
21.5 clearing house transactions, or credit card
21.6 processing;
- 21.7 (5) improvements to county budgetary
21.8 systems;
- 21.9 (6) storage or linkage of electronic
21.10 documents;
- 21.11 (7) improved executive level reporting and
21.12 extraction of data; and
- 21.13 (8) improved information and reporting for
21.14 audits.
- 21.15 The grant funds shall be distributed on a pro
21.16 rata basis to each of the counties participating
21.17 in the development of the integrated financial
21.18 system. The Minnesota Counties Computer
21.19 Cooperative, acting as a fiscal agent for
21.20 the participating counties, shall receive the
21.21 grant money for the counties. The grants
21.22 will only be distributed after \$540,000 is
21.23 expended or provided from other sources.
- 21.24 The chief information officer may require
21.25 a report or such other information as the
21.26 chief information officer deems appropriate
21.27 to verify that the requirements of this
21.28 section have been met. This appropriation
21.29 is available until June 30, 2011, and cancels
21.30 on that date.
- 21.31 The chief information officer shall report to
21.32 the legislative committees and divisions with
21.33 jurisdiction over state government policy

S.F. No. 1395, as introduced - 86th Legislative Session (2009-2010) [09-1648]

22.1 and finance and economic development
22.2 programs.
22.3 ~~(c) By June 30, 2010, and June 30, 2011, the~~
22.4 ~~commissioner of finance, in consultation with~~
22.5 ~~the chief information officer, must determine~~
22.6 ~~the savings attributable to implementing the~~
22.7 ~~electronic licensing system in paragraph~~
22.8 ~~(a) and the information technology security~~
22.9 ~~improvements provided for in paragraph (b)~~
22.10 ~~in fiscal year 2010 and 2011, respectively.~~
22.11 ~~The savings are estimated to be \$2,551,000~~
22.12 ~~for the biennium. The commissioner must~~
22.13 ~~deposit the amount determined for each year~~
22.14 ~~in the general fund.~~

22.15 Sec. 13. Laws 2007, chapter 148, article 1, section 12, subdivision 2, is amended to
22.16 read:

22.17 Subd. 2. **State Facilities Services** 14,496,000 11,208,000

22.18 (a) \$7,888,000 the first year and \$7,888,000
22.19 the second year are for office space costs of
22.20 the legislature and veterans organizations,
22.21 for ceremonial space, and for statutorily free
22.22 space.

22.23 (b) \$2,500,000 the first year is to purchase
22.24 and implement a Web-enabled, shared
22.25 computer system to facilitate the state's real
22.26 property portfolio management.

22.27 ~~By June 30, 2010, and June 30, 2011, the~~
22.28 ~~commissioner of finance, in consultation~~
22.29 ~~with the commissioner of administration,~~
22.30 ~~must determine the savings attributable to~~
22.31 ~~implementing the real property portfolio~~
22.32 ~~management system in fiscal year 2010~~
22.33 ~~and 2011, respectively. The savings are~~
22.34 ~~estimated to be \$412,000 for the biennium.~~

S.F. No. 1395, as introduced - 86th Legislative Session (2009-2010) [09-1648]

23.1 ~~The commissioner must deposit the amount~~
23.2 ~~determined for each year in the general fund.~~

23.3 (c) \$885,000 the first year is for onetime
23.4 funding of agency relocation expenses for
23.5 the Department of Public Safety.

23.6 Sec. 14. Laws 2007, chapter 148, article 1, section 16, subdivision 2, is amended to
23.7 read:

23.8 Subd. 2. **Tax System Management** 109,098,000 101,045,000

23.9 Appropriations by Fund

23.10 General	104,969,000	96,825,000
23.11 Health Care Access	1,693,000	1,734,000
23.12 Highway User Tax		
23.13 Distribution	2,139,000	2,183,000
23.14 Environmental	297,000	303,000

23.15 (a) \$6,910,000 the first year and \$8,704,000
23.16 the second year are for additional activities
23.17 to identify and collect tax liabilities from
23.18 individuals and businesses that currently
23.19 do not pay all taxes owed. This initiative
23.20 is expected to result in new general fund
23.21 revenues of \$42,400,000 for the biennium
23.22 ending June 30, 2009.

23.23 (b) The department must report to the chairs
23.24 of the house of representatives Ways and
23.25 Means and senate Finance Committees by
23.26 March 1, 2008, and January 15, 2009, on the
23.27 following performance indicators:

23.28 (1) the number of corporations noncompliant
23.29 with the corporate tax system each year and
23.30 the percentage and dollar amounts of valid
23.31 tax liabilities collected;

23.32 (2) the number of businesses noncompliant
23.33 with the sales and use tax system and the

24.1 percentage and dollar amount of the valid tax
24.2 liabilities collected; and

24.3 (3) the number of individual noncompliant
24.4 cases resolved and the percentage and dollar
24.5 amounts of valid tax liabilities collected.

24.6 (c) The reports must also identify base-level
24.7 expenditures and staff positions related to
24.8 compliance and audit activities, including
24.9 baseline information as of January 1, 2006.
24.10 The information must be provided at the
24.11 budget activity level.

24.12 (d) \$12,000,000 the first year is for the
24.13 purchase and development of an integrated
24.14 tax software package.

24.15 ~~By June 30, 2010, and June 30, 2011, the~~
24.16 ~~commissioner of finance, in consultation with~~
24.17 ~~the commissioner of revenue, must determine~~
24.18 ~~the savings attributable to implementing the~~
24.19 ~~integrated tax software package in fiscal year~~
24.20 ~~2010 and 2011, respectively. The savings are~~
24.21 ~~estimated to be \$1,975,000 for the biennium.~~
24.22 ~~The commissioner must deposit the amount~~
24.23 ~~determined for each year in the general fund.~~

24.24 (e) \$75,000 the first year and \$75,000 the
24.25 second year are for grants to one or more
24.26 nonprofit organizations, qualifying under
24.27 section 501(c)(3) of the Internal Revenue
24.28 Code of 1986, to coordinate, facilitate,
24.29 encourage, and aid in the provision of
24.30 taxpayer assistance services. For purposes
24.31 of this paragraph, "taxpayer assistance
24.32 services" means accounting and tax
24.33 preparation services provided by volunteers
24.34 to low-income and disadvantaged Minnesota
24.35 residents to help them file federal and

25.1 state income tax returns and Minnesota
25.2 property tax refund claims and may include
25.3 providing personal representation before
25.4 the Department of Revenue and Internal
25.5 Revenue Service.

25.6 Sec. 15. **RACING LICENSE FEE RATIFICATION.**

25.7 The license fees in Minnesota Rules, part 7877.0120, are ratified by this act.

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

25.9 Sec. 16. **TECHNOLOGY LEASE-PURCHASE AUTHORIZATION.**

25.10 Subdivision 1. **Lease-purchase agreements.** The commissioner of Minnesota
25.11 Management and Budget shall enter into one or more lease-purchase agreements as defined
25.12 in Minnesota Statutes, section 16A.81, to finance the two projects in subdivisions 2 and 3.

25.13 Subd. 2. **Replacement of state's accounting and procurement systems.**
25.14 Proceeds of lease-purchase agreements and the issuance and sale of related certificates of
25.15 participation are appropriated to the commissioner of Minnesota Management and Budget
25.16 for development and implementation of a new statewide accounting and procurement
25.17 system.

25.18 Subd. 3. **Completion of integrated tax system.** Proceeds of lease-purchase
25.19 agreements and the issuance and sale of related certificates of participation are appropriated
25.20 to the commissioner of revenue for completing the purchase and implementation of an
25.21 integrated tax software package.

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

25.23 Sec. 17. **REPEALER.**

25.24 Minnesota Statutes 2008, section 240A.08, is repealed.

25.25 **ARTICLE 3**

25.26 **TRANSFER OF ENVIRONMENTAL QUALITY BOARD**

25.27 Section 1. Minnesota Statutes 2008, section 13.7411, subdivision 8, is amended to read:

25.28 Subd. 8. **Pollution Control Agency.** (a) **Hazardous waste generators.**
25.29 Information provided by hazardous waste generators under section 473.151 and for which
25.30 confidentiality is claimed is governed by section 116.075, subdivision 2.

26.1 (b) **Tests.** Trade secret information made available by applicants for certain projects
26.2 of the Pollution Control Agency is classified under section 116.54.

26.3 (c) **Study data for radioactive waste disposal.** Access to data derived from
26.4 testing or studies for the disposal of radioactive waste is governed by section 116C.724,
26.5 subdivision 3.

26.6 (d) **Low-level radioactive waste.** Certain data given to the Pollution Control
26.7 Agency by persons who generate, transport, or dispose of low-level radioactive waste are
26.8 classified under section 116C.840.

26.9 Sec. 2. Minnesota Statutes 2008, section 103A.204, is amended to read:

26.10 **103A.204 GROUNDWATER POLICY.**

26.11 (a) The responsibility for the protection of groundwater in Minnesota is vested
26.12 in a multiagency approach to management. The following is a list of agencies and the
26.13 groundwater protection areas for which the agencies are primarily responsible; the list is
26.14 not intended to restrict the areas of responsibility to only those specified:

26.15 ~~(1) Environmental Quality Board: coordination of state groundwater protection~~
26.16 ~~programs;~~

26.17 ~~(2)~~ (1) Pollution Control Agency: coordination of state groundwater protection
26.18 programs, water quality monitoring and reporting, and ~~the~~ development of best
26.19 management practices and regulatory mechanisms for protection of groundwater from
26.20 nonagricultural chemical contaminants;

26.21 ~~(3)~~ (2) Department of Agriculture: sustainable agriculture, integrated pest
26.22 management, water quality monitoring, and the development of best management
26.23 practices and regulatory mechanisms for protection of groundwater from agricultural
26.24 chemical contaminants;

26.25 ~~(4)~~ (3) Board of Water and Soil Resources: reporting on groundwater education and
26.26 outreach with local government officials, local water planning and management, and
26.27 local cost share programs;

26.28 ~~(5)~~ (4) Department of Natural Resources: water quantity monitoring and regulation,
26.29 sensitivity mapping, and development of a plan for the use of integrated pest management
26.30 and sustainable agriculture on state-owned lands; and

26.31 ~~(6)~~ (5) Department of Health: regulation of wells and borings, and the development
26.32 of health risk limits under section 103H.201.

26.33 (b) The Environmental Quality Board shall prepare a report on policy issues related
26.34 to its responsibilities listed in paragraph (a), and include these reports with the assessments
26.35 in section 103A.43 and the "Minnesota Water Plan" in section 103B.151.

S.F. No. 1395, as introduced - 86th Legislative Session (2009-2010) [09-1648]

27.1 Sec. 3. Minnesota Statutes 2008, section 103B.151, subdivision 1, is amended to read:

27.2 Subdivision 1. **Water planning.** The Environmental Quality Board shall:

27.3 (1) coordinate public water resource management and regulation activities among
27.4 the state agencies having jurisdiction in the area;

27.5 (2) coordinate comprehensive long-range water resources planning in furtherance of
27.6 the ~~Environmental Quality Board's~~ "Minnesota Water Plan," published in January 1991;
27.7 ~~by and September 15, 2000 by the Environmental Quality Board, and each at ten-year~~
27.8 ~~interval afterwards~~ intervals thereafter by the Pollution Control Agency;

27.9 (3) coordinate water planning activities of local, regional, and federal bodies with
27.10 state water planning and integrate these plans with state strategies;

27.11 (4) coordinate development of state water policy recommendations and priorities,
27.12 and a recommended program for funding identified needs, including priorities for
27.13 implementing the state water resources monitoring plan;

27.14 (5) administer federal water resources planning with multiagency interests;

27.15 (6) ensure that groundwater quality monitoring and related data is provided and
27.16 integrated into the Minnesota land management information system according to
27.17 published data compatibility guidelines. Costs of integrating the data in accordance with
27.18 data compatibility standards must be borne by the agency generating the data;

27.19 (7) coordinate the development and evaluation of water information and education
27.20 materials and resources; and

27.21 (8) coordinate the dissemination of water information and education through
27.22 existing delivery systems.

27.23 Sec. 4. Minnesota Statutes 2008, section 103B.315, subdivision 5, is amended to read:

27.24 Subd. 5. **State review.** (a) After conducting the public hearing but before final
27.25 adoption, the county board must submit its local water management plan, all written
27.26 comments received on the plan, a record of the public hearing under subdivision 4,
27.27 and a summary of changes incorporated as a result of the review process to the board
27.28 for review. The board shall complete the review within 90 days after receiving a local
27.29 water management plan and supporting documents. The board shall consult with the
27.30 Departments of Agriculture, Health, and Natural Resources; the Pollution Control Agency;
27.31 ~~the Environmental Quality Board;~~ and other appropriate state agencies during the review.

27.32 (b) The board may disapprove a local water management plan if the board
27.33 determines the plan is not consistent with state law. If a plan is disapproved, the board
27.34 shall provide a written statement of its reasons for disapproval. A disapproved local water
27.35 management plan must be revised by the county board and resubmitted for approval by the

S.F. No. 1395, as introduced - 86th Legislative Session (2009-2010) [09-1648]

28.1 board within 120 days after receiving notice of disapproval of the local water management
28.2 plan, unless the board extends the period for good cause.

28.3 (c) If the local government unit disagrees with the board's decision to disapprove
28.4 the plan, it may, within 60 days, initiate mediation through the board's informal dispute
28.5 resolution process as established pursuant to section 103B.345, subdivision 1. A local
28.6 government unit may appeal disapproval to the Court of Appeals. A decision of the board
28.7 on appeal is subject to judicial review under sections 14.63 to 14.69.

28.8 Sec. 5. Minnesota Statutes 2008, section 103F.751, is amended to read:

28.9 **103F.751 NONPOINT SOURCE POLLUTION CONTROL PLAN AND**
28.10 **PROGRAM EVALUATION.**

28.11 To coordinate the programs and activities used to control nonpoint sources of
28.12 pollution to achieve the state's water quality goals, the agency shall:

28.13 (1) develop a state plan for the control of nonpoint source water pollution to meet
28.14 the requirements of the federal Clean Water Act;

28.15 (2) work ~~through the Environmental Quality Board~~ to coordinate the activities and
28.16 programs of federal, state, and local agencies involved in nonpoint source pollution control
28.17 and, as appropriate, develop agreements with federal and state agencies to accomplish the
28.18 purposes and objectives of the state nonpoint source pollution control plan; and

28.19 (3) evaluate the effectiveness of programs in achieving water quality goals
28.20 and recommend to the legislature, under section 3.195, subdivision 1, any necessary
28.21 amendments to sections 103F.701 to 103F.761.

28.22 Sec. 6. Minnesota Statutes 2008, section 103G.222, subdivision 1, is amended to read:

28.23 Subdivision 1. **Requirements.** (a) Wetlands must not be drained or filled, wholly
28.24 or partially, unless replaced by restoring or creating wetland areas of at least equal
28.25 public value under a replacement plan approved as provided in section 103G.2242, a
28.26 replacement plan under a local governmental unit's comprehensive wetland protection
28.27 and management plan approved by the board under section 103G.2243, or, if a permit to
28.28 mine is required under section 93.481, under a mining reclamation plan approved by the
28.29 commissioner under the permit to mine. Mining reclamation plans shall apply the same
28.30 principles and standards for replacing wetlands by restoration or creation of wetland areas
28.31 that are applicable to mitigation plans approved as provided in section 103G.2242. Public
28.32 value must be determined in accordance with section 103B.3355 or a comprehensive
28.33 wetland protection and management plan established under section 103G.2243. Sections

S.F. No. 1395, as introduced - 86th Legislative Session (2009-2010) [09-1648]

29.1 103G.221 to 103G.2372 also apply to excavation in permanently and semipermanently
29.2 flooded areas of types 3, 4, and 5 wetlands.

29.3 (b) Replacement must be guided by the following principles in descending order
29.4 of priority:

29.5 (1) avoiding the direct or indirect impact of the activity that may destroy or diminish
29.6 the wetland;

29.7 (2) minimizing the impact by limiting the degree or magnitude of the wetland
29.8 activity and its implementation;

29.9 (3) rectifying the impact by repairing, rehabilitating, or restoring the affected
29.10 wetland environment;

29.11 (4) reducing or eliminating the impact over time by preservation and maintenance
29.12 operations during the life of the activity;

29.13 (5) compensating for the impact by restoring a wetland; and

29.14 (6) compensating for the impact by replacing or providing substitute wetland
29.15 resources or environments.

29.16 For a project involving the draining or filling of wetlands in an amount not exceeding
29.17 10,000 square feet more than the applicable amount in section 103G.2241, subdivision 9,
29.18 paragraph (a), the local government unit may make an on-site sequencing determination
29.19 without a written alternatives analysis from the applicant.

29.20 (c) If a wetland is located in a cultivated field, then replacement must be
29.21 accomplished through restoration only without regard to the priority order in paragraph
29.22 (b), provided that a deed restriction is placed on the altered wetland prohibiting
29.23 nonagricultural use for at least ten years.

29.24 (d) If a wetland is drained under section 103G.2241, subdivision 2, paragraphs
29.25 (b) and (e), the local government unit may require a deed restriction that prohibits
29.26 nonagricultural use for at least ten years unless the drained wetland is replaced as provided
29.27 under this section. The local government unit may require the deed restriction if it
29.28 determines the wetland area drained is at risk of conversion to a nonagricultural use within
29.29 ten years based on the zoning classification, proximity to a municipality or full service
29.30 road, or other criteria as determined by the local government unit.

29.31 (e) Restoration and replacement of wetlands must be accomplished in accordance
29.32 with the ecology of the landscape area affected and ponds that are created primarily to
29.33 fulfill stormwater management, and water quality treatment requirements may not be
29.34 used to satisfy replacement requirements under this chapter unless the design includes
29.35 pretreatment of runoff and the pond is functioning as a wetland.

30.1 (f) Except as provided in paragraph (g), for a wetland or public waters wetland
30.2 located on nonagricultural land, replacement must be in the ratio of two acres of replaced
30.3 wetland for each acre of drained or filled wetland.

30.4 (g) For a wetland or public waters wetland located on agricultural land or in a greater
30.5 than 80 percent area, replacement must be in the ratio of one acre of replaced wetland
30.6 for each acre of drained or filled wetland.

30.7 (h) Wetlands that are restored or created as a result of an approved replacement plan
30.8 are subject to the provisions of this section for any subsequent drainage or filling.

30.9 (i) Except in a greater than 80 percent area, only wetlands that have been restored
30.10 from previously drained or filled wetlands, wetlands created by excavation in nonwetlands,
30.11 wetlands created by dikes or dams along public or private drainage ditches, or wetlands
30.12 created by dikes or dams associated with the restoration of previously drained or filled
30.13 wetlands may be used in a statewide banking program established in rules adopted under
30.14 section 103G.2242, subdivision 1. Modification or conversion of nondegraded naturally
30.15 occurring wetlands from one type to another are not eligible for enrollment in a statewide
30.16 wetlands bank.

30.17 (j) The Technical Evaluation Panel established under section 103G.2242, subdivision
30.18 2, shall ensure that sufficient time has occurred for the wetland to develop wetland
30.19 characteristics of soils, vegetation, and hydrology before recommending that the wetland
30.20 be deposited in the statewide wetland bank. If the Technical Evaluation Panel has reason
30.21 to believe that the wetland characteristics may change substantially, the panel shall
30.22 postpone its recommendation until the wetland has stabilized.

30.23 (k) This section and sections 103G.223 to 103G.2242, 103G.2364, and 103G.2365
30.24 apply to the state and its departments and agencies.

30.25 (l) For projects involving draining or filling of wetlands associated with a new public
30.26 transportation project, and for projects expanded solely for additional traffic capacity,
30.27 public transportation authorities may purchase credits from the board at the cost to the
30.28 board to establish credits. Proceeds from the sale of credits provided under this paragraph
30.29 are appropriated to the board for the purposes of this paragraph. For the purposes of this
30.30 paragraph, "transportation project" does not include an airport project.

30.31 (m) A replacement plan for wetlands is not required for individual projects that
30.32 result in the filling or draining of wetlands for the repair, rehabilitation, reconstruction,
30.33 or replacement of a currently serviceable existing state, city, county, or town public road
30.34 necessary, as determined by the public transportation authority, to meet state or federal
30.35 design or safety standards or requirements, excluding new roads or roads expanded solely

31.1 for additional traffic capacity lanes. This paragraph only applies to authorities for public
31.2 transportation projects that:

31.3 (1) minimize the amount of wetland filling or draining associated with the project
31.4 and consider mitigating important site-specific wetland functions on-site;

31.5 (2) except as provided in clause (3), submit project-specific reports to the board, the
31.6 Technical Evaluation Panel, the commissioner of natural resources, and members of the
31.7 public requesting a copy at least 30 days prior to construction that indicate the location,
31.8 amount, and type of wetlands to be filled or drained by the project or, alternatively,
31.9 convene an annual meeting of the parties required to receive notice to review projects to
31.10 be commenced during the upcoming year; and

31.11 (3) for minor and emergency maintenance work impacting less than 10,000 square
31.12 feet, submit project-specific reports, within 30 days of commencing the activity, to the
31.13 board that indicate the location, amount, and type of wetlands that have been filled
31.14 or drained.

31.15 Those required to receive notice of public transportation projects may appeal
31.16 minimization, delineation, and on-site mitigation decisions made by the public
31.17 transportation authority to the board according to the provisions of section 103G.2242,
31.18 subdivision 9. The Technical Evaluation Panel shall review minimization and delineation
31.19 decisions made by the public transportation authority and provide recommendations
31.20 regarding on-site mitigation if requested to do so by the local government unit, a
31.21 contiguous landowner, or a member of the Technical Evaluation Panel.

31.22 Except for state public transportation projects, for which the state Department of
31.23 Transportation is responsible, the board must replace the wetlands, and wetland areas of
31.24 public waters if authorized by the commissioner or a delegated authority, drained or filled
31.25 by public transportation projects on existing roads.

31.26 Public transportation authorities at their discretion may deviate from federal and
31.27 state design standards on existing road projects when practical and reasonable to avoid
31.28 wetland filling or draining, provided that public safety is not unreasonably compromised.
31.29 The local road authority and its officers and employees are exempt from liability for
31.30 any tort claim for injury to persons or property arising from travel on the highway and
31.31 related to the deviation from the design standards for construction or reconstruction under
31.32 this paragraph. This paragraph does not preclude an action for damages arising from
31.33 negligence in construction or maintenance on a highway.

31.34 (n) If a landowner seeks approval of a replacement plan after the proposed project
31.35 has already affected the wetland, the local government unit may require the landowner to

S.F. No. 1395, as introduced - 86th Legislative Session (2009-2010) [09-1648]

32.1 replace the affected wetland at a ratio not to exceed twice the replacement ratio otherwise
32.2 required.

32.3 (o) A local government unit may request the board to reclassify a county or
32.4 watershed on the basis of its percentage of presettlement wetlands remaining. After
32.5 receipt of satisfactory documentation from the local government, the board shall change
32.6 the classification of a county or watershed. If requested by the local government unit,
32.7 the board must assist in developing the documentation. Within 30 days of its action to
32.8 approve a change of wetland classifications, the board shall publish a notice of the change
32.9 in the ~~Environmental Quality Board Monitor~~ State Register.

32.10 (p) One hundred citizens who reside within the jurisdiction of the local government
32.11 unit may request the local government unit to reclassify a county or watershed on the basis
32.12 of its percentage of presettlement wetlands remaining. In support of their petition, the
32.13 citizens shall provide satisfactory documentation to the local government unit. The local
32.14 government unit shall consider the petition and forward the request to the board under
32.15 paragraph (o) or provide a reason why the petition is denied.

32.16 Sec. 7. Minnesota Statutes 2008, section 103H.151, subdivision 4, is amended to read:

32.17 Subd. 4. **Evaluation.** The commissioners of agriculture and the Pollution Control
32.18 Agency shall, through field audits and other appropriate means, monitor the use and
32.19 effectiveness of best management practices developed and promoted under this section.
32.20 The information collected must be ~~submitted to the Environmental Quality Board,~~
32.21 ~~which must include the information~~ included in the report required in section 103A.43,
32.22 paragraph ~~(d)~~ (b).

32.23 Sec. 8. Minnesota Statutes 2008, section 103H.175, subdivision 3, is amended to read:

32.24 Subd. 3. **Report.** In each even-numbered year, the Pollution Control Agency, in
32.25 cooperation with other agencies participating in the monitoring of water resources, shall
32.26 provide a draft report on the status of groundwater monitoring ~~to the Environmental~~
32.27 ~~Quality Board for review and then~~ to the house of representatives and senate committees
32.28 with jurisdiction over the environment, natural resources, and agriculture as part of the
32.29 report in section 103A.204.

32.30 Sec. 9. Minnesota Statutes 2008, section 115A.072, subdivision 1, is amended to read:

32.31 Subdivision 1. **Environmental Education Advisory Board.** (a) The commissioner
32.32 shall provide for the development and implementation of environmental education
32.33 programs that are designed to meet the goals listed in section 115A.073.

S.F. No. 1395, as introduced - 86th Legislative Session (2009-2010) [09-1648]

33.1 (b) The Environmental Education Advisory Board shall advise the commissioner in
33.2 carrying out the commissioner's responsibilities under this section. The board consists of
33.3 20 members as follows:

33.4 (1) a representative of the Pollution Control Agency, appointed by the commissioner
33.5 of the agency;

33.6 (2) a representative of the Department of Education, appointed by the commissioner
33.7 of education;

33.8 (3) a representative of the Department of Agriculture, appointed by the commissioner
33.9 of agriculture;

33.10 (4) a representative of the Department of Health, appointed by the commissioner
33.11 of health;

33.12 (5) a representative of the Department of Natural Resources, appointed by the
33.13 commissioner of natural resources;

33.14 (6) a representative of the Board of Water and Soil Resources, appointed by that
33.15 board;

33.16 ~~(7) a representative of the Environmental Quality Board, appointed by that board;~~

33.17 ~~(8)~~ (7) a representative of the Board of Teaching, appointed by that board;

33.18 ~~(9)~~ (8) a representative of the University of Minnesota Extension Service, appointed
33.19 by the director of the service;

33.20 ~~(10)~~ (9) a citizen member from each congressional district, of which two must be
33.21 licensed teachers currently teaching in the K-12 system, appointed by the commissioner;
33.22 and

33.23 ~~(11)~~ (10) three at-large citizen members, appointed by the commissioner.

33.24 The citizen members shall serve two-year terms. Compensation of board members is
33.25 governed by section 15.059, subdivision 6. The board expires on June 30, 2008.

33.26 Sec. 10. Minnesota Statutes 2008, section 115A.32, is amended to read:

33.27 **115A.32 RULES.**

33.28 The ~~board~~ Pollution Control Agency shall ~~promulgate~~ adopt rules pursuant to
33.29 chapter 14 to govern its activities under sections 115A.32 to 115A.39. ~~For the purposes of~~
33.30 ~~sections 115A.32 to 115A.39, "board" means the Environmental Quality Board established~~
33.31 ~~in section 116C.03. In all of its activities and deliberations under sections 115A.32 to~~
33.32 ~~115A.39, the board shall consult with the commissioner of the Pollution Control Agency.~~

33.33 Sec. 11. Minnesota Statutes 2008, section 116C.02, is amended by adding a subdivision
33.34 to read:

34.1 Subd. 1a. **Agency.** "Agency" means the Pollution Control Agency.

34.2 Sec. 12. Minnesota Statutes 2008, section 116C.04, subdivision 1, is amended to read:

34.3 Subdivision 1. **Scope; votes.** ~~The Additional powers and duties of the Minnesota~~
34.4 ~~Environmental Quality Board~~ Pollution Control Agency shall be as provided in this
34.5 section and as otherwise provided by law or executive order. Actions of the ~~board~~ agency
34.6 shall be taken only at an open meeting upon a majority vote of all the permanent members
34.7 of the board.

34.8 Sec. 13. Minnesota Statutes 2008, section 116C.04, subdivision 7, is amended to read:

34.9 Subd. 7. **Annual congress.** At its discretion, the ~~board~~ agency shall convene an
34.10 annual ~~Environmental Quality Board~~ congress including, but not limited to, representatives
34.11 of state, federal and regional agencies, citizen organizations, associations, industries,
34.12 colleges and universities, and private enterprises who are active in or have a major impact
34.13 on environmental quality. The purpose of the congress shall be to receive reports and
34.14 exchange information on progress and activities related to environmental improvement.

34.15 Sec. 14. Minnesota Statutes 2008, section 116C.71, is amended by adding a subdivision
34.16 to read:

34.17 Subd. 1d. **Agency.** "Agency" means the Pollution Control Agency.

34.18 Sec. 15. Minnesota Statutes 2008, section 116F.06, subdivision 2, is amended to read:

34.19 Subd. 2. **Agency review; sale prohibition.** The agency shall review new or
34.20 revised packages or containers except when such changes involve only color, size, shape
34.21 or printing. The agency shall review innovations including, but not limited to, changes
34.22 in constituent materials or combinations thereof and changes in closures. When the
34.23 agency determines that any new or revised package or container would constitute a
34.24 solid waste disposal problem or be inconsistent with state environmental policies, the
34.25 manufacturer of the product may withdraw it from further consideration until such time as
34.26 the manufacturer may resubmit such product to the agency, or, the agency may, by order
34.27 made after notice and hearing as provided in chapter 14, and following an additional
34.28 period not to exceed 30 days ~~during which the Environmental Quality Board may review~~
34.29 ~~the proposed action~~, prohibit the sale of the package or container in the state. Any such
34.30 prohibition shall continue in effect until revoked by the agency or until the last legislative
34.31 day of the next following legislative session, whichever occurs first, unless extended by

35.1 law. This subdivision shall not apply to any package or container sold at retail in this
35.2 state prior to September 7, 1979.

35.3 Sec. 16. Minnesota Statutes 2008, section 116G.03, is amended by adding a
35.4 subdivision to read:

35.5 Subd. 1a. **Agency.** "Agency" means the Pollution Control Agency.

35.6 Sec. 17. Minnesota Statutes 2008, section 116G.15, is amended to read:

35.7 **116G.15 MISSISSIPPI RIVER CRITICAL AREA.**

35.8 (a) The federal Mississippi National River and Recreation Area established
35.9 pursuant to United States Code, title 16, section 460zz-2(k), is designated an area of
35.10 critical concern in accordance with this chapter. The governor shall review the existing
35.11 Mississippi River critical area plan and specify any additional standards and guidelines
35.12 to affected communities in accordance with section 116G.06, subdivision 2, paragraph
35.13 (b), clauses (3) and (4), needed to insure preservation of the area pending the completion
35.14 of the federal plan.

35.15 The results of an environmental impact statement prepared under chapter 116D
35.16 begun before and completed after July 1, 1994, for a proposed project that is located in
35.17 the Mississippi River critical area north of the United States Army Corps of Engineers
35.18 Lock and Dam Number One must be submitted in a report to the chairs of the environment
35.19 and natural resources policy and finance committees of the house of representatives
35.20 and the senate prior to the issuance of any state or local permits and the authorization
35.21 for an issuance of any bonds for the project. A report made under this paragraph shall
35.22 be submitted by the responsible governmental unit that prepared the environmental
35.23 impact statement, and must list alternatives to the project that are determined by the
35.24 environmental impact statement to be economically less expensive and environmentally
35.25 superior to the proposed project and identify any legislative actions that may assist in the
35.26 implementation of environmentally superior alternatives. This paragraph does not apply
35.27 to a proposed project to be carried out by the Metropolitan Council or a metropolitan
35.28 agency as defined in section 473.121.

35.29 (b) If the results of an environmental impact statement required to be submitted by
35.30 paragraph (a) indicate that there is an economically less expensive and environmentally
35.31 superior alternative, then no member agency of the Environmental Quality Board,
35.32 as comprised in 1995, shall issue a permit for the facility that is the subject of the
35.33 environmental impact statement, other than an economically less expensive and
35.34 environmentally superior alternative, nor shall any government bonds be issued for

36.1 the facility, other than an economically less expensive and environmentally superior
36.2 alternative, until after the legislature has adjourned its regular session sine die in 1996.

36.3 Sec. 18. Minnesota Statutes 2008, section 116G.151, is amended to read:

36.4 **116G.151 REQUIRED ENVIRONMENTAL ASSESSMENT WORKSHEET;**
36.5 **FACILITIES IN MISSISSIPPI RIVER AREA.**

36.6 (a) Until completion of an environmental assessment worksheet that complies with
36.7 the rules of the Environmental Quality Board, or its successor, and this section, a state
36.8 or local agency may not issue a permit for construction or operation of a metal materials
36.9 shredding project with a processing capacity in excess of 20,000 tons per month that
36.10 would be located in the Mississippi River critical area, as described in section 116G.15,
36.11 upstream from United States Corps of Engineers Lock and Dam Number One.

36.12 (b) The Pollution Control Agency is the responsible governmental unit for the
36.13 preparation of an environmental assessment worksheet required under this section.

36.14 (c) In addition to the contents required under law and rule, an environmental
36.15 assessment worksheet completed under this section must also include the following major
36.16 categories:

36.17 (1) effects of operation of the project, including vibrations and airborne particulates
36.18 and dust, on the Mississippi River;

36.19 (2) effects of operation of the project, including vibrations and airborne particulates
36.20 and dust, on adjacent businesses and on residents and neighborhoods;

36.21 (3) effects of operation of the project on barge and street traffic;

36.22 (4) discussion of alternative sites considered by the project proposer for the
36.23 proposed project, possible design modifications including site layout, and the magnitude
36.24 of the project;

36.25 (5) mitigation measures that could eliminate or minimize any adverse environmental
36.26 effects of the proposed project;

36.27 (6) impact of the proposed project on the housing, park, and recreational use of
36.28 the river;

36.29 (7) effects of waste and implication of the disposal of waste generated from the
36.30 proposed project;

36.31 (8) effects on water quality from the project operations, including wastewater
36.32 generated from operations of the proposed project;

36.33 (9) potential effects from fugitive emissions, fumes, dust, noise, and vibrations
36.34 from project operations;

37.1 (10) compatibility of the existing operation and proposed operation with other
37.2 existing uses;

37.3 (11) the report of the expert required by paragraph (g).

37.4 (d) In addition to the publication and distribution provisions relating to
37.5 environmental assessment worksheets under law and rule, notice of environmental
37.6 assessment worksheets performed by this section shall also be published in a newspaper of
37.7 general circulation as well as community newspapers in the affected neighborhoods.

37.8 (e) A public meeting in the affected communities must be held on the environmental
37.9 assessment worksheet prepared under this section. After the public meeting on the
37.10 environmental assessment worksheet, there must be an additional 30-day period for review
37.11 and comment on the environmental assessment worksheet.

37.12 (f) If the Pollution Control Agency determines that information necessary to make a
37.13 reasonable decision about potential of significant environmental impacts is insufficient,
37.14 the agency shall make a positive declaration and proceed with an environmental impact
37.15 statement.

37.16 (g) The Pollution Control Agency shall retain an expert in the field of toxicology
37.17 who is capable of properly analyzing the potential effects and content of any airborne
37.18 particulates, fugitive emissions, and dust that could be produced by a metal materials
37.19 shredding project. The Pollution Control Agency shall obtain any existing reports or
37.20 documents from a governmental entity or project proposer that analyzes or evaluates the
37.21 potential hazards of airborne particulates, fugitive emissions, or dust from the construction
37.22 or operation of a metal materials shredding project in preparing the environmental
37.23 assessment worksheet. The agency and the expert shall prepare, as part of the report, a risk
37.24 assessment of the types of metals permitted to be shredded as compared to the types of
37.25 materials that are likely to be processed at the facility. In performing the risk assessment,
37.26 the agency and the expert must consider any actual experience at similar facilities. The
37.27 report must be included as part of the environmental assessment worksheet.

37.28 (h) If the Pollution Control Agency determines that ~~under the rules of the~~
37.29 ~~Environmental Quality Board~~ an environmental impact statement should be prepared, the
37.30 Pollution Control Agency shall be the responsible governmental unit for preparation of the
37.31 environmental impact statement.

37.32 Sec. 19. Minnesota Statutes 2008, section 137.56, is amended to read:

37.33 **137.56 ENVIRONMENTAL REVIEW.**

37.34 The commissioner must not make an annual payment required by this act until the
37.35 board has completed an environmental review of the stadium project and the commissioner

38.1 determines that the board is performing the duties of the responsible governmental unit
38.2 as prescribed in the Minnesota Environmental Policy Act, chapter 116D, and the rules
38.3 adopted under that chapter. ~~The legislature ratifies the Environmental Quality Board's~~
38.4 ~~designation of the board as a responsible governmental unit.~~

38.5 Sec. 20. **TRANSFER OF ENVIRONMENTAL QUALITY BOARD AND DUTIES**
38.6 **TO THE POLLUTION CONTROL AGENCY.**

38.7 Subdivision 1. **Transfer of duties.** (a) In order to improve the efficiency of state
38.8 government, the functions, powers, duties, and responsibilities of the Environmental
38.9 Quality Board are transferred to the commissioner of the Pollution Control Agency. This
38.10 transfer will more closely align environmental and education functions carried out by state
38.11 agency staff within a single state agency.

38.12 (b) Rulemaking authority of the Environmental Quality Board is transferred to the
38.13 Pollution Control Agency. All rules adopted by the Environmental Quality Board remain
38.14 in effect and shall be enforced until amended or repealed in accordance with law by the
38.15 Pollution Control Agency.

38.16 (c) The Pollution Control Agency is the legal successor in all respects of the
38.17 Environmental Quality Board. The bonds, resolutions, contracts, and liabilities of the
38.18 Environmental Quality Board become the bonds, resolutions, contracts, and liabilities of
38.19 the Pollution Control Agency. Any proceedings, court actions, prosecution, or other
38.20 business or matter pending on the effective date of the transfer may be conducted and
38.21 completed by the Pollution Control Agency in the same manner, under the same terms and
38.22 conditions, and with the same effect, as though they involved or were commenced and
38.23 conducted or completed prior to the transfer from the Environmental Quality Board.

38.24 Subd. 2. **Transfer of Environmental Quality Board to Pollution Control Agency.**
38.25 Effective July 1, 2009, the Environmental Quality Board and the duties covered in sections
38.26 116C.01 to 116C.06, are transferred to the commissioner of the Pollution Control Agency.
38.27 However, the Environmental Quality Board will continue to function with its present role
38.28 and responsibilities through June 30, 2010. On July, 1, 2010, the functions of the board
38.29 are assumed by the Pollution Control Agency.

38.30 Subd. 3. **Report to the legislature.** By January 15, 2010, the Pollution Control
38.31 Agency in conjunction with the Environmental Quality Board shall provide a report to the
38.32 appropriate chairs of the environmental committees of the legislature that shall address
38.33 the following:

39.1 (1) identify any existing Environmental Quality Board duties, functions, and
39.2 responsibilities that are obsolete and should be abolished or are appropriately transferred
39.3 to another agency;

39.4 (2) describe how the agency shall operationally address the separation of its
39.5 environmental review policy setting from its environmental review regulatory role
39.6 regarding specific facilities;

39.7 (3) describe how the agency shall ensure effective and fair coordination and
39.8 collaboration among state agencies on environmental policy and planning issues;

39.9 (4) describe how the agency shall ensure effective accessibility and involvement of
39.10 the public on environmental issues;

39.11 (5) describe how the agency shall ensure effective public and agency discussions of
39.12 current and emerging environmental topics relevant to Minnesota including but not limited
39.13 to air quality, water quality, land use, resource protection, greenhouse gases, climate
39.14 change, population shifts, economic growth, and technological change; and

39.15 (6) consider the impact of replacing the Environmental Quality Board by the agency
39.16 relative to the ability of the state of Minnesota to encourage debate concerning population,
39.17 economic, and technological growth so that the consequences and causes of alternative
39.18 decisions can be known and understood by the public and its government.

39.19 Subd. 4. **Transfer of staff.** Effective July 1, 2009, the staff of the Environmental
39.20 Quality Board are transferred to the Pollution Control Agency under section 15.039. In
39.21 addition to any other protection, no employee in the classified service shall suffer job loss,
39.22 have a salary reduced, or have employment benefits reduced as a result of a reorganization
39.23 mandated or recommended under authority of this section. No action taken after July 1,
39.24 2010, shall be considered a result of reorganization for the purposes of this section.

39.25 Subd. 5. **Remaining balance.** Any balance remaining as of June 30, 2009, from the
39.26 Environmental Quality Board rulemaking account in the general fund at the Department
39.27 of Administration shall be transferred to the Pollution Control Agency to be used for its
39.28 original purpose established in Laws 2007, chapter 57, article 1, section 4, subdivision 10.

39.29 **Sec. 21. REVISOR'S INSTRUCTION.**

39.30 Except for Minnesota Statutes, sections 103B.151, subdivision 1, clause (2);
39.31 116C.77; 116C.771; 116C.842, subdivisions 1a, 2a, 3a, 3b, and 4; 116G.151; 216B.2425,
39.32 subdivision 6; and 473.581, and where the content indicates otherwise, the revisor shall
39.33 change the reference to the "Environmental Quality Board" to the "Pollution Control
39.34 Agency" wherever it appears in Minnesota Statutes. Where the term "board" is used to

S.F. No. 1395, as introduced - 86th Legislative Session (2009-2010) [09-1648]

40.1 refer to the "Environmental Quality Board" in Minnesota Statutes, the revisor shall change
40.2 the term to "agency."

40.3 Sec. 22. **REPEALER.**

40.4 Minnesota Statutes 2008, sections 13.7411, subdivision 9; 116C.02, subdivision
40.5 2; 116C.03, subdivisions 1, 2, 2a, 3a, 4, 5, and 6; 116C.24, subdivision 2; 116C.71,
40.6 subdivisions 1c and 2a; 116C.91, subdivision 2; 116F.06, subdivision 2; and 116G.03,
40.7 subdivision 2, are repealed effective July 1, 2010.

APPENDIX
Article locations in 09-1648

ARTICLE 1	STATE GOVERNMENT APPROPRIATIONS	Page.Ln 1.23
ARTICLE 2	STATE GOVERNMENT OPERATIONS	Page.Ln 11.4
ARTICLE 3	TRANSFER OF ENVIRONMENTAL QUALITY BOARD	Page.Ln 25.25